NEW BUSINESS LOCATION SELECTION IN SEATTLE

BIG MARKET, HARD TO DECIDE

- Seattle has been one of the fastest growing large American cities for nearly a decade
- Big city – 15th largest city in the United States
- Diverse market – over 30 neighborhoods
- Hard to decide where to start a new business in Seattle
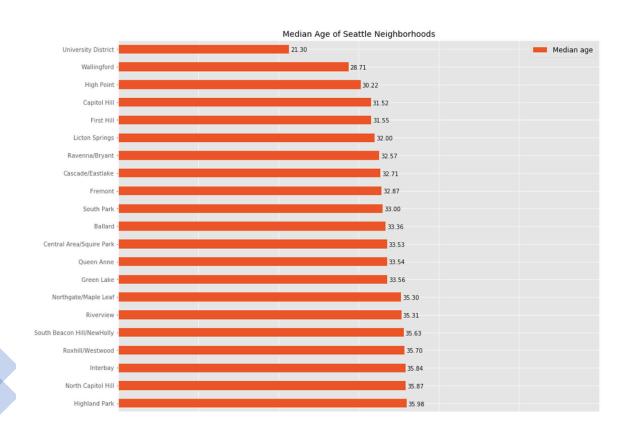
PROBLEM SOLVING APPROACH

This analysis goes through the data of each Seattle neighborhood from the following aspects. A bakery is used for market defining and data acquisition purposes.

- median age
- household income
- crime rate
- current market saturation
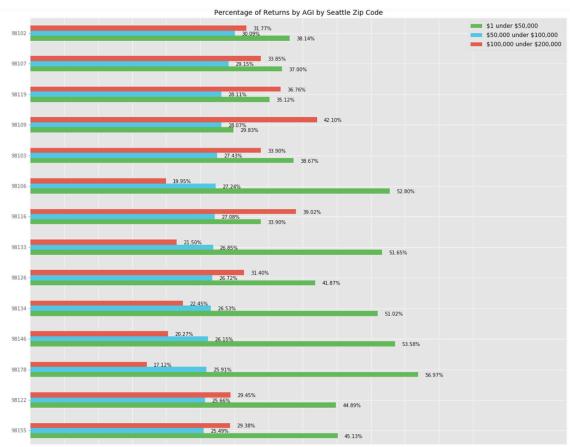
DATA ACQUISITION AND CLEANING

- Median age by Seattle neighborhoods (2010 U.S. Census) – link
- Individual Income Tax Statistics by Washington zip code (2017 IRS data) - link
- United States zip codes
- Seattle Police Department crime data (2018-present) - link
- Foursquare location data that shows bakeries within Seattle city limit

Median Age by Neighborhood

Median Age of Seattle Neighborhoods

- Bakery target market: young individuals and families (35 years old and under)

- The data is from 2010 U.S. Census

- The neighborhoods with median age under 36 is shown

Adjusted Gross Income (AGI) by Seattle Zip Code
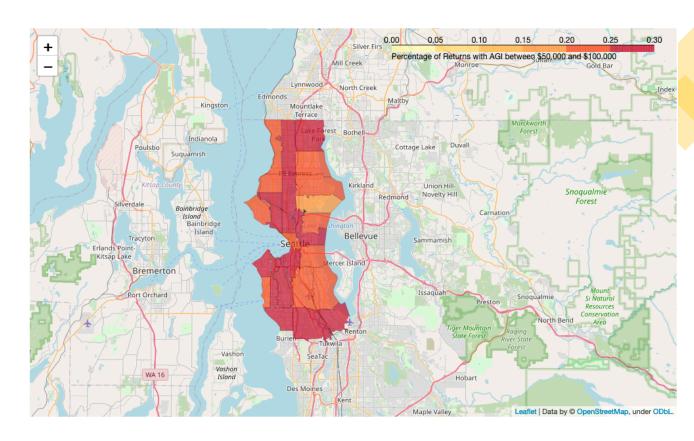

Percentage of Returns by AGI by Seattle Zip Code

- Bakery Target Market: individuals or families with medium to high income level ($50,000 < AGI < $100,000)

