

Market research

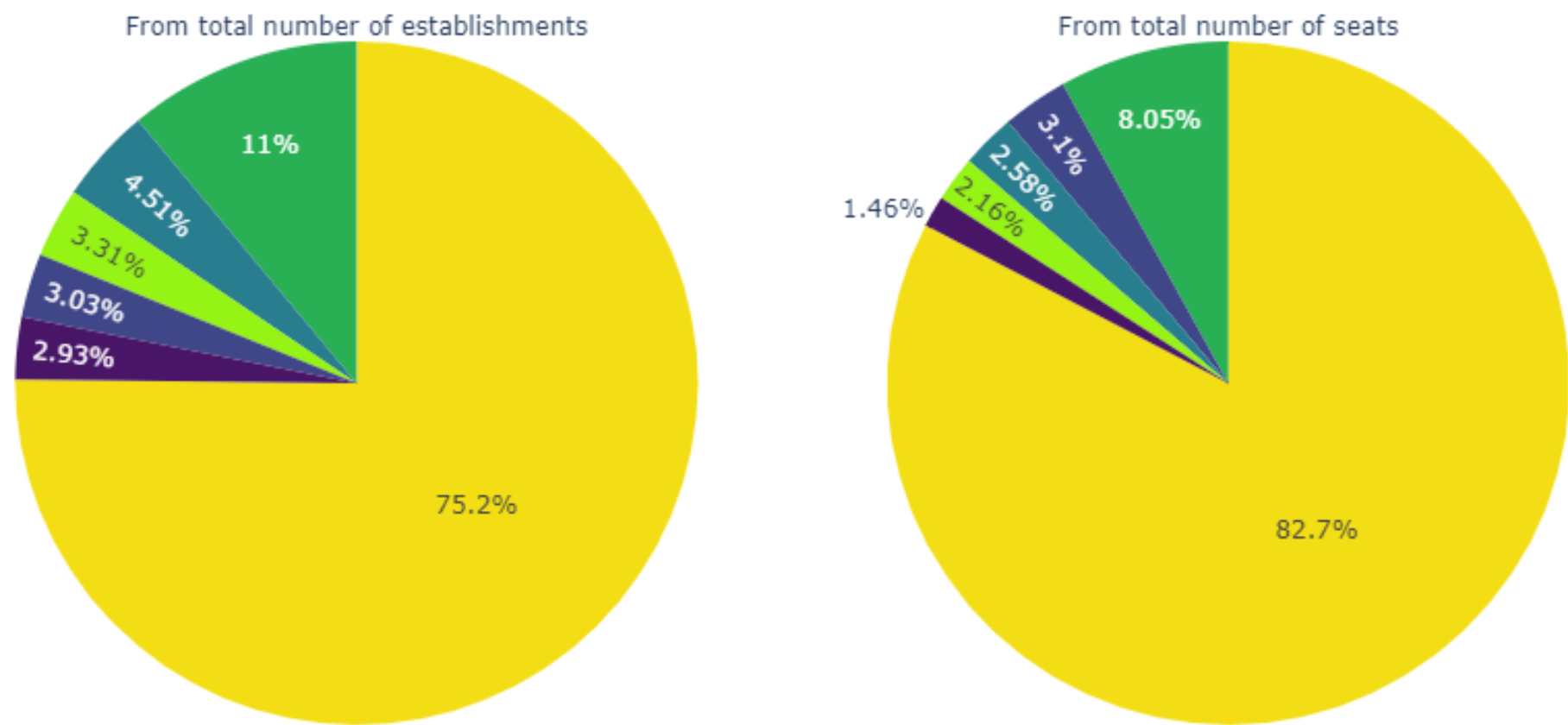
Can robot-run cafe maintain it success in Los Angeles?

