

The Battle of the Neighborhoods - Week 1

Introduction and definition of the scope of the problem

Our target audience and stakeholders are companies and individuals who wish to open new restaurant premises on the city of Houston's popular Energy Corridor. However that is not a straightforward process, for reasons I will next explain. The pitfalls are mainly competition, cost of operating a business, cultural differences that exist in some areas, and the demographic makeup of some localities. Thus the clients require an analysis of the local neighborhoods to understand the scope of the issues. Some types of restaurants are better suited to particular areas.

The population of the City of Houston, Texas is an estimated 2,099,451. Houston is a cosmopolitan city with a broad mixture of Americans and immigrants from other countries. The demographic makeup of the people in the city are of mainly White, African Americans, Hispanic or Latino, and Native Americans. Naturally there is much choice of restaurants, serving both Domestic and foreign foods, and even the popular indigenous Tex-Mex varieties which are found only in Texas.

Houston Demographics

- White: 50.5% (25.6% non-Hispanic)
- Black or **African American**: 23.7%
- **American Indian**: 0.7%
- **Asian**: 6%
- **Pacific Islander**: 0.1%
- Other **race**: 15.2% (0.2% non-Hispanic)
- Two or more races: 3.3%
- **Hispanic** of any **race**: 43.8%

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Since Houston is such a multicultural and eclectic hub, with a large workforce available, the city offers many business opportunities which groups of investors can exploit. The downside is, that since there are many restaurants there already, hence the competition for customers is considerable. Property in the Energy Corridor area is also expensive and suffers from being heavily taxed. The cost of trading in Houston, therefore requires to be thoroughly analyzed and considered before any new company can be opened. In this analysis we will attempt to find the best location for the new business, by examining what already exists in the chosen area. In particular we will be looking at the Energy Corridor area of the city.