Market potential for a Robo-café chain

Market Research

Context

- What – a Robo-run café
- Where – Los Angeles
- Initial investment – USD 440K
- Business model – see the link
- Team – visit our LinkedIn

Photo credit: Hema

Main question

Will we be able to maintain our success when the novelty of robot waiters wears off?

Our market research is based on the open-source data on more than 9,500 cafes, fast-food points, and restaurants
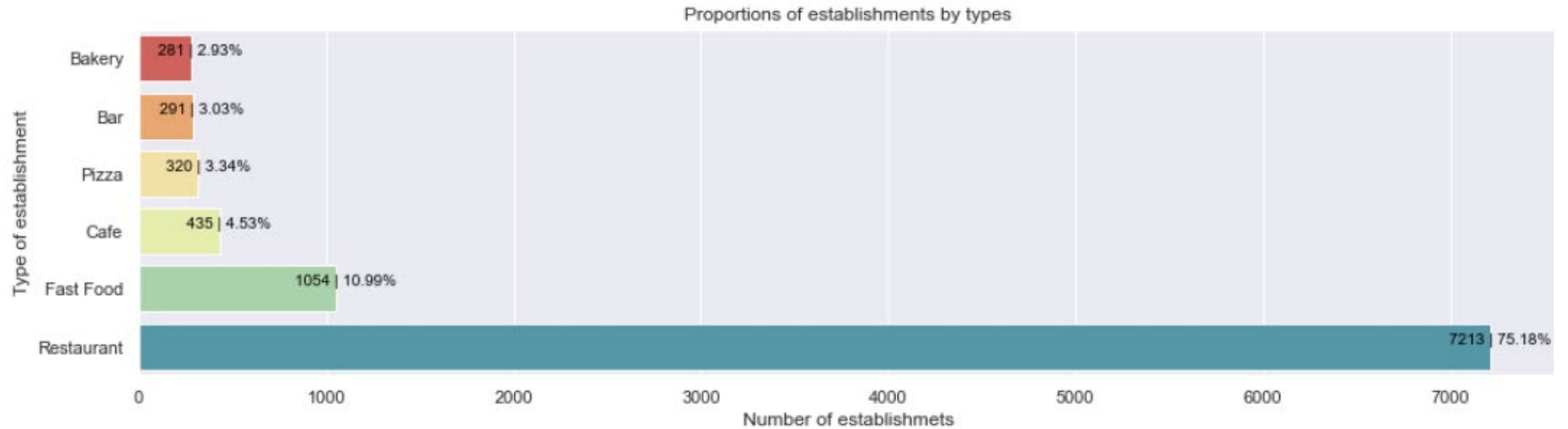
Name

