



Market Research

Coffee-robot in LA

***Analysis of food and beverage
establishments in LA***

Marta Pineda, Apr '23



Project description

Context:

- Opening of a small robot-run cafe in Los Angeles.
- Analysis of the current market conditions

Analysis:

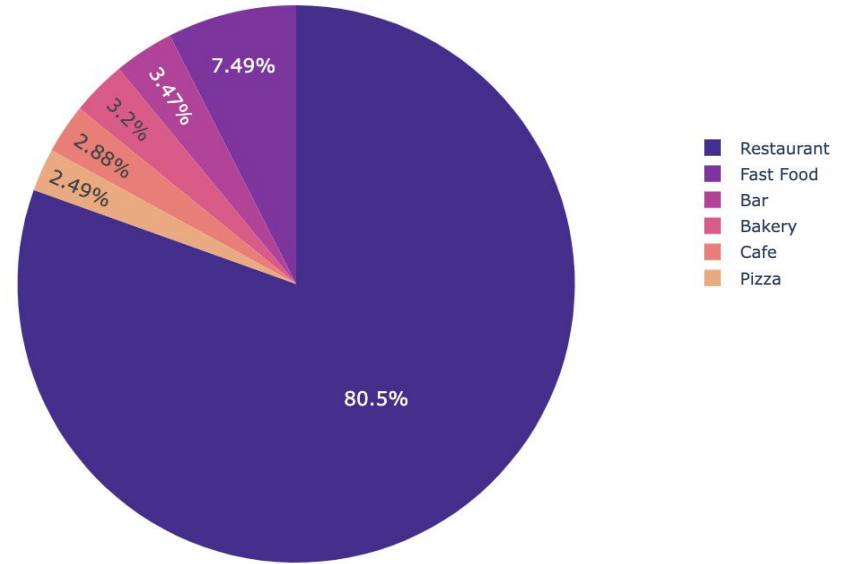
- Proportions of the various types of establishments
- Proportions of chain and independent establishments.
- Capacity per type of establishment
- Busy Streets : Top 10 streets by number of restaurants.
- Quiet Streets: only 1 restaurant
- Conclusions and recommendations





Market Share per establishment type

- Predominant establishment type in LA are **restaurants**, with **80%** of the market share
- Bakeries and cafes are in similar proportion
- Most of the establishments from all types have only **1 branch** in LA, with some exceptions
- **Top 3 coffee companies in LA:**
 - **Starbucks** – 119 branches
 - **The Coffee Bean & Leaf** – 61 branches
 - **Blue Bottle Coffee Co.** – 9 branches

