



A Tale Of Two Cities

Business Analysis For
Aspiring Cafe Owners

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Business Problem

- A wealthy group of business owners have hired our firm Data Analysts LLC to help them understand the restaurant cafe markets in the cities of San Francisco and Los Angeles.
- This project aims to identify the best insights into the restaurant cafe industry using the Yelp API data for existing cafes in the cities of Los Angeles and San Francisco for anyone looking to open a cafe in these two cities.

Analysis Criteria:



Ratings



Price

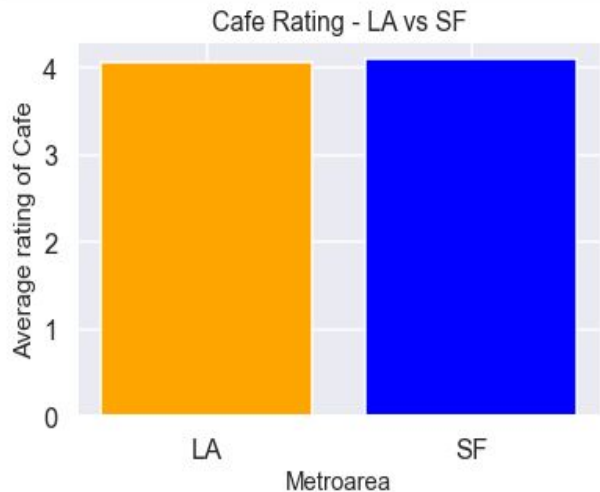


Establishments per
Capita



Review Counts

Ratings



Average ratings of restaurant cafe's in LA and SF are roughly the same (4.07 and 4.1, respectively). SF on average has higher ratings, but this seems insignificant in the big picture.

This is something we would expect across all major cities, as restaurants are usually compared to ones close in proximity to them (i.e. within the same city).

Prices.



LA has a much higher number
of low priced cafes

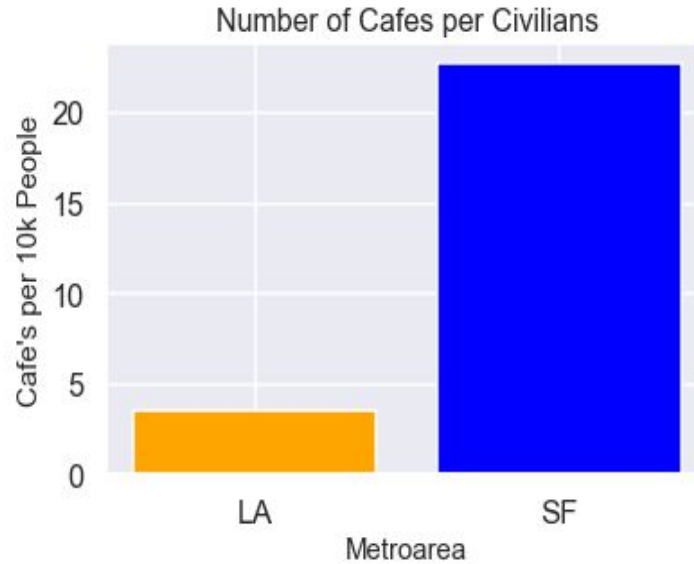
There is an opportunity to tap into
LA's high end cafe market

San Francisco beats LA in medium priced cafes,
high priced cafes, and exorbitantly priced cafes



Cafes Per Capita

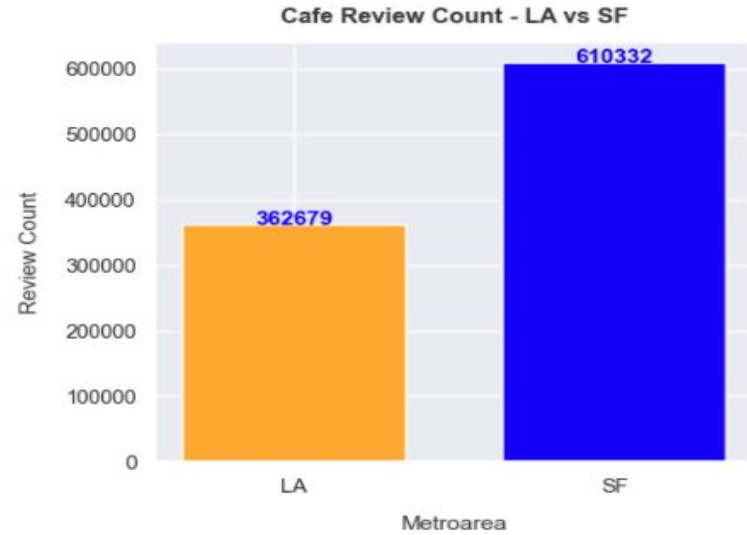
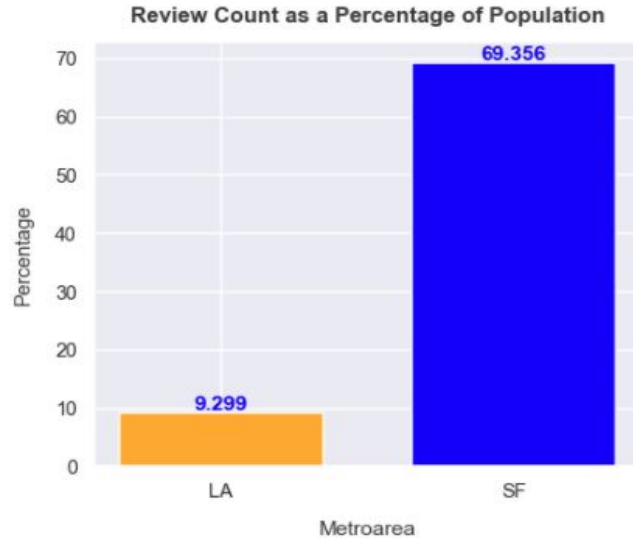
LA has less than 3.6 cafes per 10,000 people while SF has over 22 cafes per 10,000 people



