

# **Market Research/Analysis**

**The Current Market Condition for Our Proposed Robot-Run Cafe in Los Angeles**

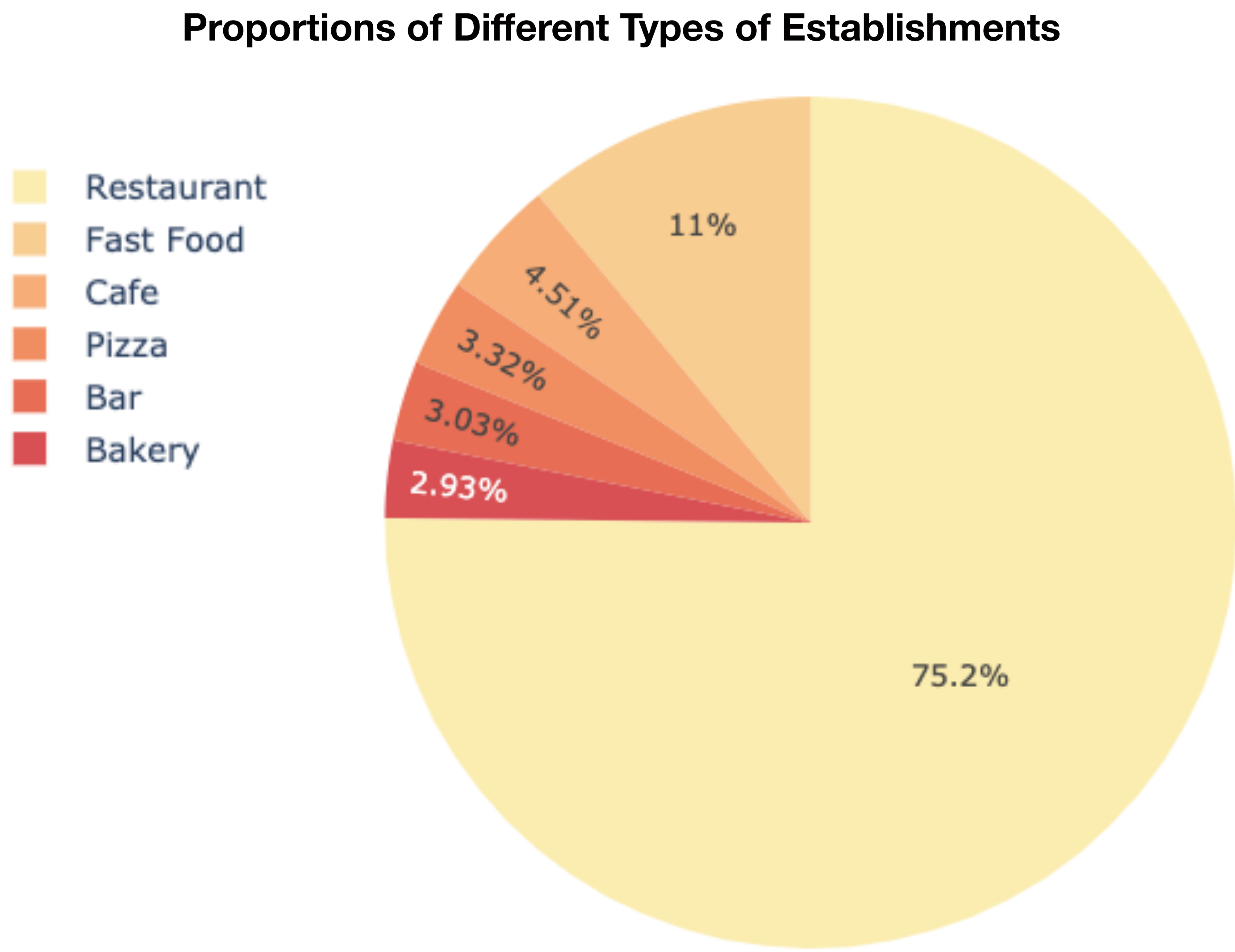
By Uchenna Oli

# Objective

The objective of this presentation is to show the trend and current market condition for our proposed robot-run cafe in Los-Angeles.

We will look at the different types of establishments with their proportions regarding chains and non-chains establishments. We will, also, look what characterises chain establishment and the top 10 streets with the highest number of cafes, restaurants, and establishments. Finally, we will look at the average number of seats in each establishment and the top 6 Streets with their frequencies in Number of Seats in the Establishments.

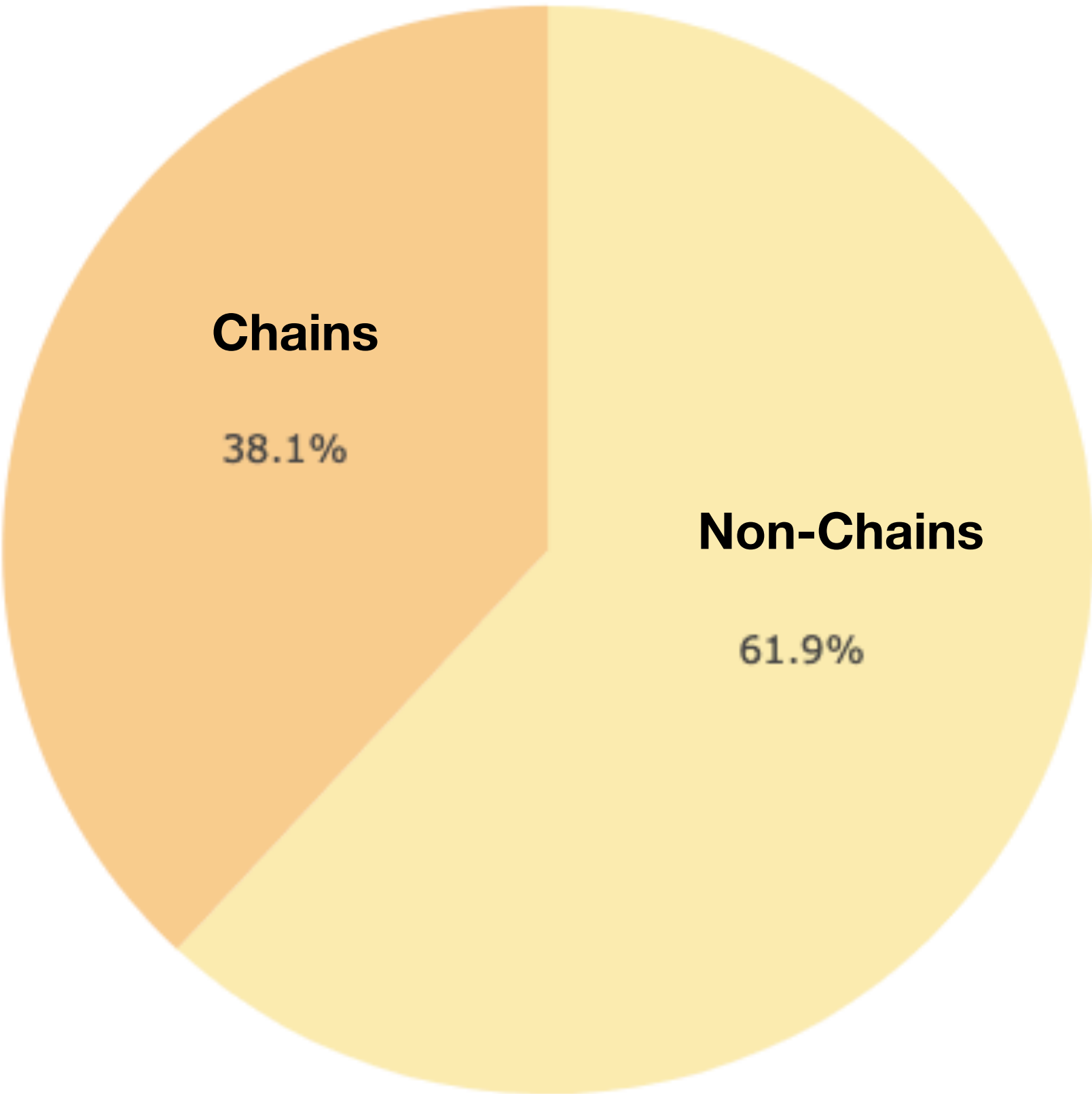
We will then make our conclusions and offer our recommendations.