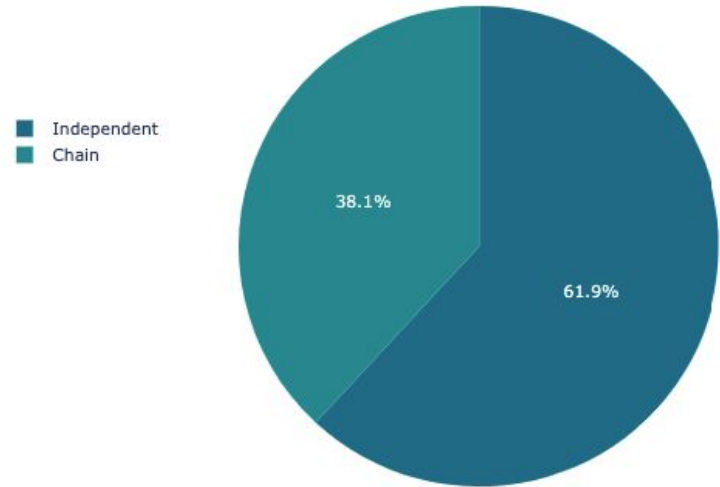




Market Share per establishment by chain type

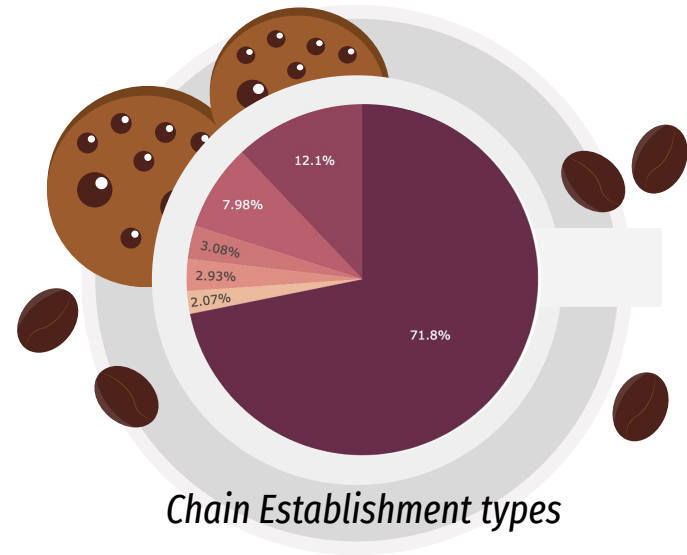
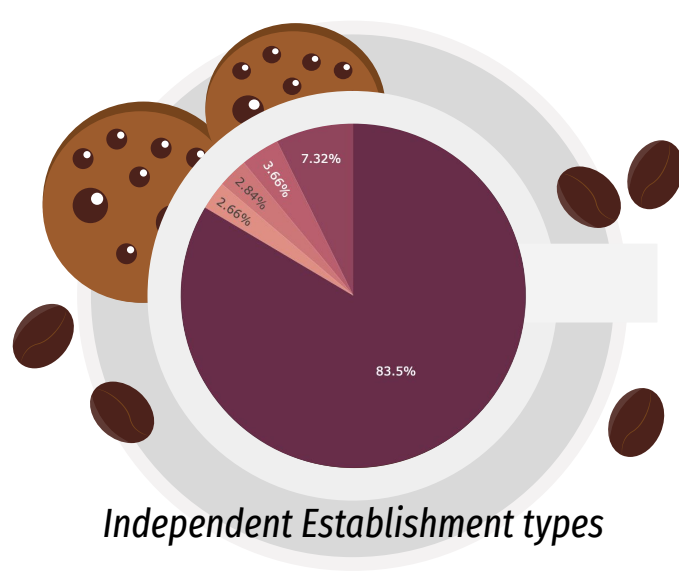
Market Share of Establishments Chain Types

- Establishments in LA are primarily **Independent** with almost **62%** of the market share vs. Chain ones with almost **39%**



Chain or independent?

Market share per establishment type



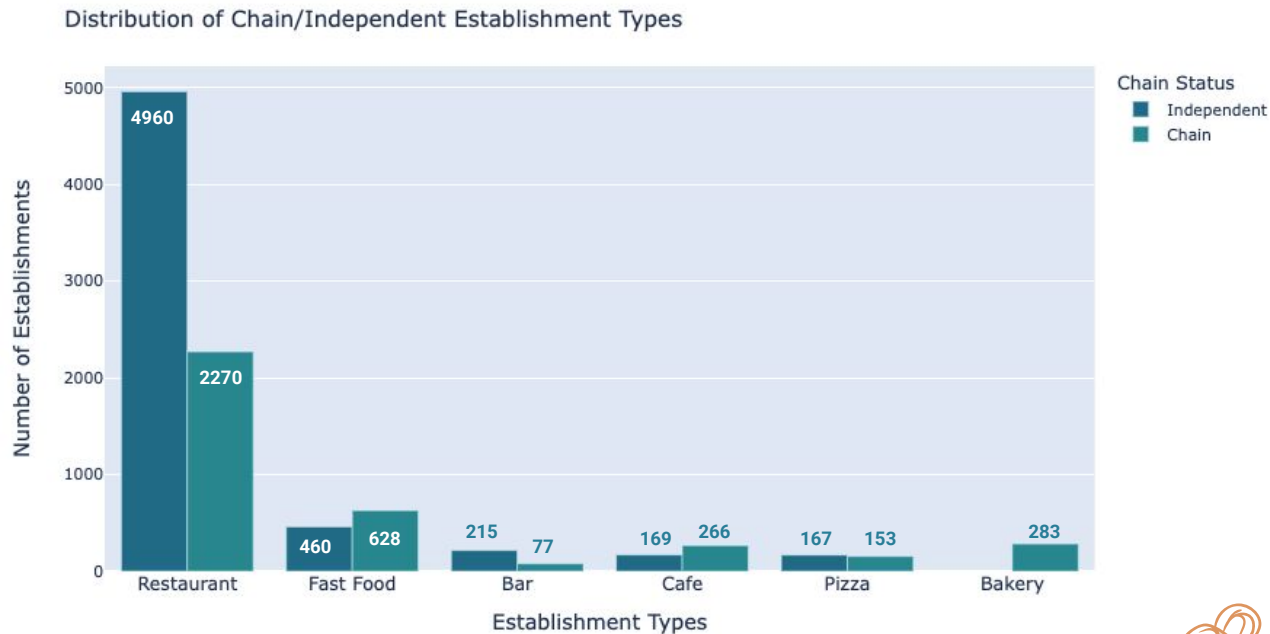
- Majority of establishments are not part of a chain
- The market share of chain vs non-chain establishments is pretty similar with predominance in Restaurants. **83% for non-chain and vs 71% for chain ones.**
- **Bakeries** have more share on chain establishments (**12%**) than on non-chain (**7%**)



Chain or independent?