Although, that might be due to the fact that LA is a more spread out city while SF is a more walker friendly city

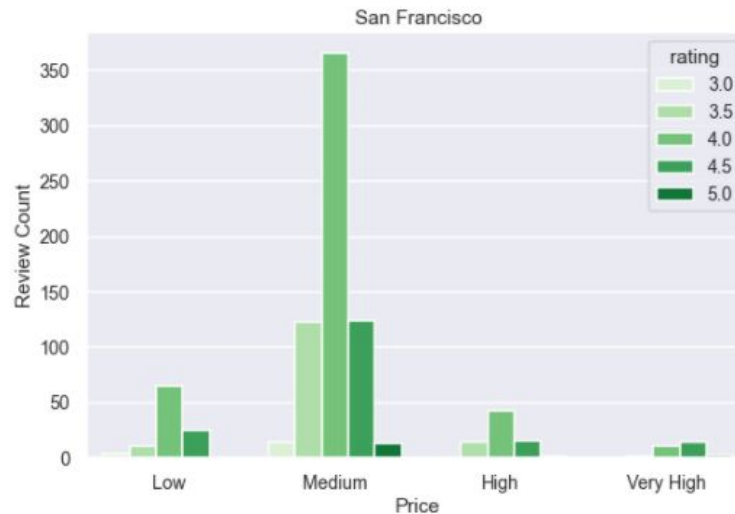
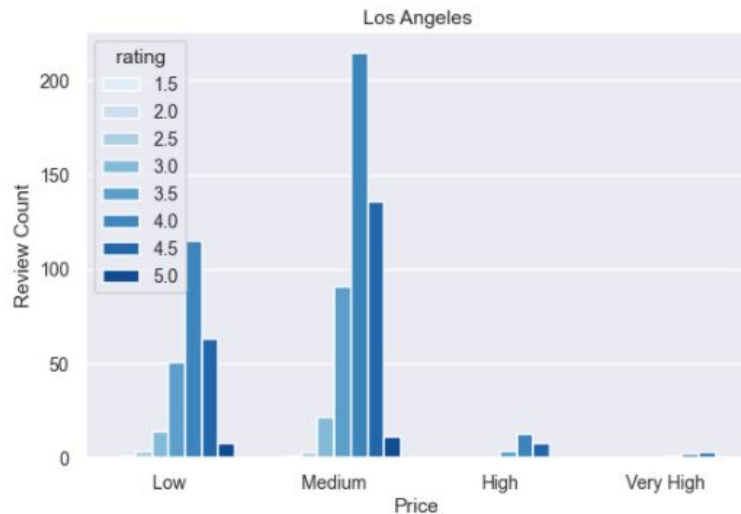
However, that also means that there is still a huge market in LA to tap into.

Review Counts



- There are 9% of people leaving reviews for cafes in LA while the percentage in SF is a whopping 69%.
- Even though LA has more than 4x the population of SF, the number of reviews left under cafes in LA is almost half that of SF.
- This leads us to believe that people in LA are not as excited about their cafes than those in SF, which could be changed if better service is provided in LA.

Number of Review Counts based on Price



- Los Angeles has some ratings below 3.0, while San Francisco has none, indicating a larger disparity in ratings between LA cafes in comparison to SF cafes.
- SF cafes have many reviews for high/very high priced cafes, while LA does not, suggesting that there is an opening in the market for high-end cafes.
- Overall review_count for high priced cafes is much lower in LA than SF, again showing a opening in the LA market for another high end cafe.

Our Conclusions



One

LA has less cafes per capita than SF(roughly 3 to 22, respectively) , meaning there is room for new businesses to acquire new customers

Two

Since there aren't that many high end cafes in LA in comparison to SF, we can use that as an opportunity to enter the high end market and increase our profitability

Three

Any new cafe owner in LA has an opportunity in the LA market to excite its customer base since the review counts suggest LA residents are much less excited about their cafes than those in SF

Thanks!

Do you have any questions?

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