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General conclusions

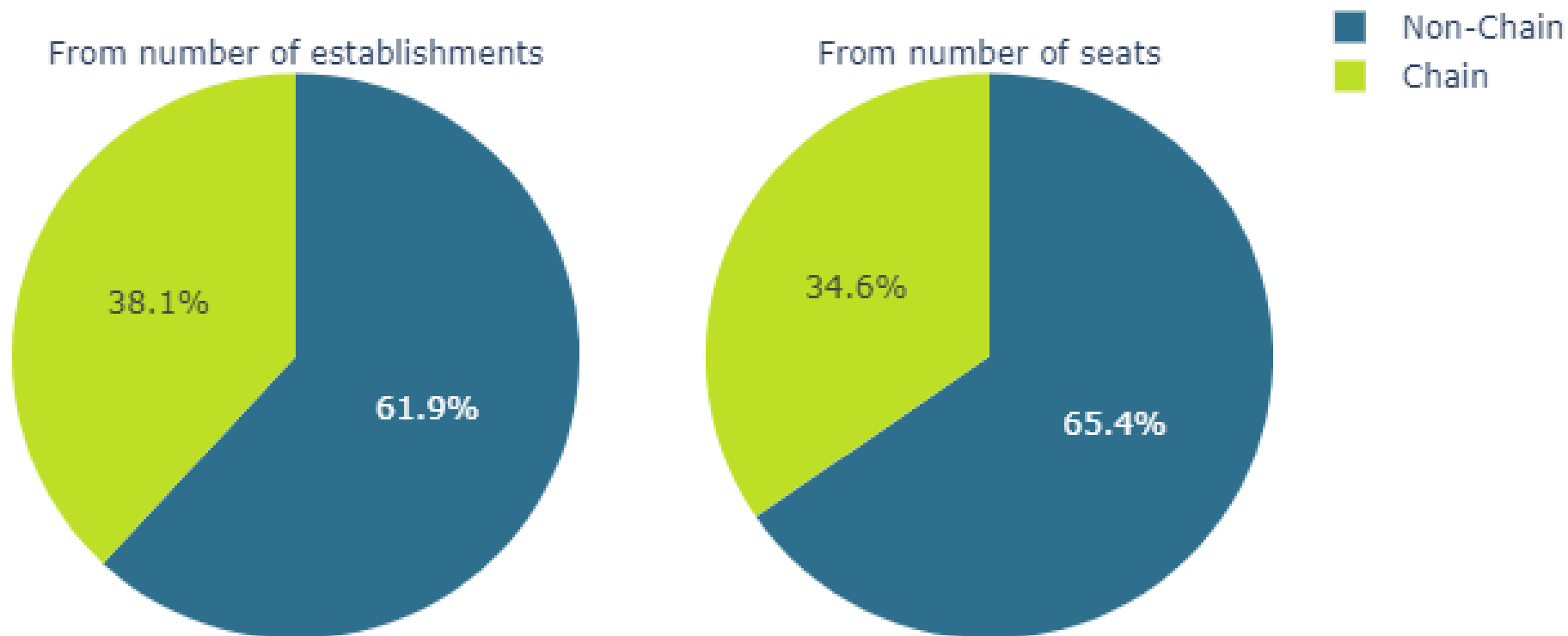
- Restaurants have the biggest share in number of establishments (75.2%). Second comes fast-food with 11% , and third come cafes with 4.5% of total number of establishments.
- Although only 38% of all establishments tend to be chains, for cafes it's 61%.
- Cafes tend to have a lot of establishments with a small number of seats (25 on average).
- There are very popular streets with enormous number of establishments (and a lot of people looking for food and attractions)

Proportions of various types of establishments



- Here we clearly see that restaurants have the biggest share both in number of establishments (75.2%) and in total number of seats(82.7%).
- Second comes fast-food with 11% of all establishments.
- Third come cafes - their share of the market is 4.5% of total number of establishments.