Distribution per establishment type

- Majority of both types are restaurants
- Almost twice as many **independent** restaurants than **chain** ones
- Fast food establishments have **bigger** share on chain type (almost 8%)
- Seems in LA, cafes are more prone to be part of a chain, same (and almost exclusively) like bakeries

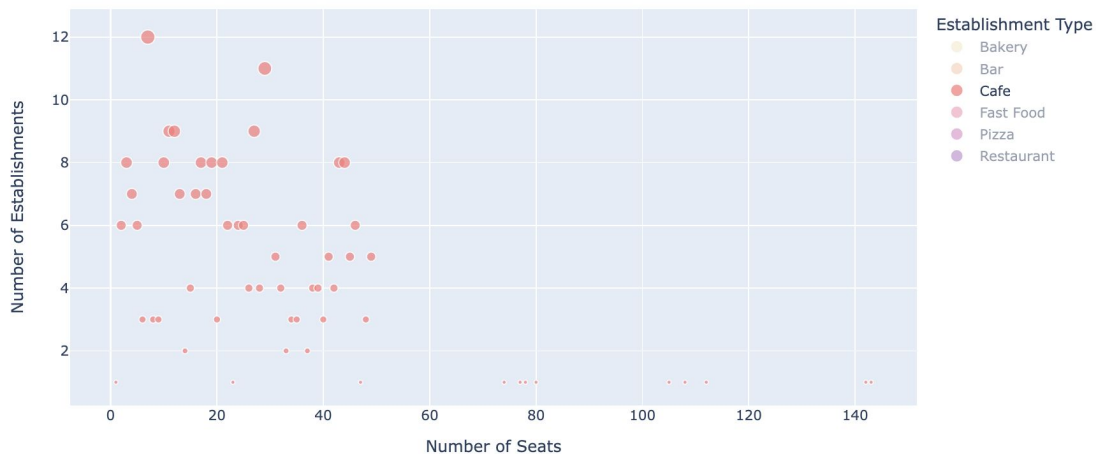
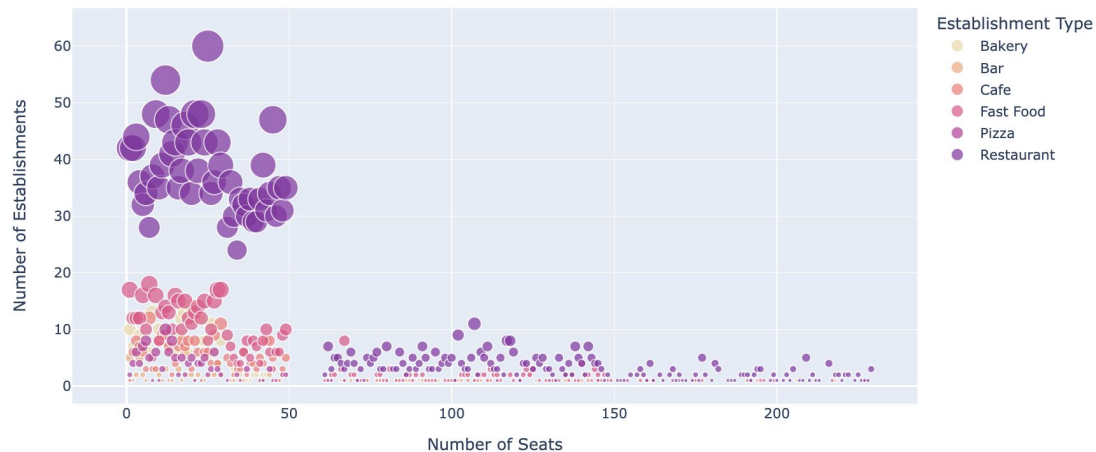


Establishment characterizations

- Big part of chain establishments are more likely to have **50 seats or more**. **Restaurants** can have up to **229** customers at one time but most restaurants can normally hold up to 49.
- **Bakeries** can seat around 30 people and only very few of them can seat more
- **Cafes**, most of them are between 3 to 25 seats. Only 9 of them can sit more than 49 people at the same time. And only 5 can seat more than 100. Out of **266**

