WorldWideCoffee (WWC) Global Expansion Analysis Report

Sections:

1. Introduction

- WorldWideCoffee (WWC) is a fast growing startup coffeeshop company established in Eeastern Europe (Ankara, Turkey). After successful launch in the head country, it is planning to expand globally. Its main competitor globally is Starbucks. WWC is currently, considering different strategies for growth.

- This Report is discussing and suggesting a growth strategy for WWC, mainly focusing on competitor analysis.

2. Data

- Report will focus on capital cities that has at least one Starbucks shop. Data that is used in this report consists of a list of national capitals, list of Starbucks shops, and information about Starbucks shops in these cities. Summary of the sour the data, and references are mentioned below:

    1. List of Starbucks Shops - https://en.wikipedia.org/wiki/Starbucks#Locations

    2. List of National Capitals - https://en.wikipedia.org/wiki/List_of_national_capitals

    3. FourSquare - https://foursquare.com/developers/apps

3. Methodology

▶ Main target market for WWC are current unsatisfied Starbukcs customers (major competitor - global brand). That's why this report will focus on competitive analysis, and make suggestions for global expansion based on that.

▶ The strategy company is going to use is summarized below:

1. WWC will consider the capital cities of countries throughout the world, where Starbucks has at least one branch.

2. Based on the data available online, WWC will analyze the average ratings of Starbucks shops in each city, and cluster them into 3 groups: Low, Medium, High.

3. It will choose one of the cities in the low cluster group, and expand to that country.

4. Location of the shop will be decided based on the in city ratings of Starbucks shops, ie, closer to the shops with lowest ratings.

4. Results

- Some of the cities and countries considered in this study (ones that include at least one Starbucks shop) are mentioned in the Table a. Description of the data:

    1. AvgRatings - Average rating of all starbucks shops in the city

    2. Ratings - a dictionary containing, the id of a specific shop from foursquare api, and its corresponding rating

Table a

	Capital	Country	Latitude	Longitude	AvgRatings	Ratings
0	Abu Dhabi	United Arab Emirates	23.997644	53.643910	8.40	{'53089160498e151fa7f9a9f5': 8.4}
1	Amman	Jordan	31.951569	35.923963	9.10	{'4bb624ee46d4a593f8c0c5c0': 9.1, '59fcc6bb286...
2	Amsterdam	Netherlands	52.374540	4.897976	8.00	{'529634bc11d2ab5263ab848c': 8.0, '50056329e4b...
3	Andorra la Vella	Andorra	42.506939	1.521247	7.90	{'5745a9cc498e4f0f9a79db85': 7.9, '595a40052bf...
4	Ankara	Turkey	39.921522	32.853793	8.10	{'4f25511ce4b04f6e6a110d1b': 8.1, '51386bcbe4b...
5	Athens	Greece	37.984149	23.727984	7.90	{'4b55dc00f964a52046f327e3': 7.9, '4b9f7ab4f96...
6	Baku	Azerbaijan	40.375443	49.832675	8.00	{'5698c3bc498eac8f3804d4df': 8.0, '576d0a8c498...
7	Bandar Seri Begawan	Brunei	4.889545	114.941757	7.60	{'52fc9a45498e79749d33f0d0': 7.6, '4c4d13aff5a...
8	Bangkok	Thailand	13.753893	100.816080	8.30	{'56c6a4c1498e6dd6d1bddb91': 8.3, '5a3c5fe36a5...

K-means

▶ After preparing the table above, K-means algorithm was used to divide cities into 3 categories below:

1. Cities with **High Ratings**
2. Cities with **Medium Ratings**
3. Cities with **Low Ratings**

Cities with Low Rating Starbucks stores:

	Cluster Labels	Capital	Country	Latitude	Longitude	AvgRatings	Ratings
11	0	Berlin	Germany	52.517036	13.388860	6.90	{'4adf77c3f964a520df7a21e3': 6.9, '4adf768af96...
12	0	Bern	Switzerland	46.948271	7.451451	7.20	{'4b7687ddf964a520b4502ee3': 7.2, '4b61bad2f96...
13	0	Bogotá	Colombia	4.598077	-74.076103	6.70	{'58d0742a951e7d532bac7fb2': 6.7, '54f83f18498...
22	0	Dublin	Ireland	53.349764	-6.260273	7.30	{'5290d704498e2d5c6000a181': 7.3, '4af1ea70f96...
26	0	Jakarta	Indonesia	-6.175394	106.827183	7.30	{'51047707e4b0059ce06c2cf0': 7.3, '5783a0ff498...
27	0	Kuala Lumpur	Malaysia	3.151664	101.694303	6.80	{'5902d2f4646e387f2b2d705c': 6.8, '538daac6498...
31	0	London	United Kingdom	51.507322	-0.127647	6.80	{'502904745dd7750e9d63bc17': 6.8, '4b77eb6ff96...
32	0	Luxembourg	Luxembourg	49.815868	6.129675	7.20	{'567eae1e498eab68b90d203b': 7.2, '568f8115498...
35	0	Manila	Philippines	14.590622	120.979970	7.10	{'4cd7475ab6962c0fc4b72f96': 7.1, '4bda44e6a8d...
41	0	Nassau	Bahamas	25.078346	-77.338333	6.50	{'4bcf7dd041b9ef3b078cf8e5': 6.5, '4ccafe8eba0...
44	0	Nursultan	Kazakhstan	43.086368	77.120336	6.90	{'5782361c498e2299113fdb5a': 6.9, '578b98d8498...
46	0	Oslo	Norway	59.913330	10.738970	6.40	{'519e5ee1498e59575ef2ae8c': 6.4, '5279f00d11d...
47	0	Ottawa	Canada	45.260398	-75.808238	6.50	{'4b2b9f33f964a5205eb824e3': 6.5, '4b15a589f96...

5. Discussion

- Some observations from the results:
    - Cities with average rating of 7.3 are in the lower rated cluster.
    - Starbucks shops with lower ratings are mainly located in developed countries/cities.
- From the table above Seoul (South Korea) and Prague (Czech Republic) looks like a very good candidate for expansion. They have the lowest rated Starbucks stores, and offer a good customer base both in terms of local population, and tourists visiting the city.

6. Conclusion

- In conclusion, WWC should consider Seoul, and Prague for potential expansion.

- Furthermore, in each city they can analyze the starbucks shops, and choose a location closer to a Starbucks shop that has the lowest rating.

- The dictionary in the **'Ratings'** Column of the above table provides the required info for that analysis.