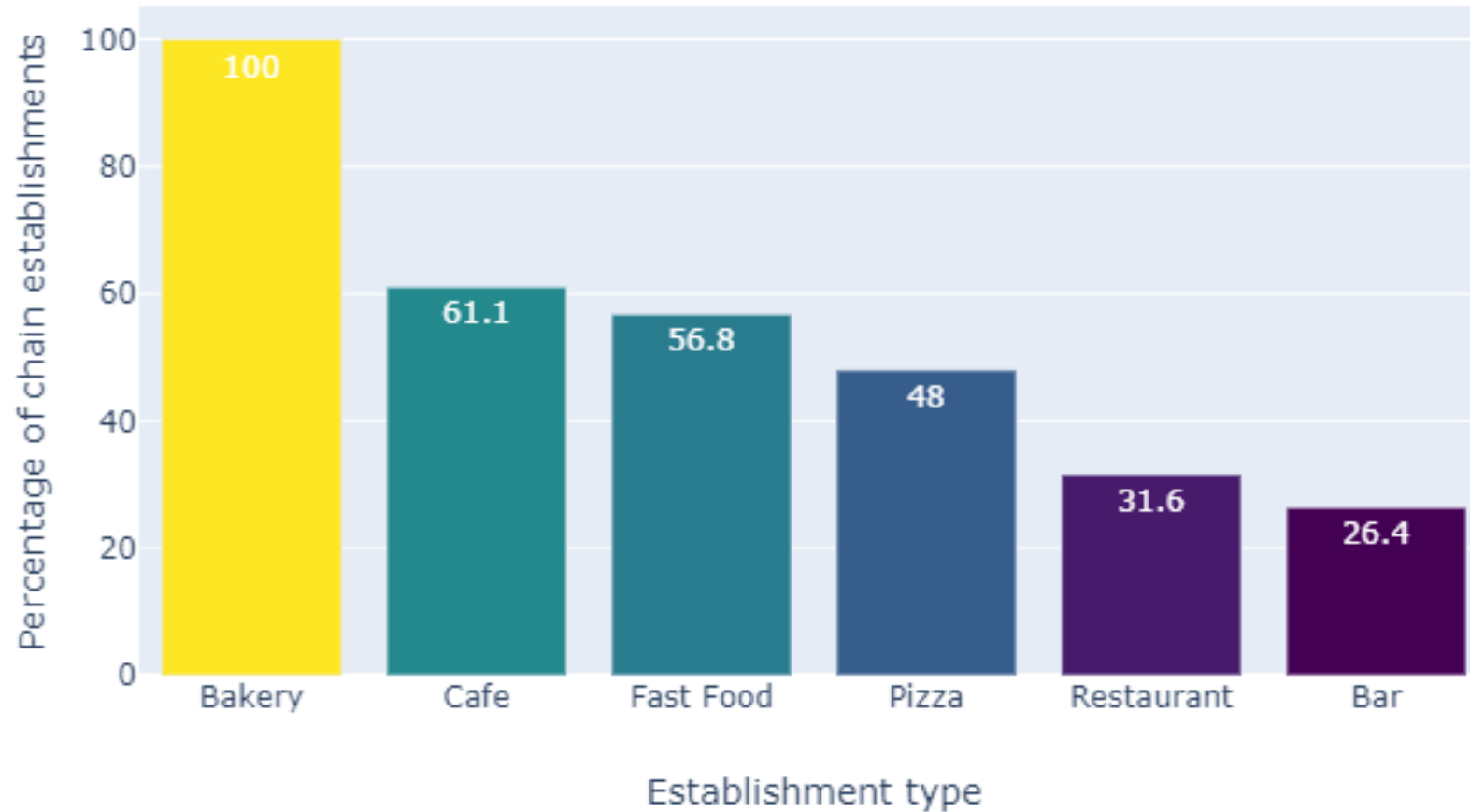
Proportions of chain/non-chain establishments



- We see that non-chain establishments lead with almost 62% from total number of establishments, and 65.4% from total number of seats.
- Chain establishments have 38% from number of establishments and 34.6% from total number of seats, respectively.

