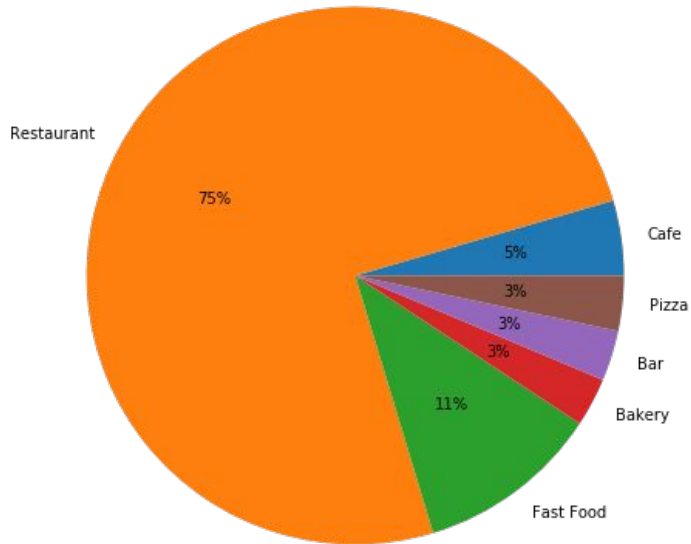# Market Research for Hospitality Establishments in LA

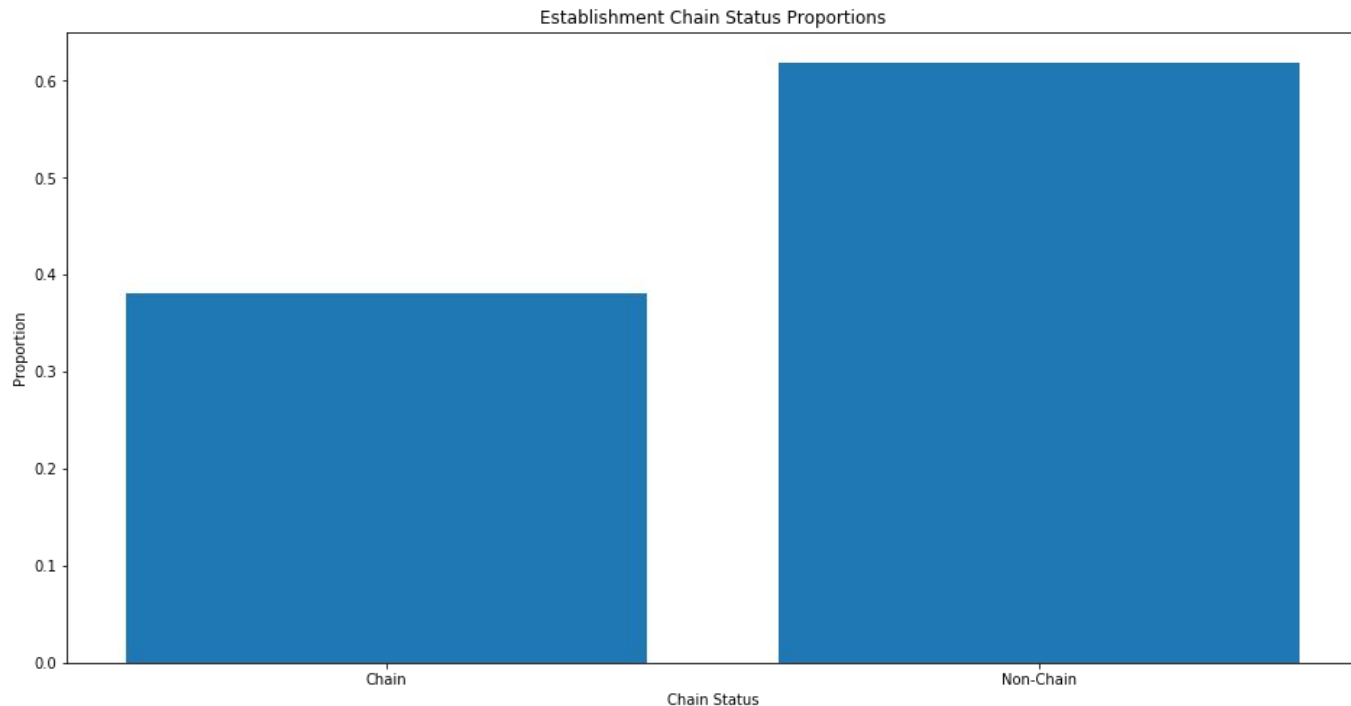## (Relating to Automated Cafe)