- The data is based on Federal income tax returns filed in 2017

- The blue bars represent the percentage of individuals/families with annual income between $50,000 and $100,000 in each Seattle zip code (top 14 is showing here)
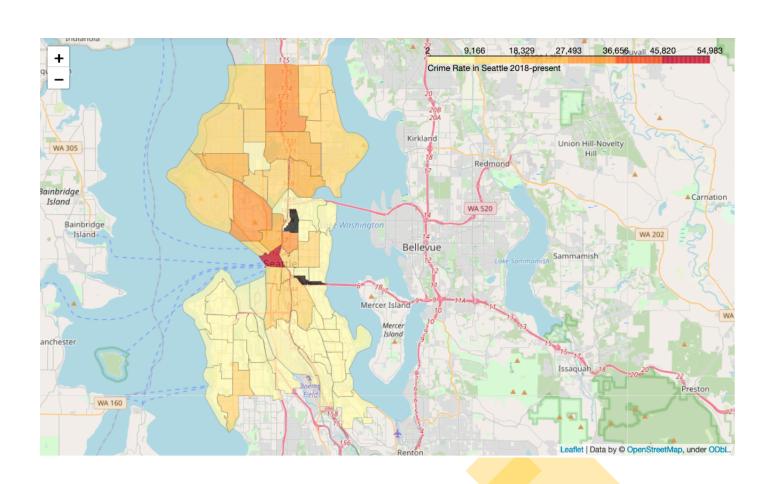
Adjusted Gross Income (AGI) by Seattle Zip Code

The neighborhoods with the highest percentage of annual income between $50,000 and $100,000:

- East Lake (98102)
- Adams/Ballard (98107)
- Queen Anne (98119)
- West Lake (98109)
- Woodland Park/Green Lake (98103)
- Riverview/South Delridge (98106)
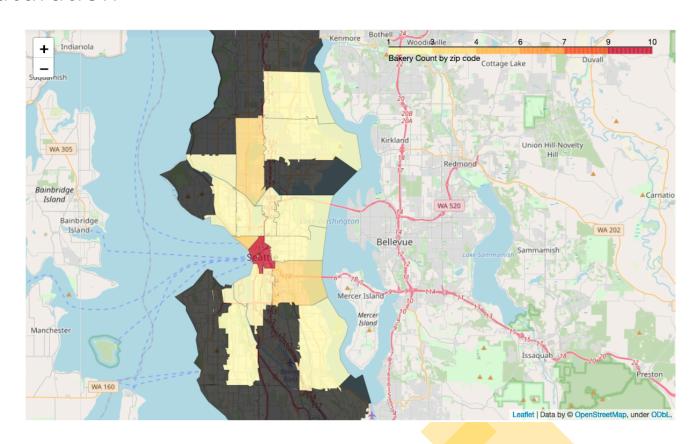- Alki (98116)
- High Point/Delridge (98126)

Crime Data

- The bakery wants to provide a safe environment for its customers

- The safeness of each neighborhood is measured using Seattle PD crime rate data from 2018 – present

- The safer neighborhoods include:
  - Eastlake
  - Madison Park
  - South and North Delridge
  - South Beacon Hill
  - Alki

Current Market Saturation

- Foursquare REST API

- Venues in bakery category within Seattle city limit

- Neighborhoods with few or no bakery based on Foursquare data:
  - Ballard
  - Magnolia
  - Queen Anne
  - University District
  - Delridge

Conclusion and future directions

- After evaluating the median age, annual income (AGI), crime rate, and current market saturation of each Seattle neighborhoods, the general recommendation for a new bakery will be in Ballard, Queen Anne, Alki, Green Lake and Delridge.

- This is just a general overview of the Seattle market. To improve the accuracy of the analysis and further narrow down the location selection, the following can be considered:

  - Population size of each neighborhood and look at crime rate per capita and number of bakery per capita

  - Average/median rental cost of each neighborhood

  - Zoning and permit requirement of each neighborhood

  - Update the median age and AGI analysis using latest census and IRS data

  - Improve the data availability of current market saturation by using different API such as Yelp