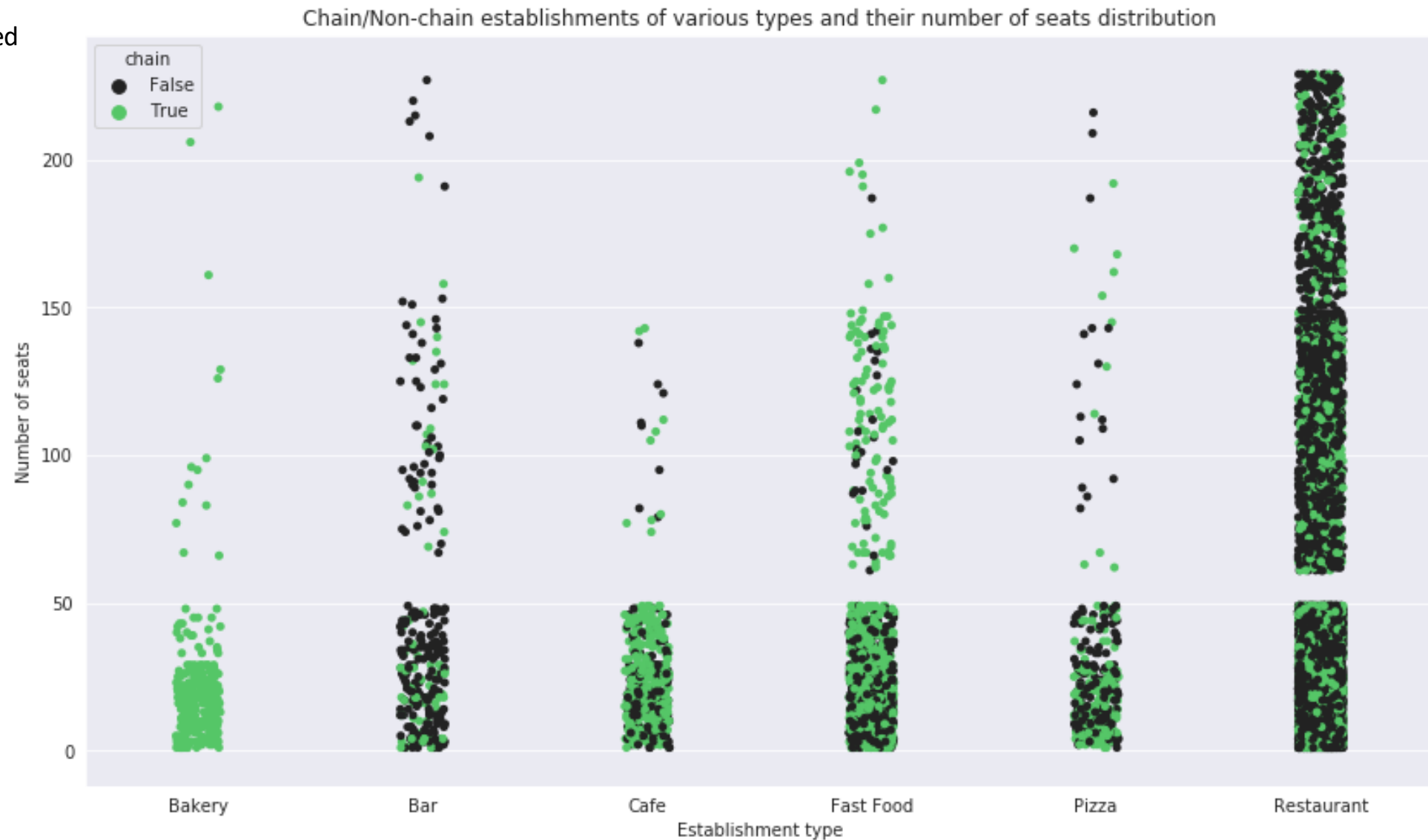
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Percentage of chain establishments for various types of establishments



- We clearly see that all bakerys are chain establishments - 100% of them!
- Cafes, fast food and pizzas have similar percentage (48-61%) of chain establishments.
- For restaurants and bars percentage of chain establishments is the lowest: 31% and 26%, respectively