Establishments	Count
Restaurant	7255
Fast Food	1066
Cafe	435
Pizza	320
Bar	292
Bakery	283

- More than 75% of the establishments are restaurants. In other words, there are over 3 times more restaurants than there are other (bakery, bar, cafe, fast food, pizza) establishments put together.
- Bakery has the least number (2.93%) of establishments followed by bar and our focus establishment ranks 3rd (4.51%) in number.

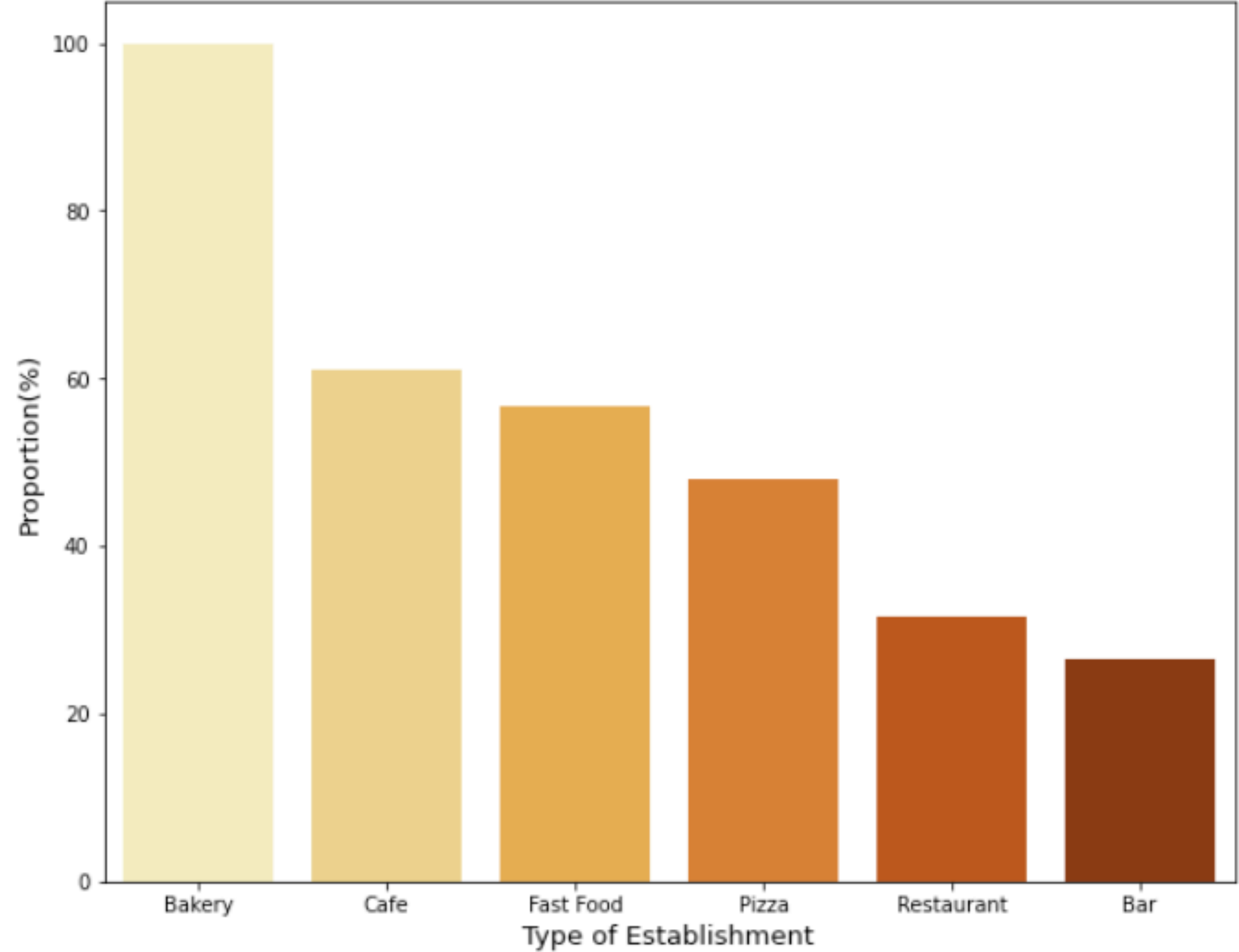
Proportions of Chains and Non-Chains Establishment



Types	Count
Chains	3676
Non-Chains	5972

Non-chains are higher in number and proportion than chain establishments.

