



# STARBUCKS MARKET AREA ANALYSIS

A proposal for closing a store to streamline Starbucks  
management

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## Intro:

The purpose of this report is to analyze the geographic areas surrounding Starbucks locations in Riverside, CA. The report will help the company determine which store in the area is the most appropriate for closure for streamlining their management. Factors that help determine how feasible a store closure would be are the total population served by each Starbucks location and the amount of overlap between each location's service areas.

## Methods:

The traffic data for Riverside, CA was provided by OpenStreetMap. The demographic and population data were provided by the American Community Survey from the US Census Bureau. The Network Analyst toolbox from ArcGIS was used to create network datasets and the catchment areas for the Starbucks locations. A limit of a three-minute driving time was applied in order to calculate the appropriate service areas. Within ArcGIS, spatial and table joins, along with geoprocessing tools, were used to calculate the population for each service area.

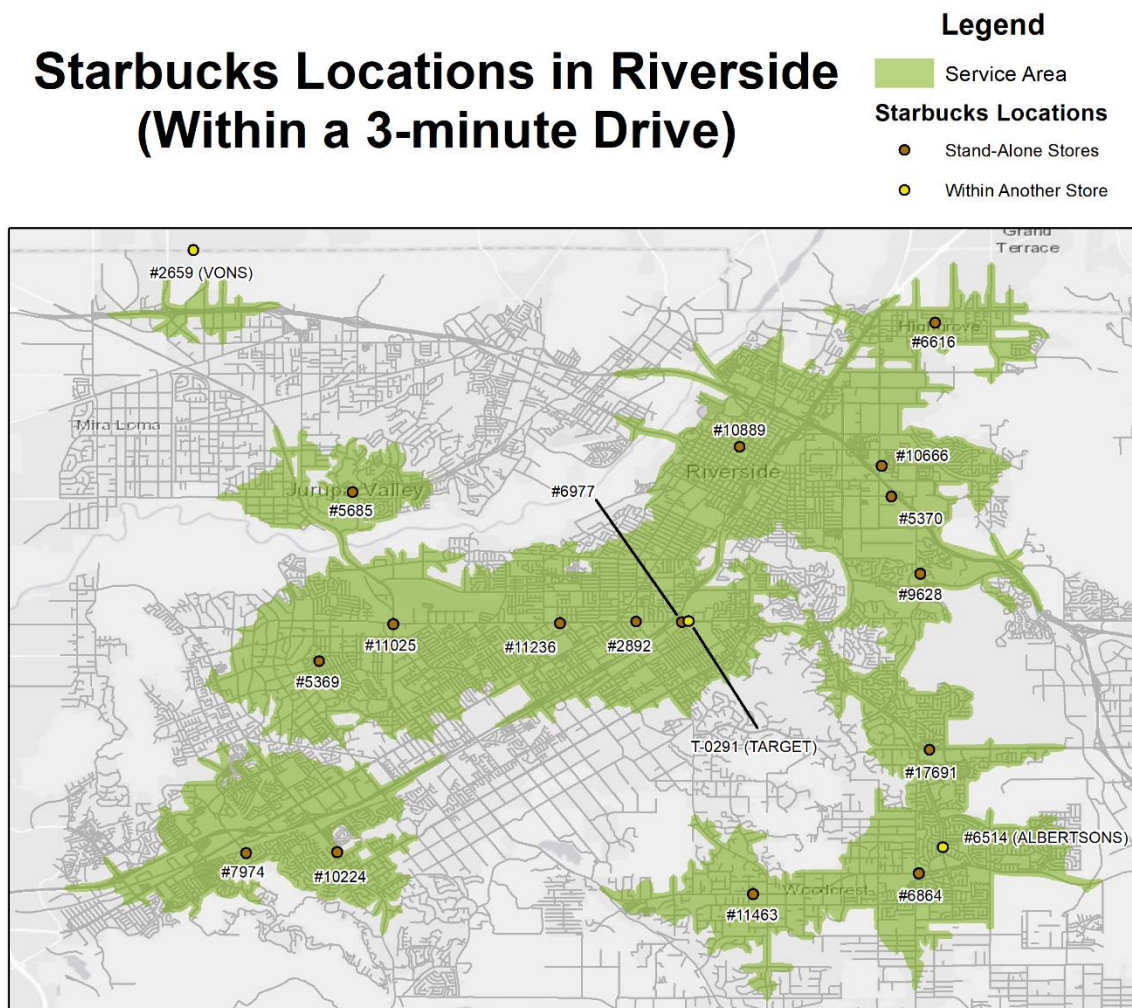


Figure 1. A map of Starbucks stores in Riverside, CA and the areas they serve.