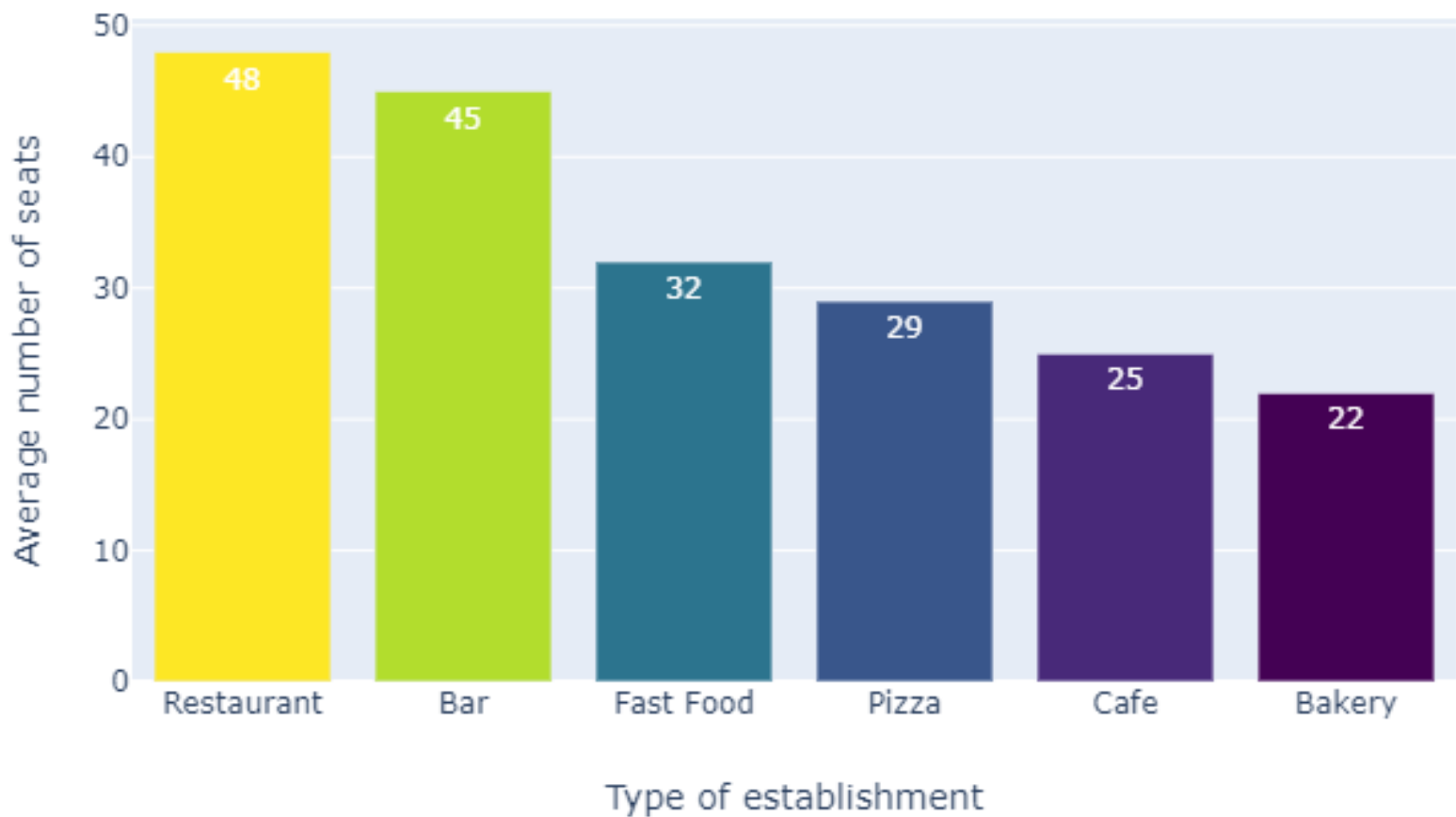
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Here we're talking about chains (green color), so we're looking at bakerys, cafes and fast food establishments. For these types there are way more establishments with less than 50 seats, and way less establishments with more than 50 seats. Taking that into account, we can say that what characterizes chains is that they have many establishments with small number of seats.