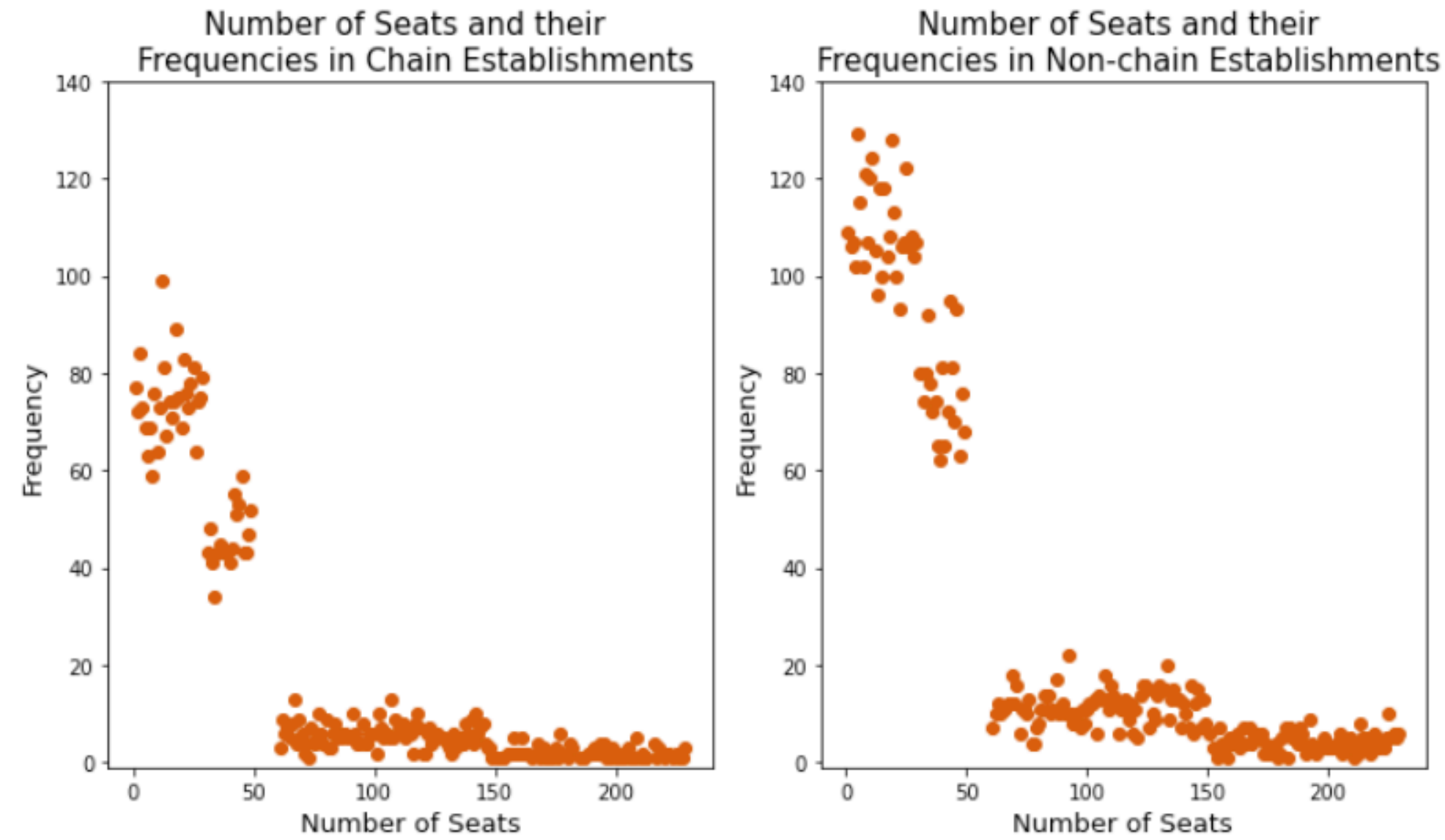
Proportion of True Chains of each Establishment to the Total Number of the Establishment



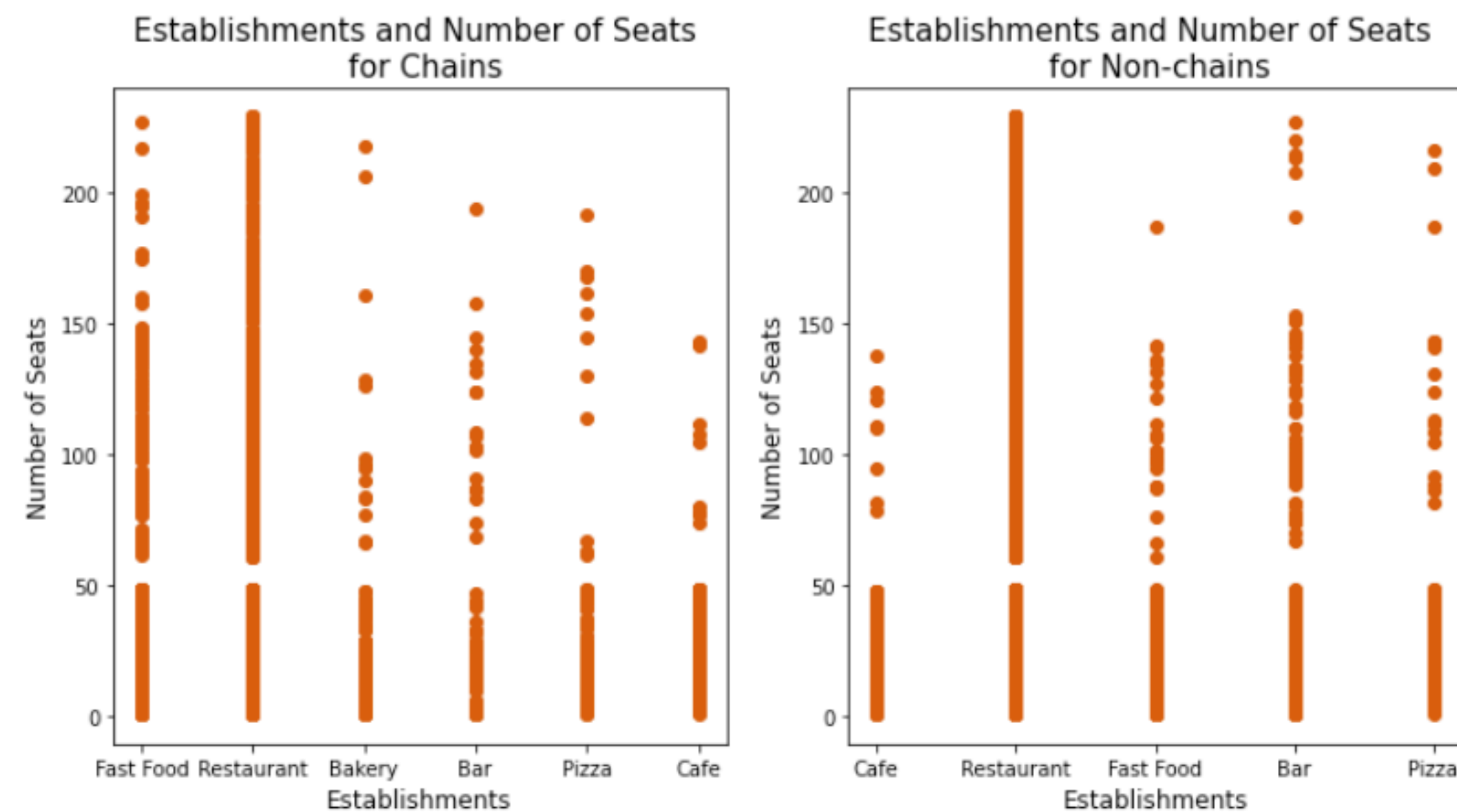
Establishment	Non-Chain	True Chain	Proportion(%)
Bakery	0	283	100
Cafe	169	266	61.1
Fast Food	416	605	56.8
Pizza	166	153	48
Restaurant	4961	2292	31.6
Bar	215	77	26.4