Part 1: Overview of Hospitality Establishment Proportions in LA
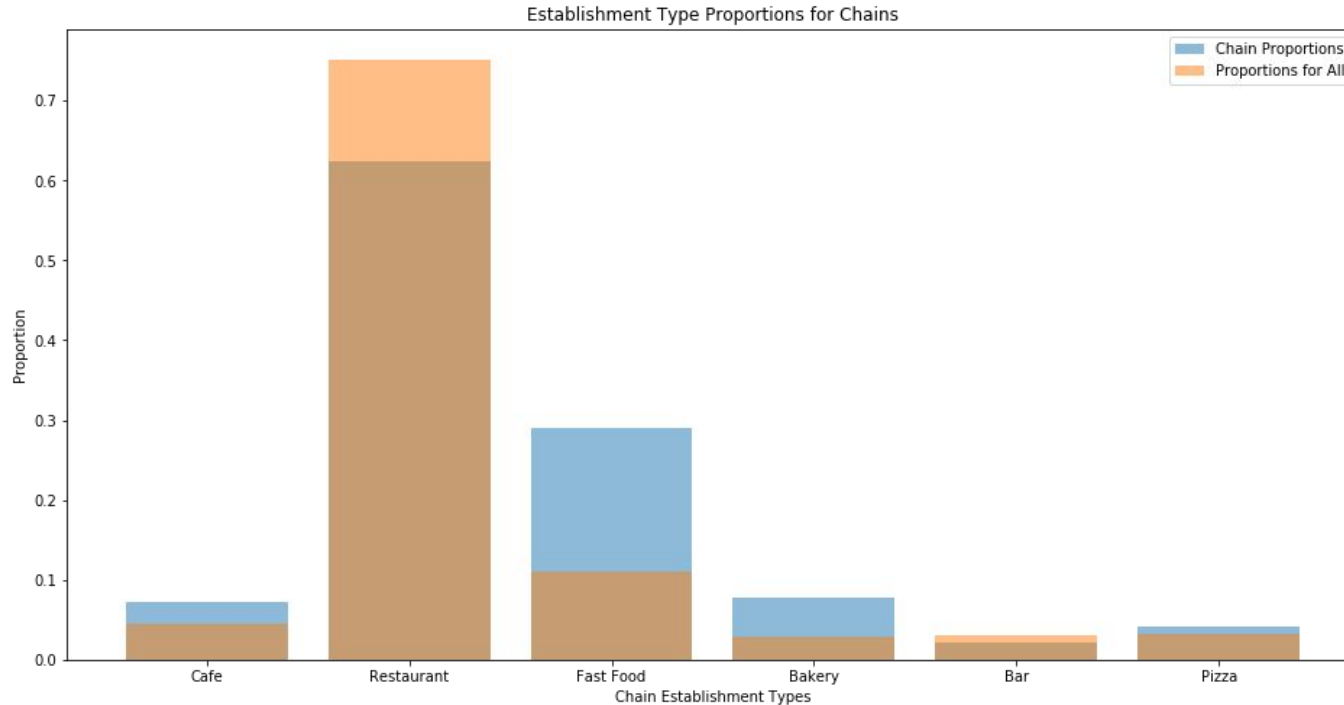

Establishment Type Proportions

- Restaurants are the most common hospitality establishment at 75%
- Over 10% of LA establishments are fast food
- Other establishment types fall around 5% or lower

Part 1: Overview of Hospitality Establishment Proportions in LA

Establishment Chain Status Proportions

About 3/5ths of establishments are non-chian

Part 1: Overview of Hospitality Establishment Proportions in LA

Establishment Type Proportions for Chains

For chain establishments, cafes & fast food show an increase in proportion when compared to all establishments