## Starbucks Service Areas by Population

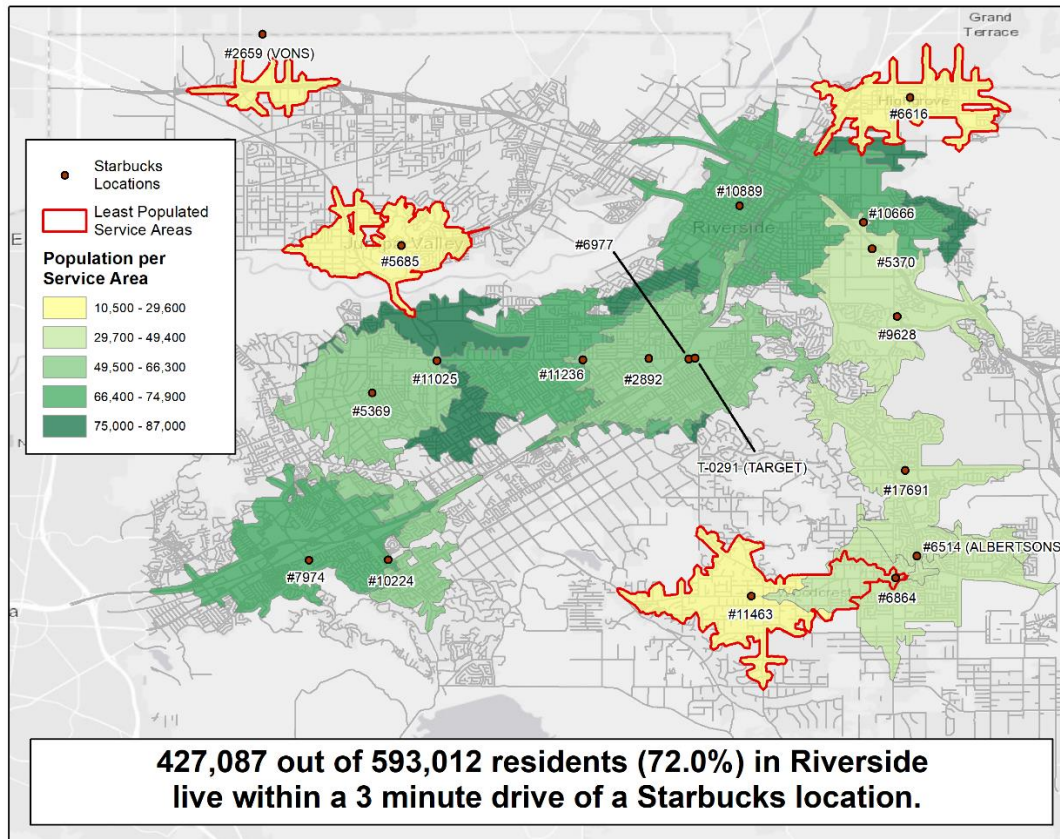


Figure 2. Service areas of Starbucks locations in Riverside categorized by population.

## Possible Candidates for Store Closure

### Store #6977

Store #6977, located on Arlington Ave and next to the 91 Freeway, is considered as a possible store to close. It is surrounded by at least two other Starbucks locations within the same area in central Riverside. One of these stores is operated within a Target store close to Store #6977 and serves approximately the same area. Because most of its service area overlaps with other service areas, closing Store #6977 may not have a huge impact as people who live in the area can also go to the other Starbucks locations within a three-minute drive. Store #6977 serves 74,841 residents within its service area.