- Bakery has the least number of establishments, but it is 100% a typical chain establishment.
- More than half of the establishments in Cafes (61.1%) and Fast Foods (56.8%) are typical chain establishments.
- Restaurant has the highest number of establishments, and only 31.6% is a typical chain.
- Bar has the least proportion (26.4%) of chain establishments

# Characteristics of Chain Establishments



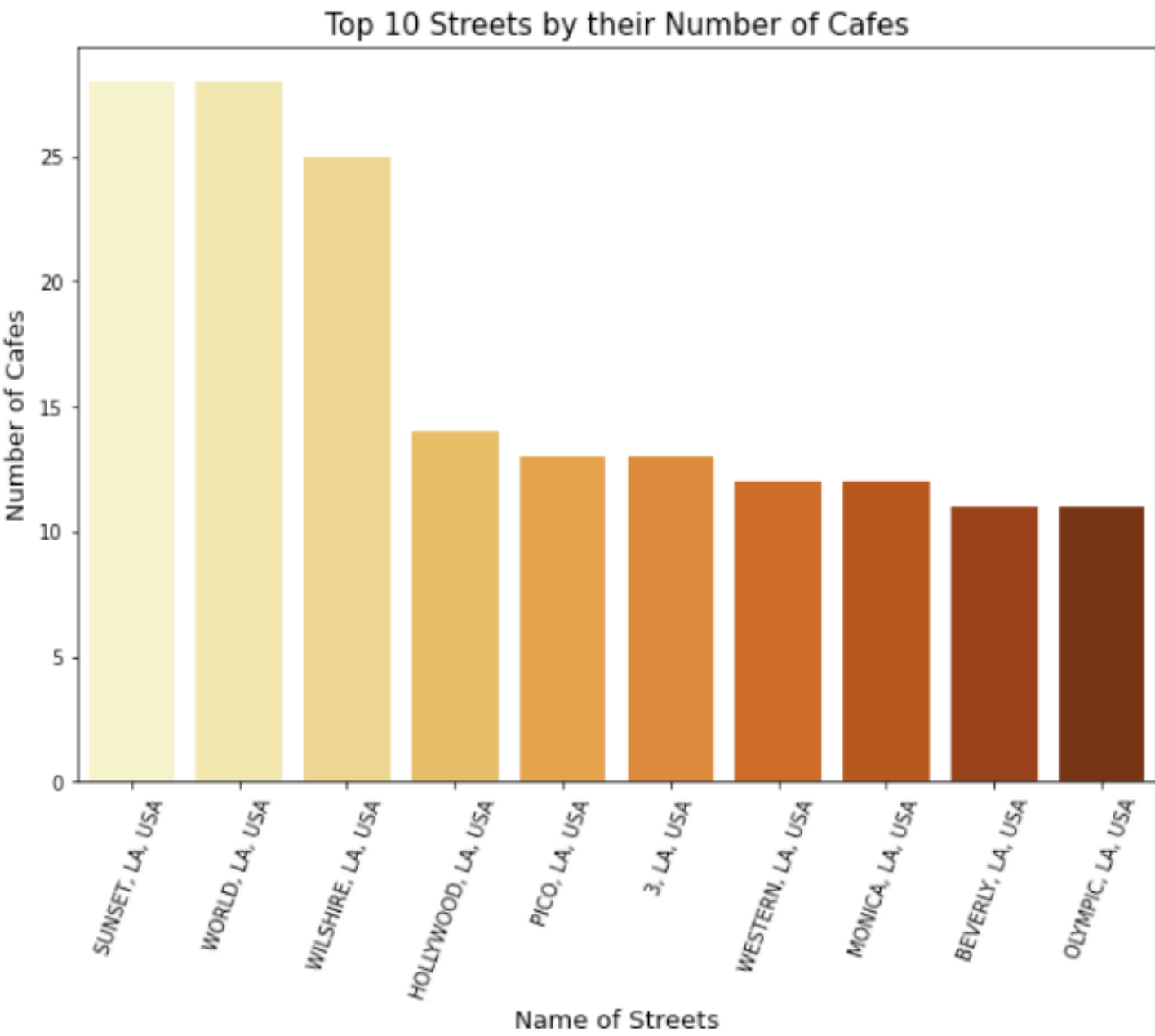
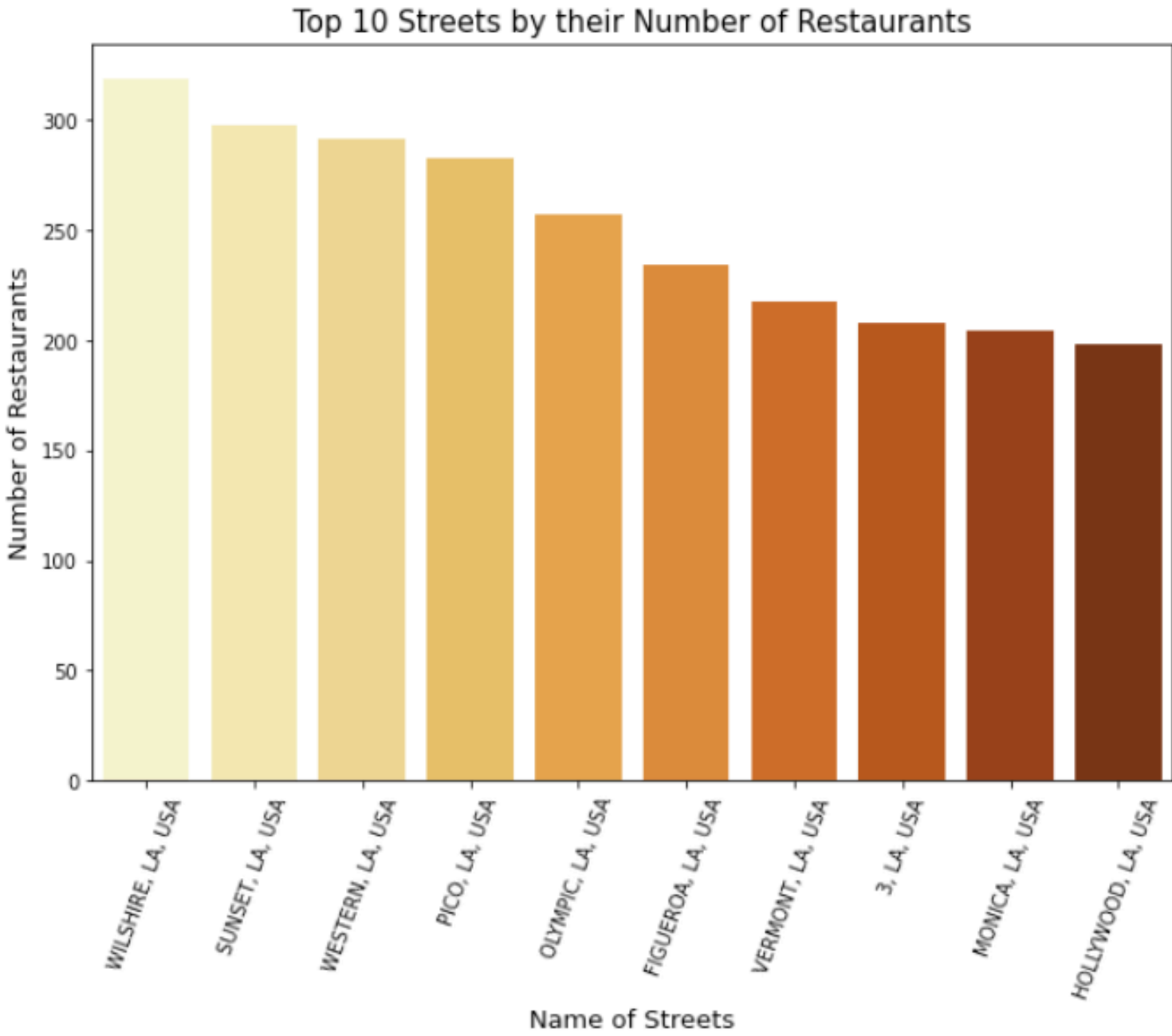
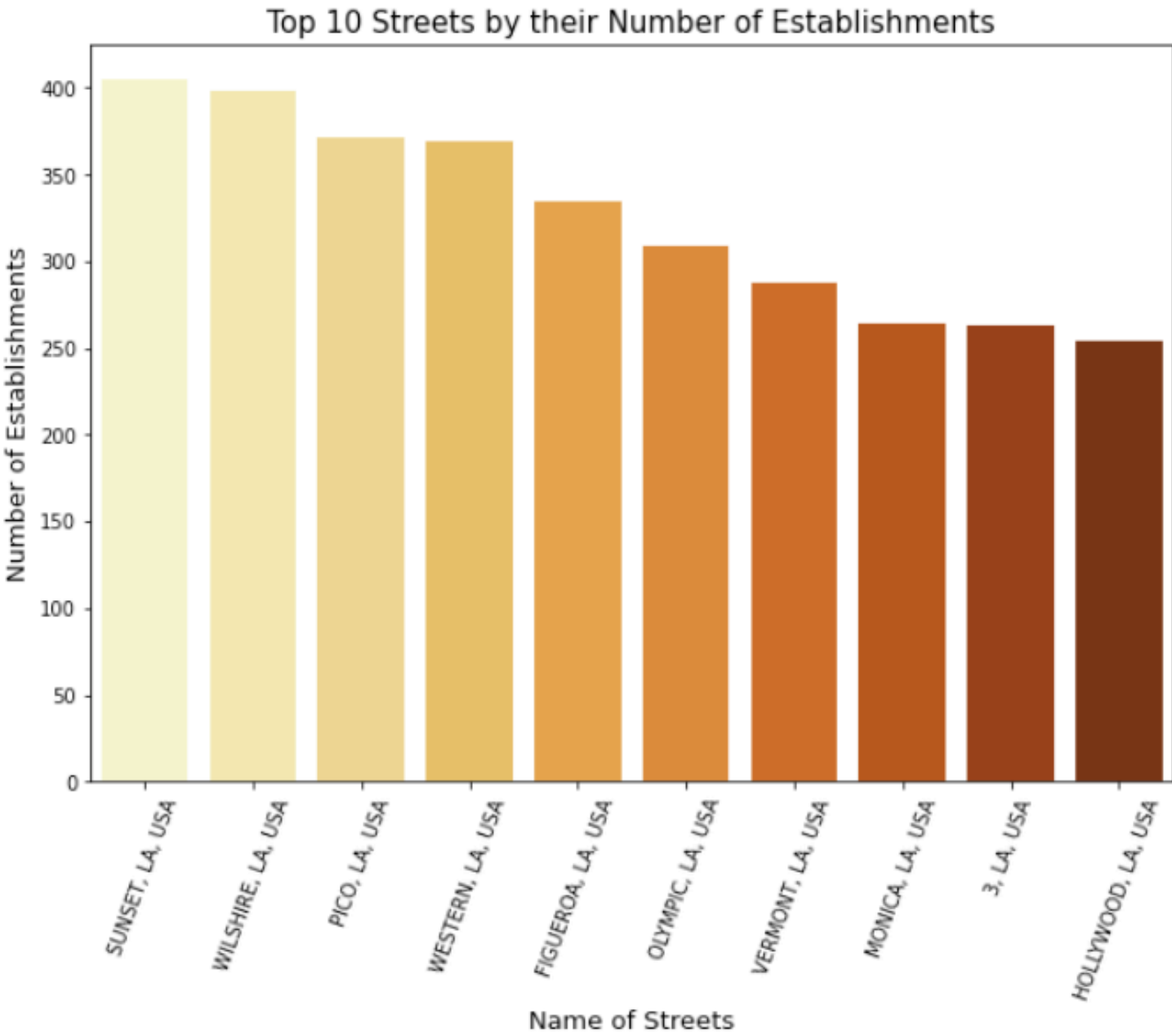
- Chain establishments with 0 to 50 number of seats have the maximum frequency of 100 while those of the non-chain establishments have frequencies more than 120. This implies that non-chain establishments have a lot more number of seats between 0 and 50 than chain establishments.
- Chain establishments with 50 to a little over 200 seats have their frequencies not up to 20 while those of the non-chain establishments have their frequencies up to 30. This implies that there are higher number of seats between 50 and above in non-chain establishments than there are in chain establishments.