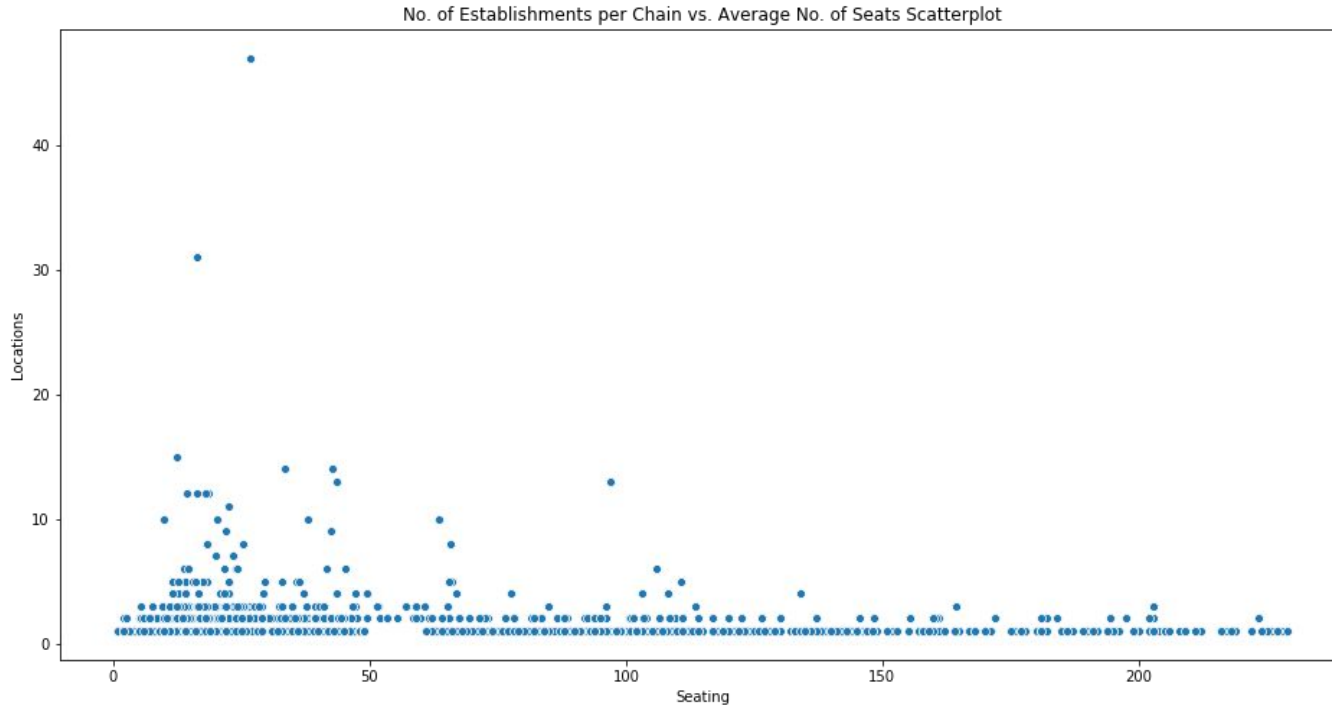# Part 1: Overview of Hospitality Establishment Proportions in LA Summary

An automated cafe would be characterized by:

- high, up-front development costs
- low quantity of menu items
- rapid service
- low overhead

Additionally, existing automation in the hospitality industry primarily exists in fast food chains. Automated cafes have most in common with other chain cafes and fast food restaurants. As such, an automated cafe would succeed better as a chain imitating other chain cafes and fast food restaurants.
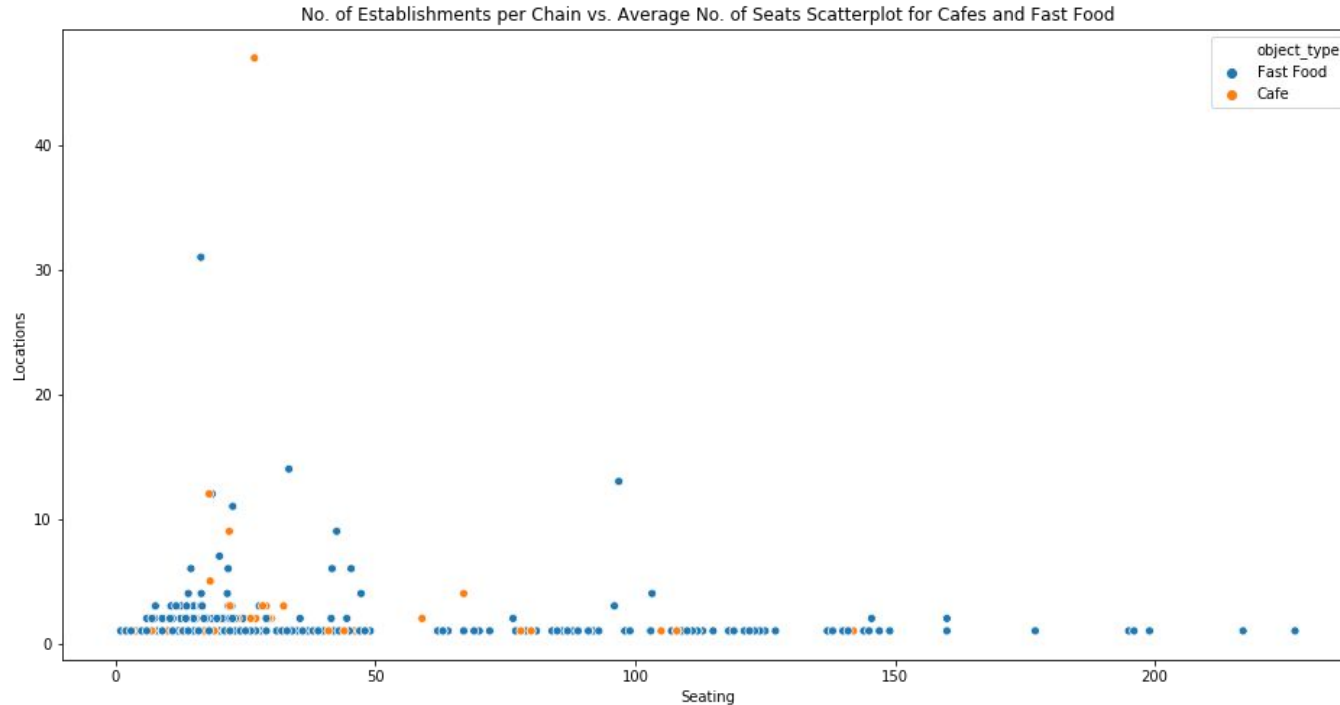
Part 2: Chain Location Quantity and Seating Capacity