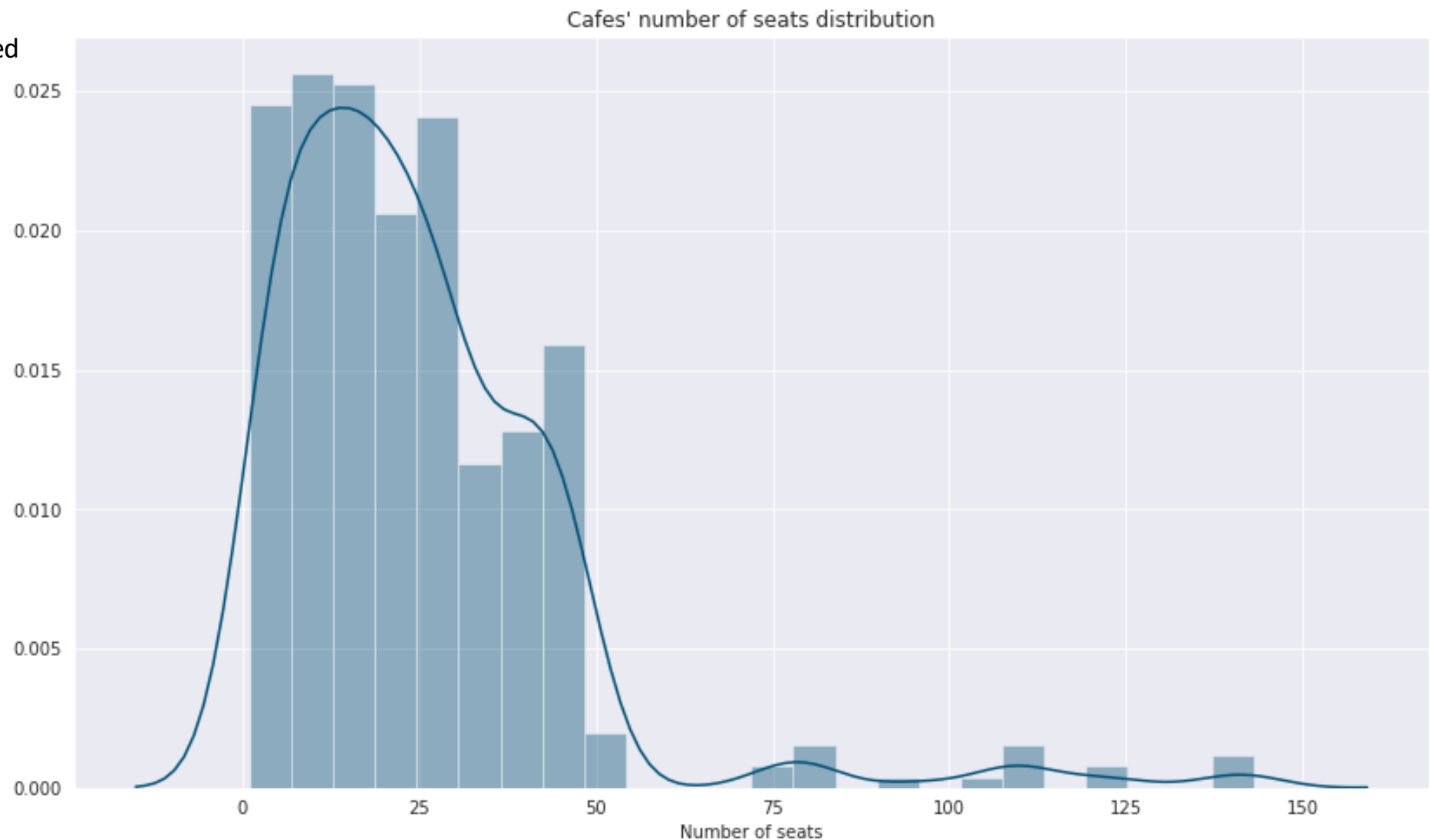
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Average number of seats in various types of establishments



We see that restaurants on average have the greatest number of seats (48), bars are close with average of 45 seats. All other types of establishments on average have significantly lower number of seats.

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In addition we'll take a closer look at cafes' number of seats distribution, and there we see that almost all cafes have less than 50 seats, and bigger part of them have no more than 30 seats.