- There are more establishments (6) in chain than in non-chain (5).
- Except for fast-food establishment, every other establishment represented in chain and also in non-chain has more number of seats in the non-chain than in their chain counterpart.

Conclusively, we can say that chain establishments are characterised by more establishments with fewer number of seats than the non-chain establishments.

# Top 10 Streets by their Number of Establishments, Cafes, and Restaurants

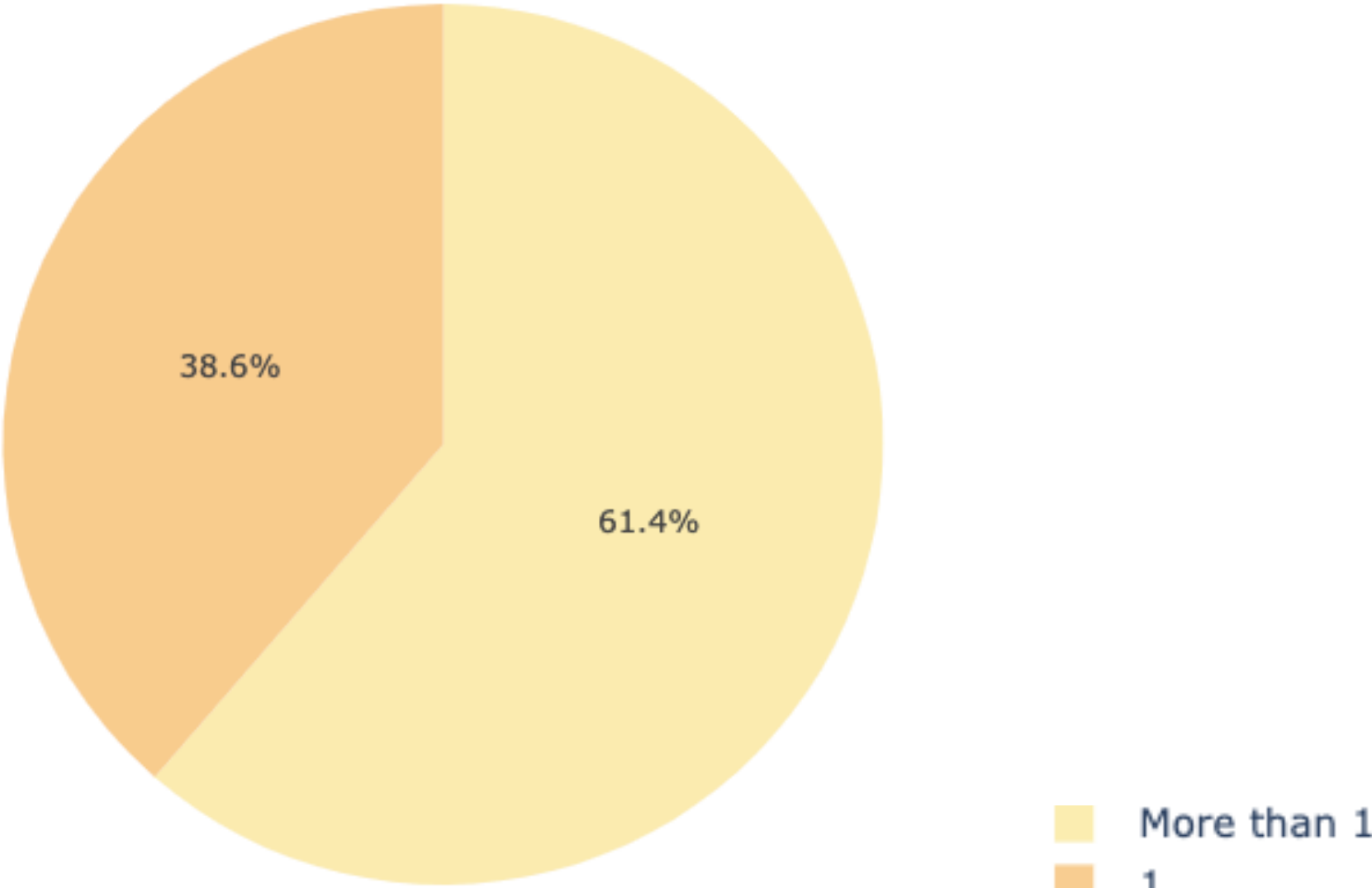


- Sunset street has the highest number of establishments and also the highest number of Cafes but rates the second in the number of restaurants
- Conversely, Wilshire street ranks highest in the number of restaurants but ranks second and third in the number of establishments and cafes respectively.
- In the graph for establishments and restaurant, the declination of the numbers was slow but in that of cafe, after the first three streets, the declination in the number of cafes happened very swiftly.
- World street ranks second in the number of cafes but did not make the first 10 in their number of establishments and restaurants.



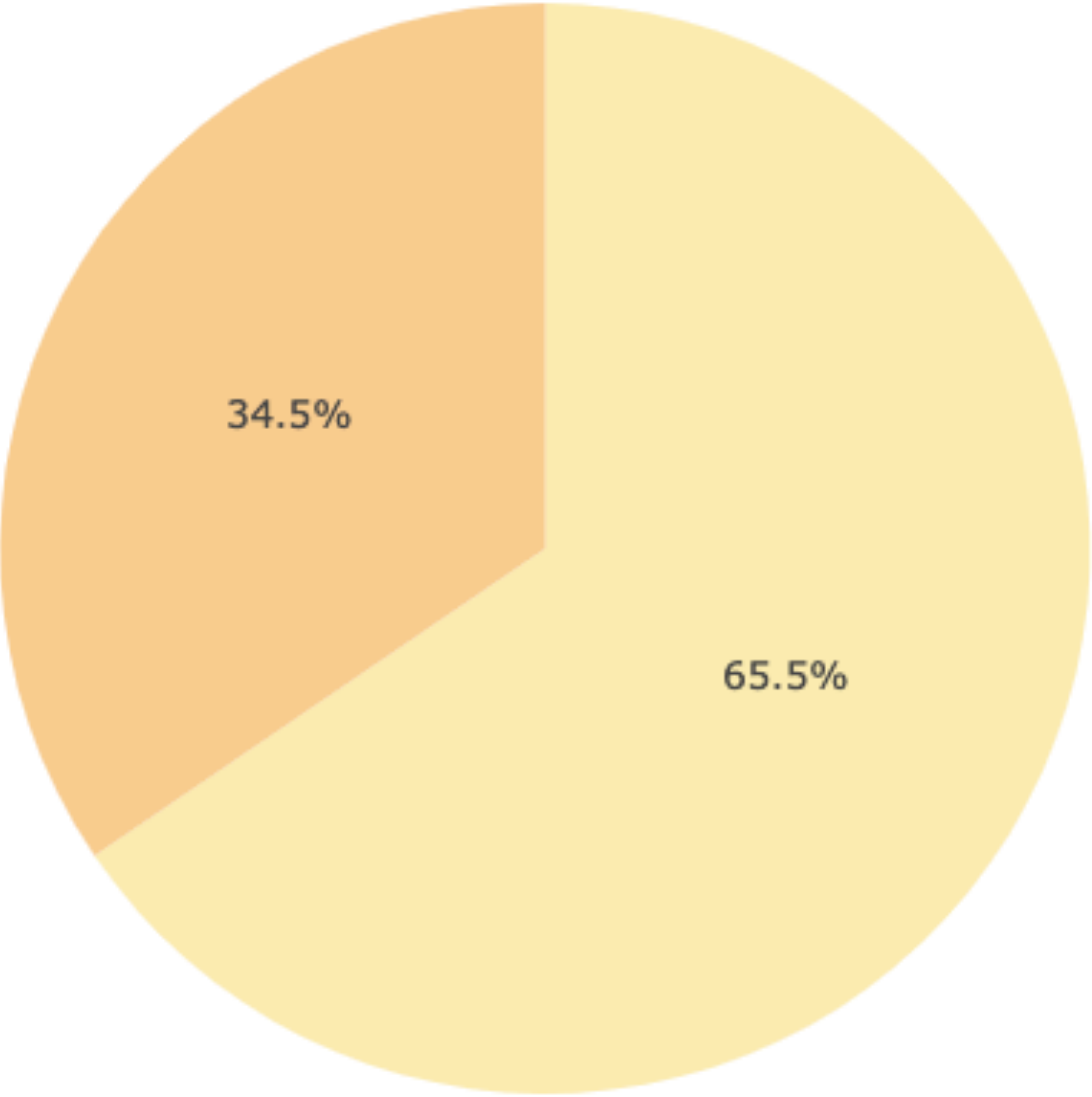
Number of Streets with One Establishment/Cafe