Chain attribute

Type of establishment

Address

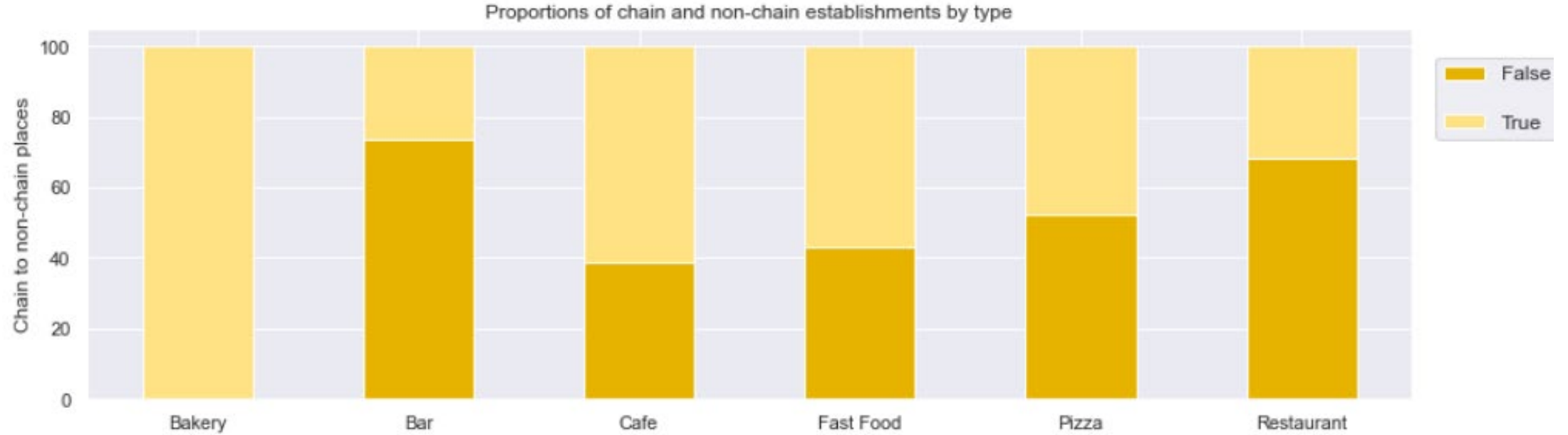Number of seats

Proportions of establishments by types

75% of all establishments are restaurants

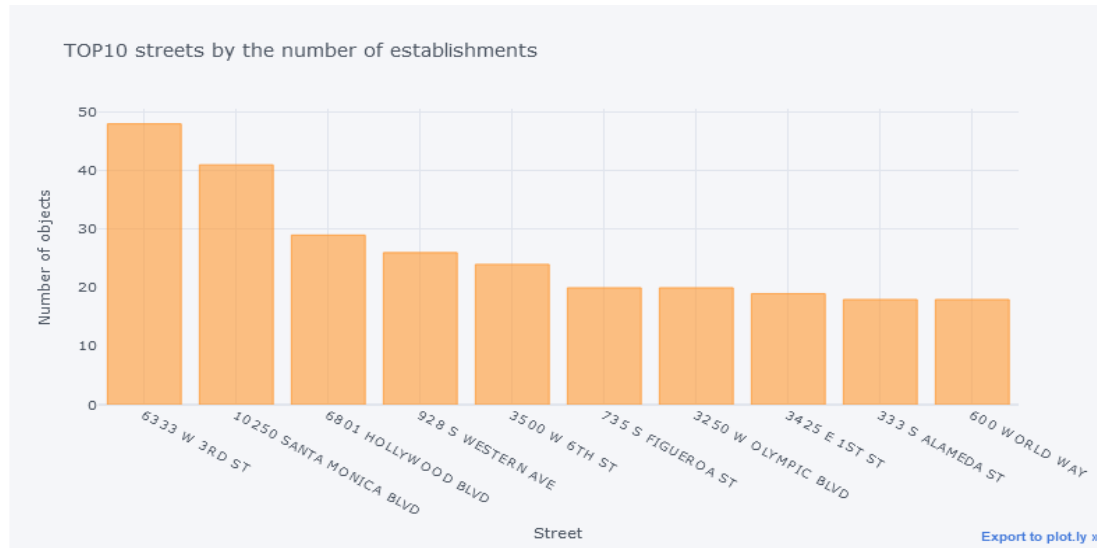- The second most popular type of places to eat at are fast-food restaurants
- Bakeries, bars, and pizza places comprise another 10% of the landscape

Proportions of chain and non-chain establishments by type

Every type of establishment has different ratio of chain-related and independent objects

- Cafes, fast food and pizzas are for 50-60% chains
- Restaurants and bars are for 70-75% independent

Number of seats

Legend: Fast Food, Restaurant, Bakery, Bar, Pizza, Cafe

For each type, there are more establishment with a smaller number of seats

- 50% of all the types, besides restaurants, have 25 and less seats

- Restaurants have more seats in general and a relatively high share of objects with more than 100 seats (may be event venues)