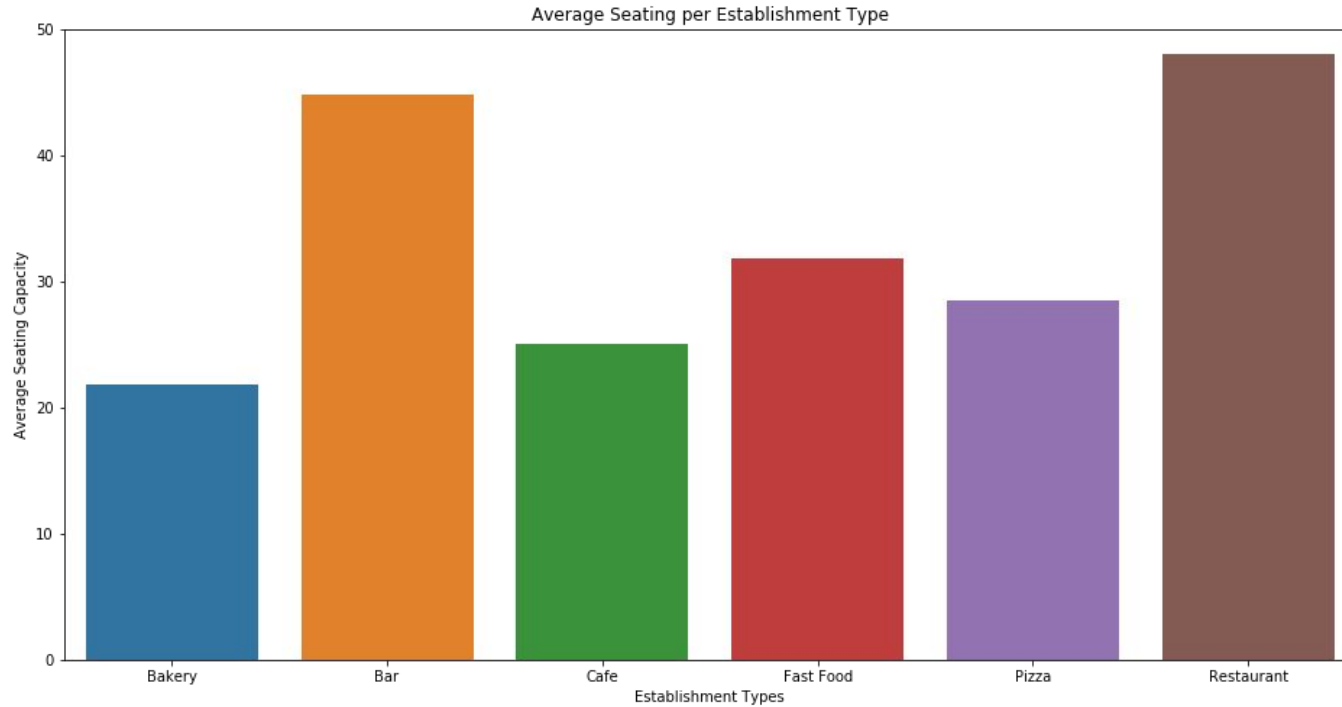No. of Establishments per Chain vs. Average No. of Seats Scatterplot

Commonalities:

- One or two locations
- Seating capacity up to 200
- Majority fall within 50 seats

Part 2: Chain Location Quantity and Seating Capacity

No. of Establishments per Chain vs. Average No. of Seats Scatterplot for Cafes and Fast Food
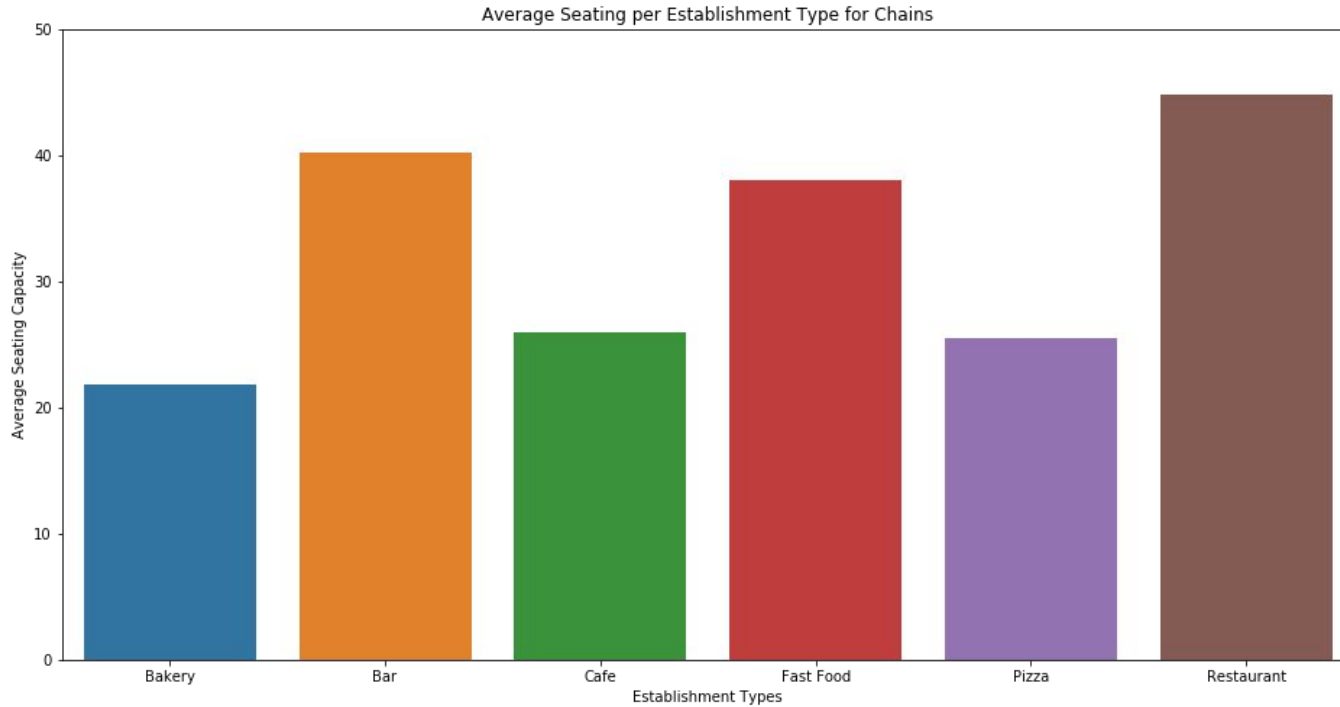

Most cafe/fast food chains fall within seating capacity of 50, especially when multiple locations are involved

Part 2: Chain Location Quantity and Seating Capacity

Average Seating per Establishment Type

Most cafes and fast food establishments have an average seating capacity around upper 20s

Part 2: Chain Location Quantity and Seating Capacity

Average Seating per Establishment Type for Chains

For chains, there is an slight increase in seating capacity for cafes and a significant increase for fast food