## Recommended Store Closure: Store #6977

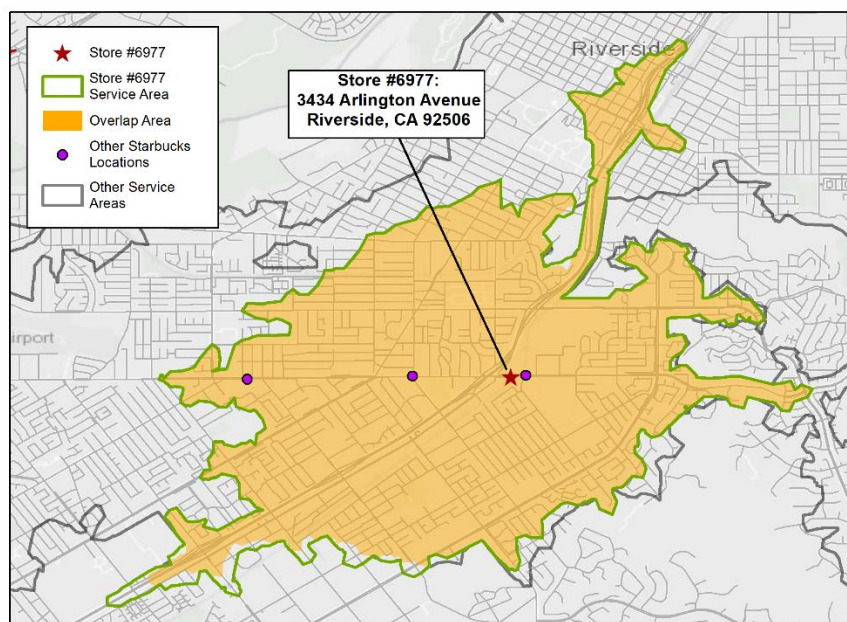


Figure 3. A map of Starbucks Store #6977, its service area, and nearby neighboring stores.

## Drive Time Between Store #6977 and All Other Starbucks Stores

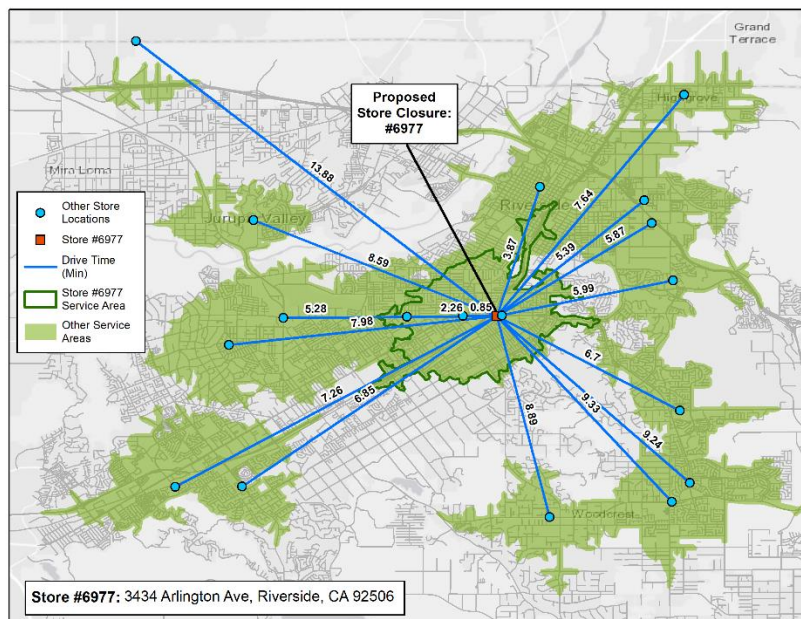
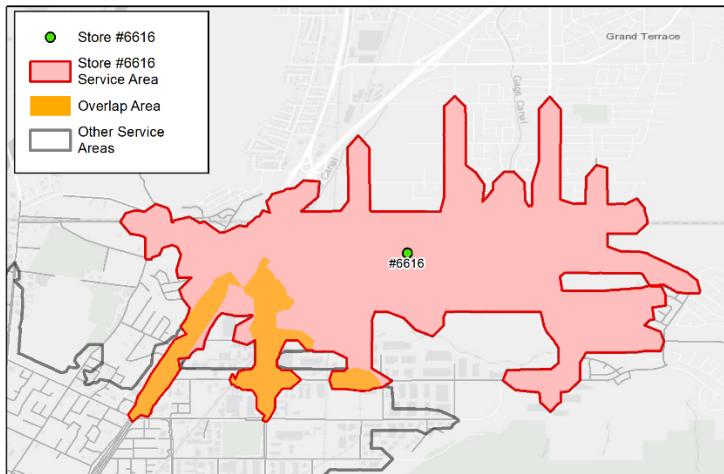


Figure 4. A map of the driving times between Store #6977 and other Starbucks locations around Riverside, CA.