TOP10 streets by the number of establishments

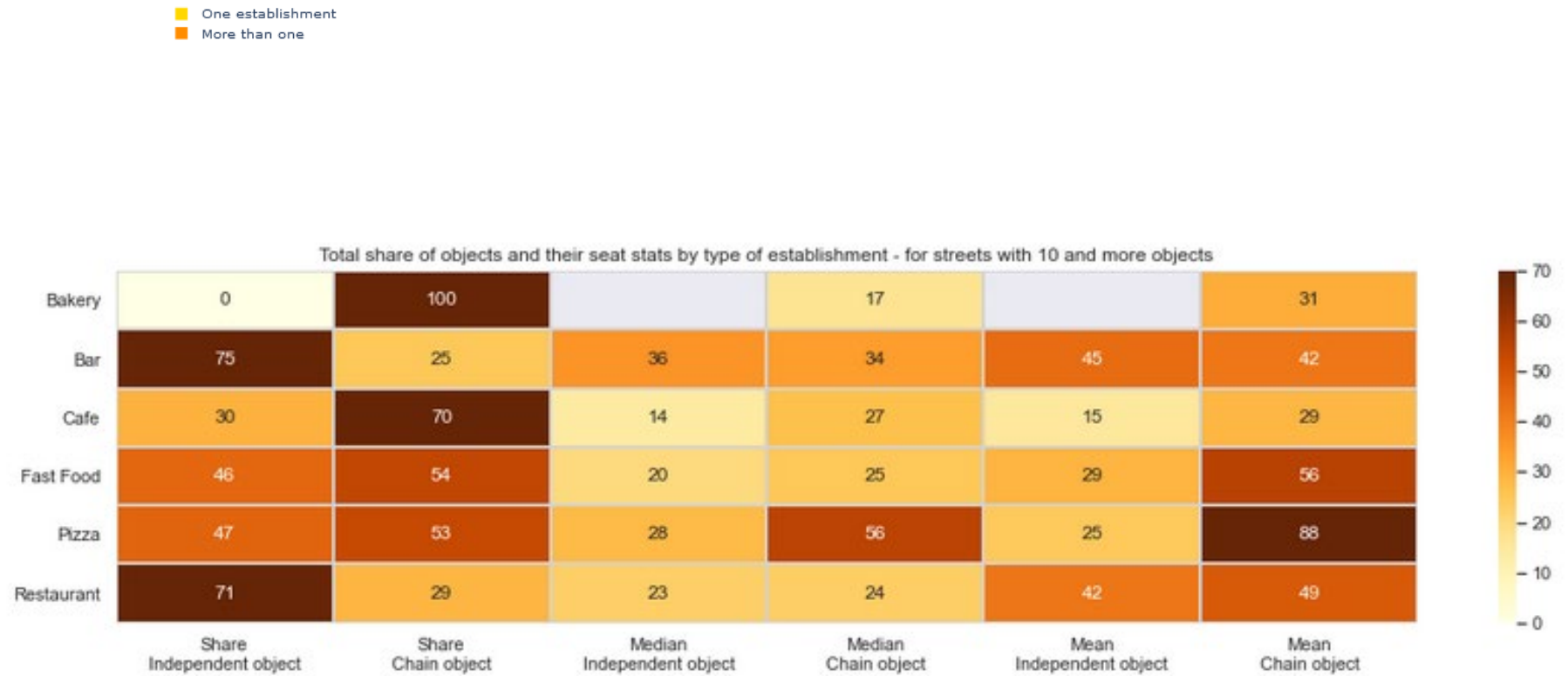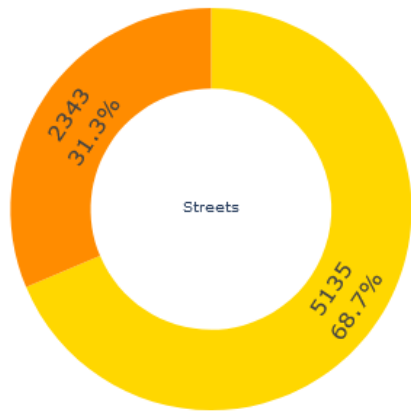TOP10 streets by the number of non-restaurant establishments

The streets with the highest number of food places have between 18 and 48 objects

- 6333 W 3RD St. has the highest number of food establishments in LA, both in general and in the non-restaurant segment

- In general, 5 most popular streets out of 10 are most popular both with restaurants and with non-restaurants are

Total share of objects and their seat stats by type of establishment - meadian, mean, standard deviation

	Share Independent object	Share Chain object	Median Independent object	Median Chain object	Mean Independent object	Mean Chain object
Bakery	0	100		18		22
Bar	74	26	33	21	47	40
Cafe	39	61	19	22	24	26
Fast Food	43	57	19	24	24	38
Pizza	52	48	20	16	31	26
Restaurant	68	32	29	28	49	45

Due to the high number of outliers the average number of seats is much higher than the median

- Independent bars and restaurants have the greatest number of seats

- Among chain establishments, higher numbers of seats are in fast food

One establishment
More than one

2343
31.3%

Streets

5135
68.7%

Total share of objects and their seat stats by type of establishment - for streets with 10 and more objects

	Share Independent object	Share Chain object	Median Independent object	Median Chain object	Mean Independent object	Mean Chain object
Bakery	0	100		17		31
Bar	75	25	36	34	45	42
Cafe	30	70	14	27	15	29
Fast Food	46	54	20	25	29	56
Pizza	47	53	28	56	25	88
Restaurant	71	29	23	24	42	49

69% of streets have only one food establishment

- Restaurants on the popular streets tend to be smaller, though large restaurants can have even more seats than those on the streets containing less restaurants

- Proportion of chain cafes and pizza establishments seems to be higher on the popular streets

- Chain objects, especially chain pizzas, on the popular streets have higher number of seats than the general dataset.

Conclusions

Courtesy [Tanuki](#)

- The overall recommendation on the restaurant type and number of seats would be to open a medium-size independent café object of 30 to 40 seats in one of the popular (to draw upon the traffic and raise interest at as many people as possible) streets.

- After proving the concept, gathering some statistics and testing the hypotheses about the target audience, menu, and favorable conditions for a robo-run restaurant to thrive, further developing of the chain can be assessed.

* The real estate and the traffic issues, as well as the general readiness to accept the idea of robo-service in food, should be investigated additionally.

** Ultimately, the idea can become a new standard of high quality and time-efficient eating.