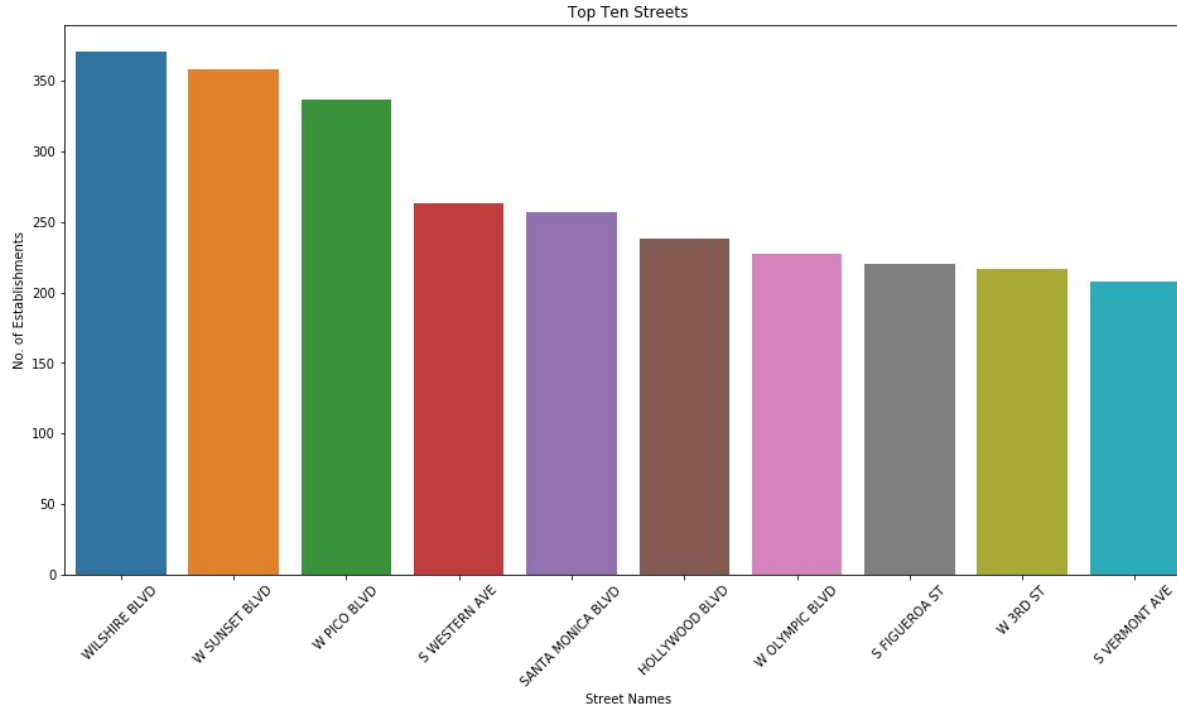# Part 2: Chain Location Quantity and Seating Capacity Summary

- eating capacity of under 50 seats is the established standard (especially if multiple locations are preferred to capitalize on high initial investment and low long term overhead)
- Common seating capacity for establishments similar to an automated cafe fall within 20 and 40 seats

Part 3: Popular Streets

The ten most popular streets for hospitality establishments in LA:

- WILSHIRE BLVD
- W SUNSET BLVD
- W PICO BLVD
- S WESTERN AVE
- SANTA MONICA BLVD
- HOLLYWOOD BLVD
- W OLYMPIC BLVD
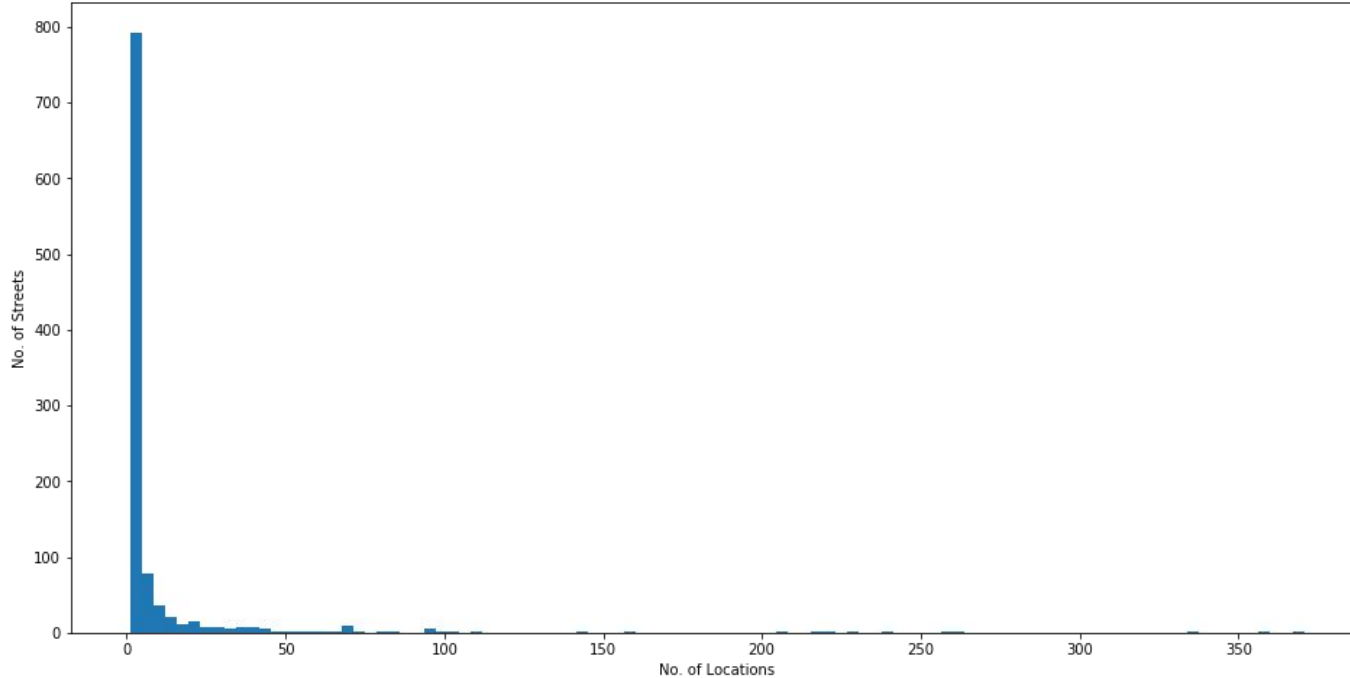- S FIGUEROA ST
- W 3RD ST
- S VERMONT AVE