Establishments



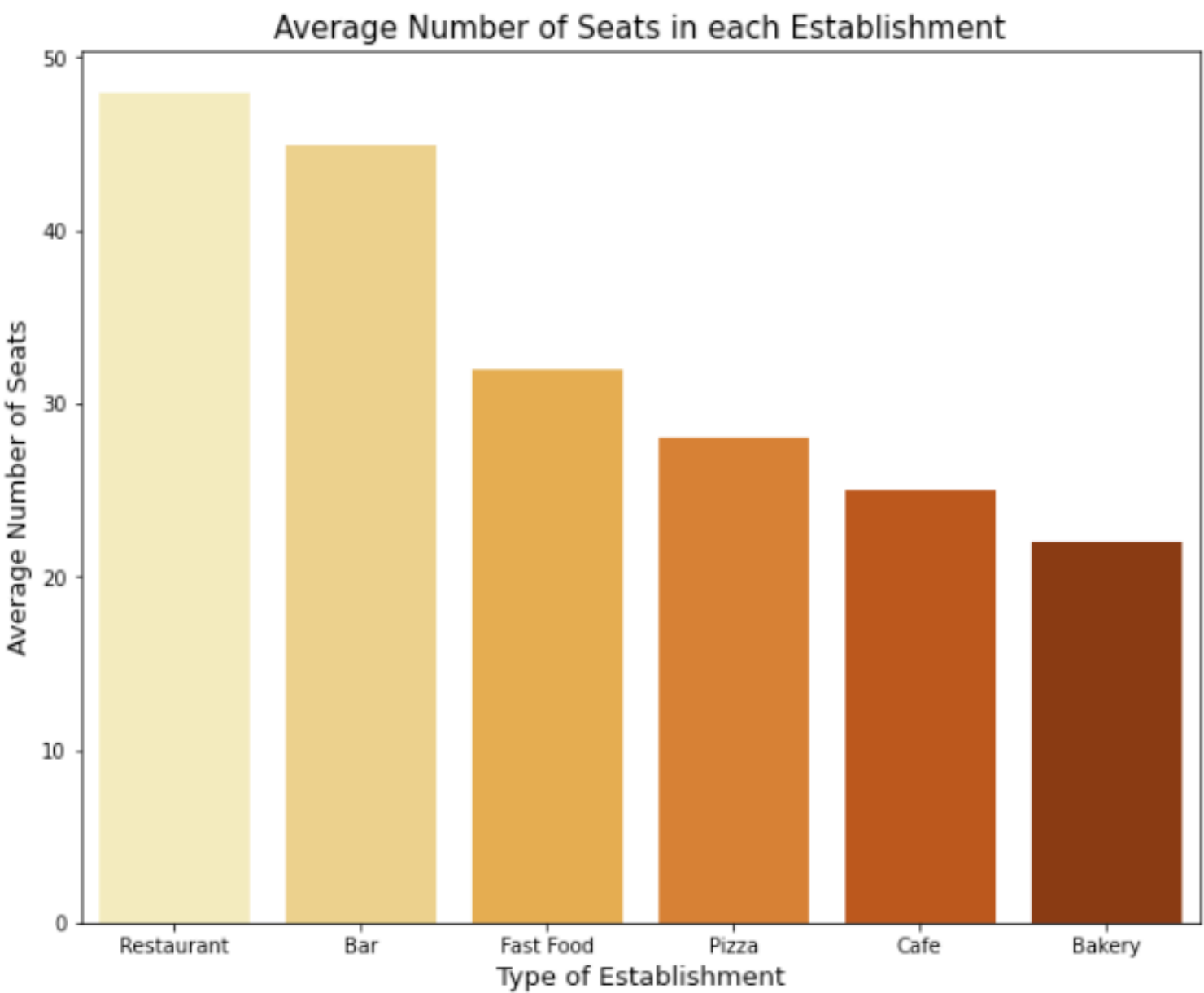
There are more streets with more than one establishment or cafe than there are with just one establishment or cafe