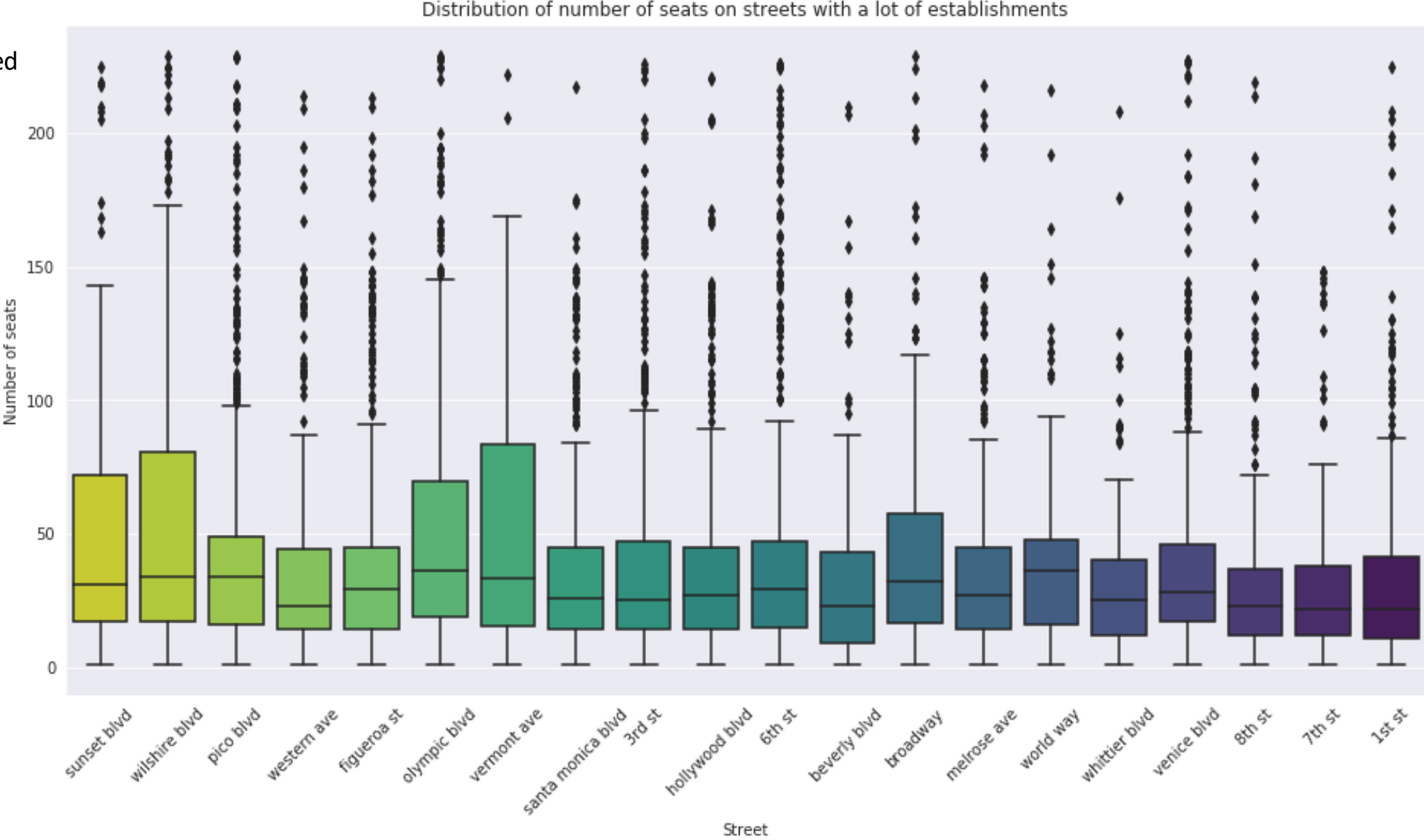
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Top 10 streets by number of establishments



- All these streets are major streets, some called "arterial". They're very long, that's how one street can have 250-400 establishments.
- Together there are 3233 establishments on these top 10 streets.
- On the contrary, there are 266 streets which have only one establishment on each.

Source:
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As for distribution of number of seats - there are 5 standing out streets: Vermont avenue, Wilshire boulevard, Sunset boulevard, Olympic boulevard, and Broadway - there are more establishments with big number of seats on these streets. However, the median number of seats doesn't vary very much, and it's never more than 30.

General recommendations

- First of all, our task is about robot-run cafe, so we'll assume that's our goal.
- Cafes' share of the market isn't that big (4.5%), but only fast food and restaurants' shares are bigger.
- We also see that although in general, only 38% of establishments are chains, for cafes percentage of chain establishments is significantly higher - 61%, so there's a good possibility of developing a chain.
- Cafes as all establishments which tend to be chains are characterized by having a lot of establishments with a small number of seats. On average, cafe has 25 seats, and most of them has even less.
- Taking all that into account, I would recommend to open a small robot-run cafe with up to 25 seats, choose one of the top streets, which have many establishments and therefore are more attractive to people (in addition, I would recommend to pay more attention to streets which tend to have a lot big establishments - and therefore, less small establishments).