

# Location Recommendation: **Oakland County, MI**

## Executive Summary

### Background

The franchise department evaluated the next expansion location between **Oakland County, MI** and **Bergen County, NJ**. The evaluation followed the known **characteristics** for other successfully established Chicken Kitchen locations as listed in the table below.

### Recommended Action

Based on the evaluation criteria **Oakland County** should have better chances as the next profitable location for Chicken Kitchen. Young people between 20 and 44 represented 31.7% of the overall population, with and projected growth of

+1.4% by 2025. In addition, 38.7% of the households had an income of 100k+ in 2020 and the expected growth is +45.5%. The county also demonstrated a good dining out culture with an average spending of \$1,400 in 2019.

**Novi**, a city in Oakland County and a first potential target, is close to **three interstate highways and already hosts other upscale fast-food restaurants**, which could further boost the local acceptance of Chicken Kitchen.

### Rejected Option

Bergen County was a strong candidate,

especially for the expected household growth and the estimated household income over 100k+in 2020. However, the expected growth of the younger population and the households with an income over 100K is **lower and could endanger future profits**.

### Action Steps

1. Select Oakland County.
2. Explore and confirm Novi as potential first target city.

Key Characteristics	Oakland County (MI)	Bergen County (NJ)
▪ Household with income 100k+ <sup>1</sup>   Growth <sup>2</sup>	38.7%   +45.5%	48.8%   +29.9%
▪ Household growth <sup>2</sup>	+1.7%	+2.4%
▪ Young population (20 to 44) <sup>1</sup>   Growth <sup>2</sup>	31.7%   +1.4%	30.7%   +0.4%
▪ Car culture (2+ vehicles) <sup>1</sup>   Growth <sup>2</sup>	61.3%   +2.1%	56.9%   +2.4%
▪ Dining out culture (avg. spend 2019)	\$1,431.56	\$1,558.41
▪ Close to highway(s)	4 interstates	3 interstates
▪ Close to other upscale fast-food restaurants	Chipotle and Qdoba in Novi	Qdoba in Ridgefield Park

<sup>1</sup> Estimated for 2020 | <sup>2</sup> Projected by 2025

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### Oakland County

- Growing income (100k+)
- Growing housing market
- Growing young population
- Upscale fast food peers
- Crossed by four interstate highways