## Stores with the Smallest Service Area Populations

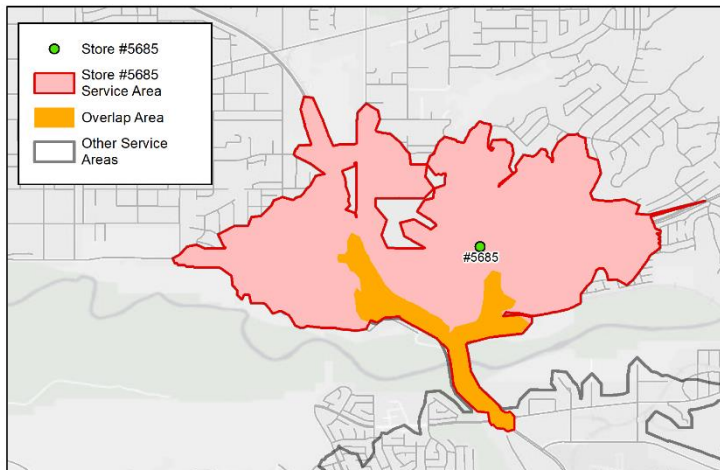
Here are some other possible locations to close due to the low population in their service areas.



### **Store #6616**

ADDRESS UNKNOWN

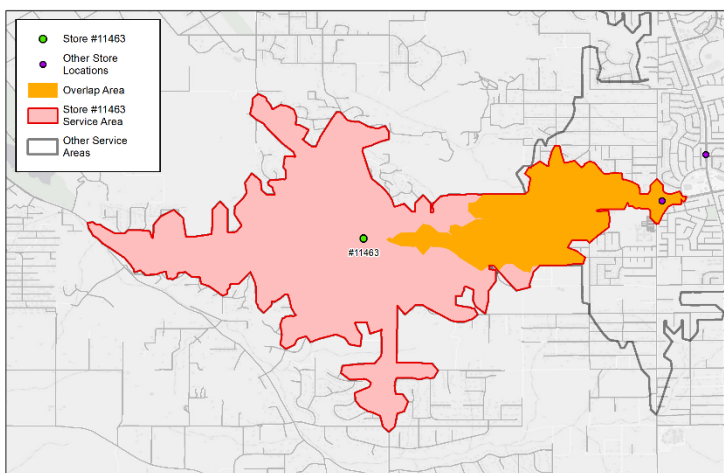
Total Population: 27,796  
Male Population: 14,035  
(50.5%)  
Female Population: 13,761  
(49.5%)  
Area: 3 square miles



### **Store #5685**

8042 LIMONITE BLVD  
JURUPA VALLEY, CA 92509

Total Population: 28,768  
Male Population: 14,569  
(50.6%)  
Female Population: 14,199  
(49.4%)  
Area: 3 square miles

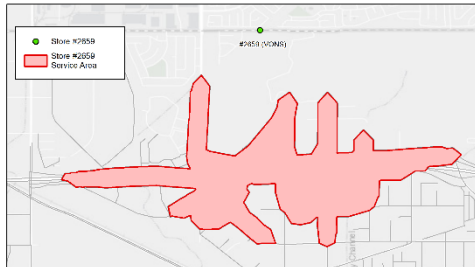


### **Store #11463**

16810 VAN BUREN BLVD  
RIVERSIDE, CA 92504

Total Population: 29,577  
Male Population: 14,731  
(49.8%)  
Female Population: 14,846  
(50.2%)  
Area: 4 square miles

Compared to Store #6977, these stores only have a service area population of less than 30,000 people each. Based on population numbers alone, Store #6616 would have been considered a top candidate for store closure. However, there are other factors to consider. The amount of overlap with other service areas is not as big as the overlap is for Store #6977. On a related note, these stores are not close to other Starbucks locations as Store #6977 is.



### Special Mention

A special mention is Store #2656. Although it technically has the smallest population out of all the stores observed (10,480 people), it is located beyond the boundaries of the OpenStreetMap data. It is possible that the service area calculated in this analysis may not be the full extent of the store's service area. Thus, the store will not be included as a possible candidate for closure.

### Recommendation:

I recommend Starbucks to **close Store #6977**. The other candidates (the stores with the lowest populations in their service area) do not have as much overlap as Store #6977 does and are far away enough from other locations to serve their respective areas exclusively.

## References

OpenStreetMap: <https://www.openstreetmap.org>

United States Census Bureau Website: <https://www.census.gov/programs-surveys/acs/>

UCLA Geoportal: <http://gis.ucla.edu/geodata/dataset/acs-2010-2014-5-year-estimates-block-groups-california-gdb>

Starbucks: <https://www.starbucks.com/store-locator>