**Predicting the Success of Starbucks Locations in the United States**

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April 17, 2019

**1. Introduction**

* 1. **Background**

Founded in Seattle, Washington in 1971, Starbucks is one of the most important and successful coffee companies in the world today. Known for its taste, quality and, above everything else, customer experience, the brand has expanded to over 25,000 locations worldwide in the past 50 years. Some of these sites have known extreme successes, whereas others have had to close their doors following some kind of failure.

* 1. **Problem**

Multiple factors can be the cause of these successes and failures such as a difference in product offerings or a less capable workforce. However, this paper will focus on the most important determining factor in a Starbuck’s success: it’s location. In fact, since all Starbucks across the world offer the same quality and taste, and that the customer experience is similar across the board, the most variable factor is the location. This includes the competition in the area (*supply*), as well as the demographics of the targeted customers (*demand*). Hence, this project aims to predict whether or not a Starbucks will be successful based on its location.

* 1. **Interest**

The primary audience of this project is Starbucks itself. In fact, being able to predict whether a location will be successful or not would constitute an enormous competitive advantage for the Seattle coffee giant, both financially and for marketing purposes. The secondary audience are companies similar to Starbucks (e.g. Tim Hortons, Second Cup, Dunkin Donut) who could use the study for comparable purposes.

**2. Data acquisition and cleaning**

**2.1 Data sources**

In order to achieve the results presented above, two datasets and the use of a location data API (in this case, Foursquare) are needed. First, Kaggle offers a free dataset containing a record for every Starbucks store in operation as of February 2017 ([Starbucks Locations Worldwide](https://www.kaggle.com/starbucks/store-locations)). Second, a list of all US cities with a population of at least 100,000 people as of July 1, 2017 can be scraped from the following Wikipedia page: [List of United States cities by population](https://en.wikipedia.org/wiki/List_of_United_States_cities_by_population). This dataset also contains each city’s area and population density. Finally, the [Foursquare Places API](https://developer.foursquare.com/places-api) will provide a rating for every location of interest as well as a detailed list of their nearby venues.