Part 3: Popular Streets

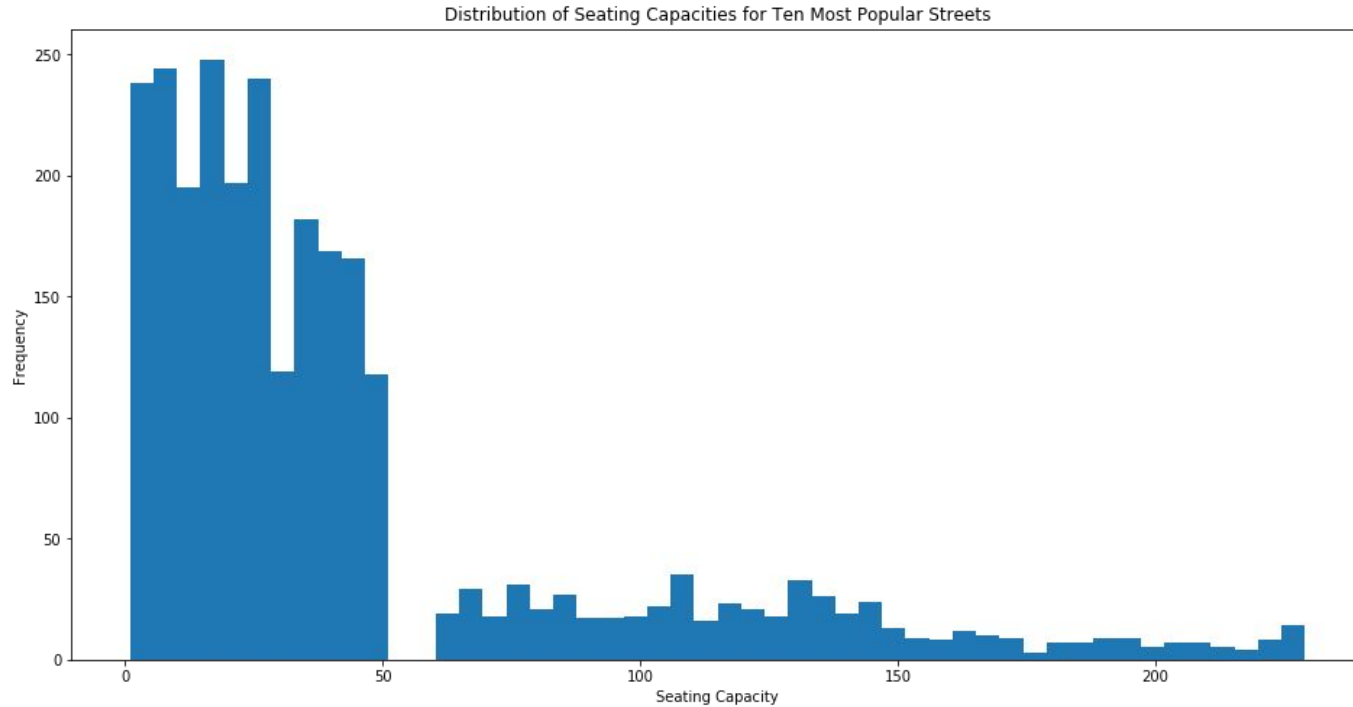Popular streets contain around 200 to 400 establishments

