

Segmentation for a Restaurant Location Planning

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May 23, 2021

1. Introduction

1.1 Background

There's a significant rise in entrepreneurs, online vendors, digital/affiliate marketing and the likes in recent times. In addition, a lot of new small scale businesses are surfacing, coupled with the expansion of already existing medium scale businesses and large scale businesses. In summary, whether a business is online or offline, small, medium or big, starting anew, afresh or expanding, the importance of market analysis can't be overemphasized. Now, if one was to be asked, 'Would you rather drive with your eyes closed or open?', the obvious answer would 'open', sadly many individuals go into business and carry out operations with their eyes closed, either because they don't know better or they feel that market analysis or reliance on historical or current data is for bigger firms with physical presence.

1.2 Problem

When opening a new business, there are a couple of analysis one is expected to carry out, e.g. SWOT, but for the sake of simplicity, this report will follow a more fundamental approach to the concept of market analysis. Now looking at the case study (a restaurant), a new business would want to check the area that would have the optimal demand and supply, with moderate or little competition (if possible). As good as that sound, it is very hard to come by in real case scenarios, because most areas with high demand and good proximity to supply, also have high competition, which is where the analysis comes in to help the business see the optimal options based on the categories being considered and make a data driven decision.

1.3 Interest

This is already a widely adopted approach to business, by larger firms. It just isn't as popular as it should amongst smaller businesses. Any business would want to allocate its resources efficiently to avoid waste and get the most results, so factors of business operations like ads targeting, customer hunts, customer retention promos and others are pushed to the right audience to get the best results.