Cafes



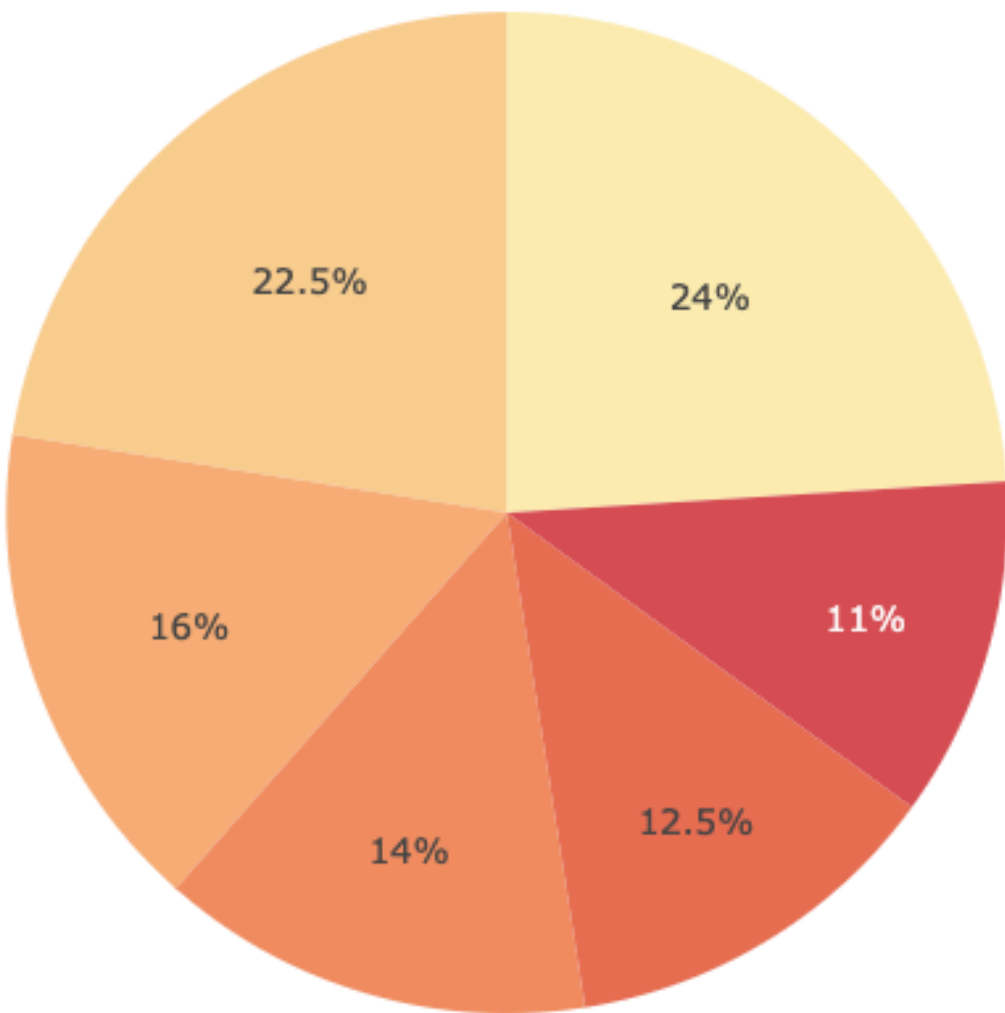


Number of Seats in each Establishment



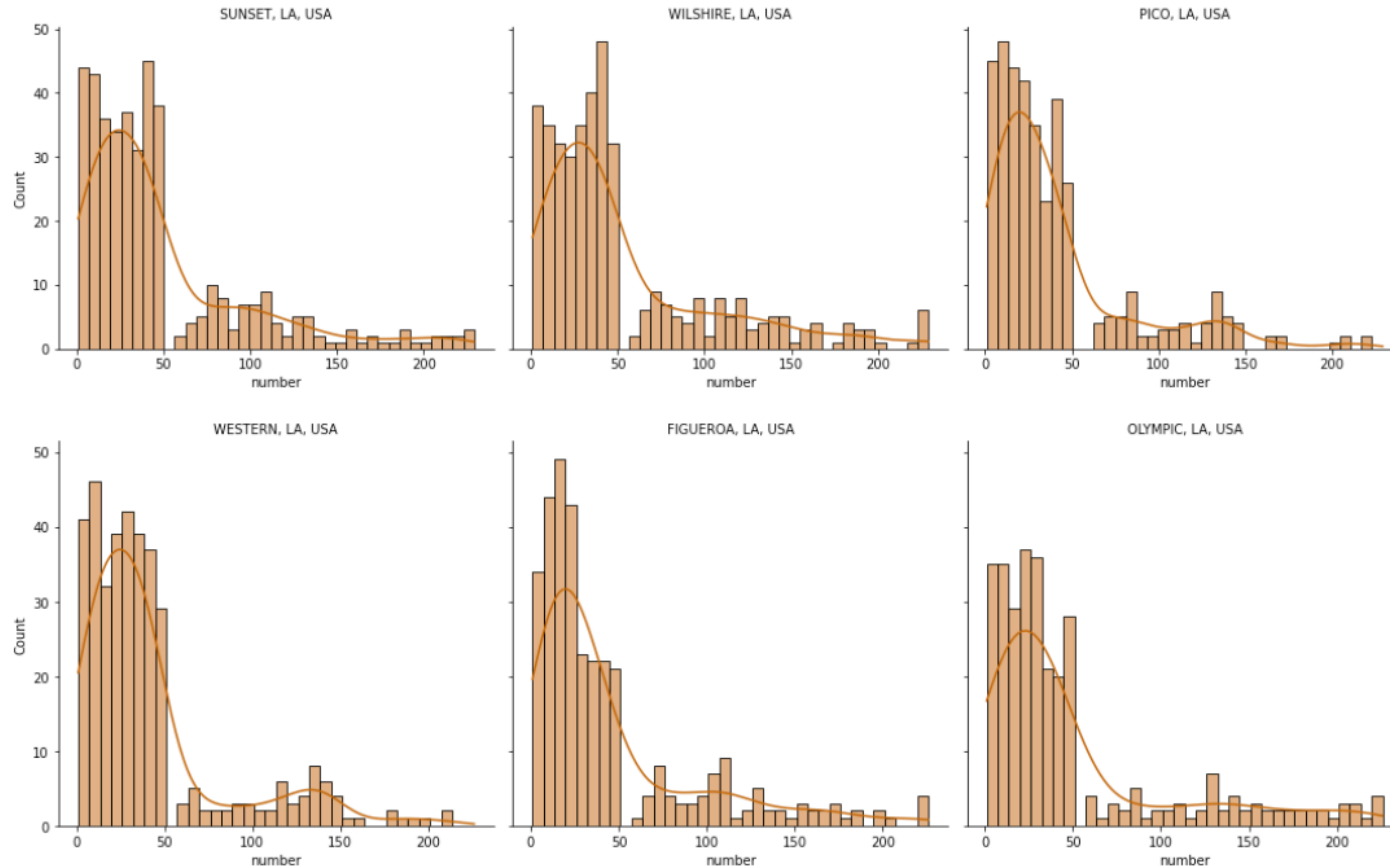
Establishments	Number of Seats
Restaurant	48
Bar	45
Fast Food	32
Pizza	28
Cafe	25
Bakery	22

Proportions of the Average Number of Seats in each Establishment



- Restaurants have the highest average number of seats (48) with the proportion of 24%.
- Bakery has the least average number of seats (22) per bakery with the proportion of 11%.
- And Cafe has the second least average number of seats (25) per cafe with the proportion of 12.5%.

## Top 6 Streets and their frequencies in Number of Seats in the Establishments



The trend in the 6 streets in view are:

- Their frequency graphs are all unimodal and the mode for each of the graph range between 18 and 46 implying that each street has more establishments with number of seats between 18 and 46.
- Their medians are less than their means which make the frequency histograms to be positively skewed implying that the streets have establishments with large number of seats (60 - 229). These establishments with large number of seats do not occur frequently.
- Their standard deviations are in the range of 41 and 55 which means that the numbers of seats are more spread out and they deviate largely from their mean.

## Conclusion

- 75% of the establishments in Los Angeles are restaurants. 3.32% of the establishments are cafes.
- Non-chain establishments are 61.9% while chain establishments are 38.1%.
- Although non-chain establishments are higher in number, chain establishments have more establishments.
- Cafe has a higher proportion of chains than non-chains.
- Bakery is a typical chain establishment and there are more non-chain restaurants than there are chain restaurants.
- There is only a little difference in the number of seats between chain and non-chain establishments under cafe.
- Chain establishments are characterised by more establishments with fewer number of seats than non-chains.
- By the number of cafes, Sunset, World, and Wilshire streets rank the 3rd most populated streets.
- There are more streets with more than one establishment or cafe than there are with just one establishment or cafe.
- The top 6 street (Sunset, Wilshire, Pico, Western, Figueroa, and Olympic) -
  - Have more establishments with number of seats between 18 and 46.
  - Have establishments with large number of seats (60 - 229) and they do not occur frequently.
  - Have establishments with their numbers of seats are more spread out and they deviate largely from their mean.

## Recommendation

- Going with cafe, I recommend we make a chain establishment as there is a higher proportion of chains than non-chains under cafe
- Since there a little or no difference in the number of seats between chain and non-chain establishments for cafe and there is a higher frequency of number of seats in cafes between 0 and 50, I recommend we set 50 seats for our cafe.
- I also recommend having our cafe on Sunset, World, or Wilshire Streets as they ranked the three highest populated streets for cafe.