Part 3: Popular Streets

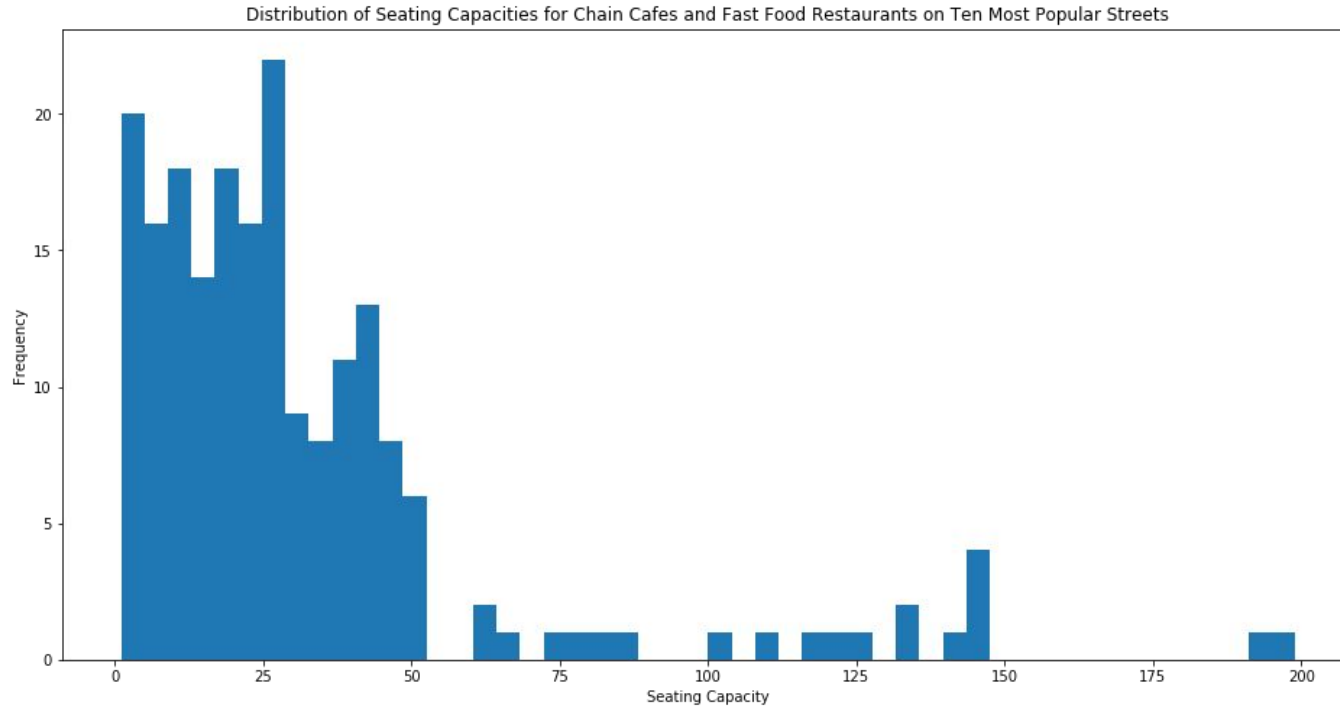Distribution of Locations per Street

- 587 streets contain only a single establishment
- Most successful restaurants are located on a relatively few number of popular streets

Part 3: Popular Streets

Distribution of Seating Capacities for Ten Most Popular Streets

Establishments located on the most popular streets typically fall within a seating capacity of 50

Part 3: Popular Streets

Distribution of Seating Capacities for Chain Cafes and Fast Food Restaurants on Ten Most Popular Streets

For chain cafes and fast food restaurants, seating capacity peaks around 25 and drops sharply after

Part 3: Popular Streets
Summary

- Most existing establishments are located on a low number of popular streets
- The seating capacity for establishments on these popular streets typically falls within 50 seats
- For establishments of interest (chain cafes and fast food), we see a peak in distribution at 25 on the busiest streets

Overall Conclusions:

- Successful automated cafes will most likely imitate existing cafes and fast food establishments
- Existing cafes and fast food establishments have greater market proportions as chains when compared to other chains (they typically fair better as chains compared to other establishment types)
- Existing establishments predominately succeed on a small number of popular streets
- Cafes and fast food chains with multiple locations (preferable for capitalization on high initial investment and low long term overhead) typically fall within a seating capacity of 20 to 40 seats
- For the ten busiest streets, the seating capacity for relevant establishments peaks at 25 seats and drops sharply after
- Successful automated cafes will most likely be chains, located on the most popular streets, with a seating capacity of around 25 or less seats