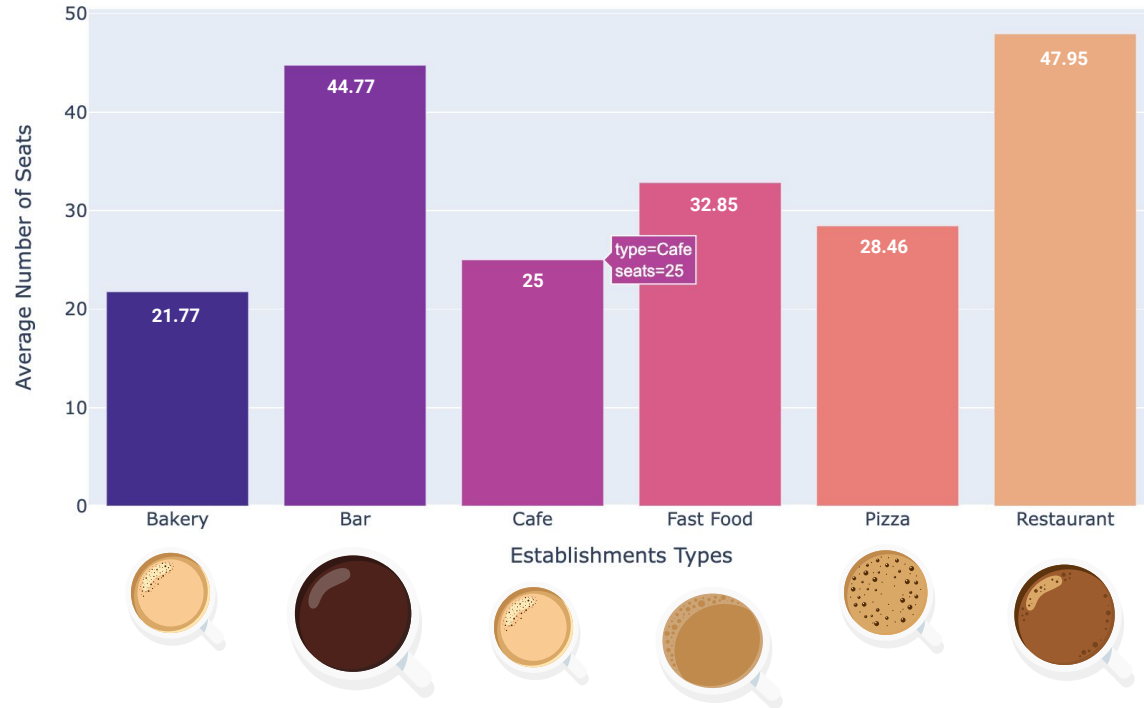


Seats per Establishment Chain



Average # of seats per establishment type

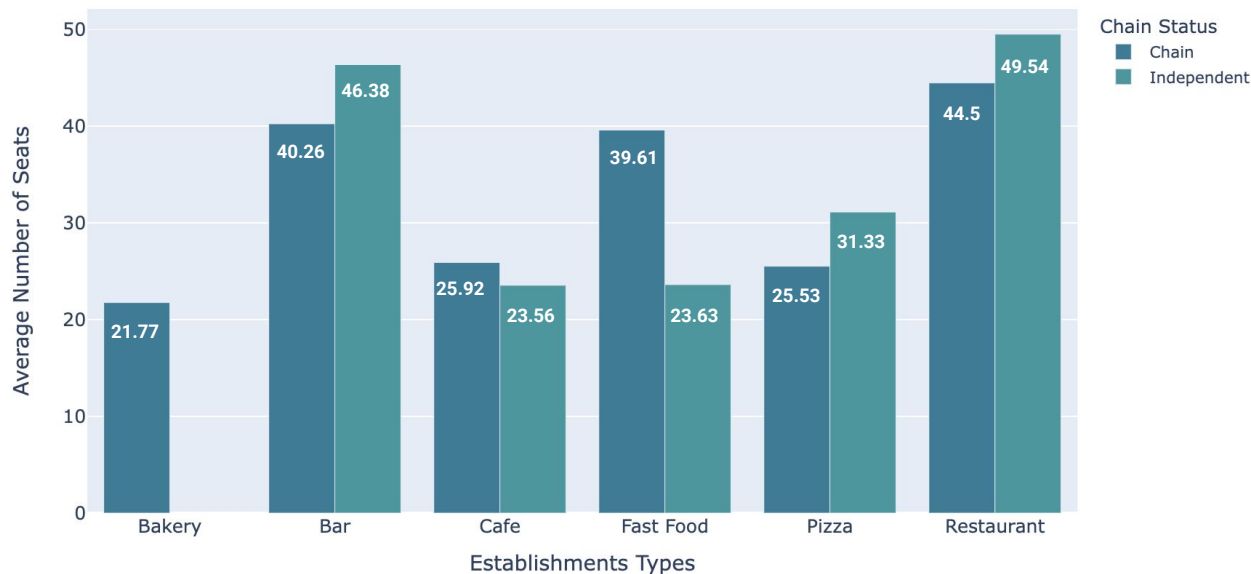
- Lowest average number of seats is for **Bakeries** and **cafes** in second place (20-25)
- **Restaurants** can seat average of 48 people and bars 44



Chain or independent?

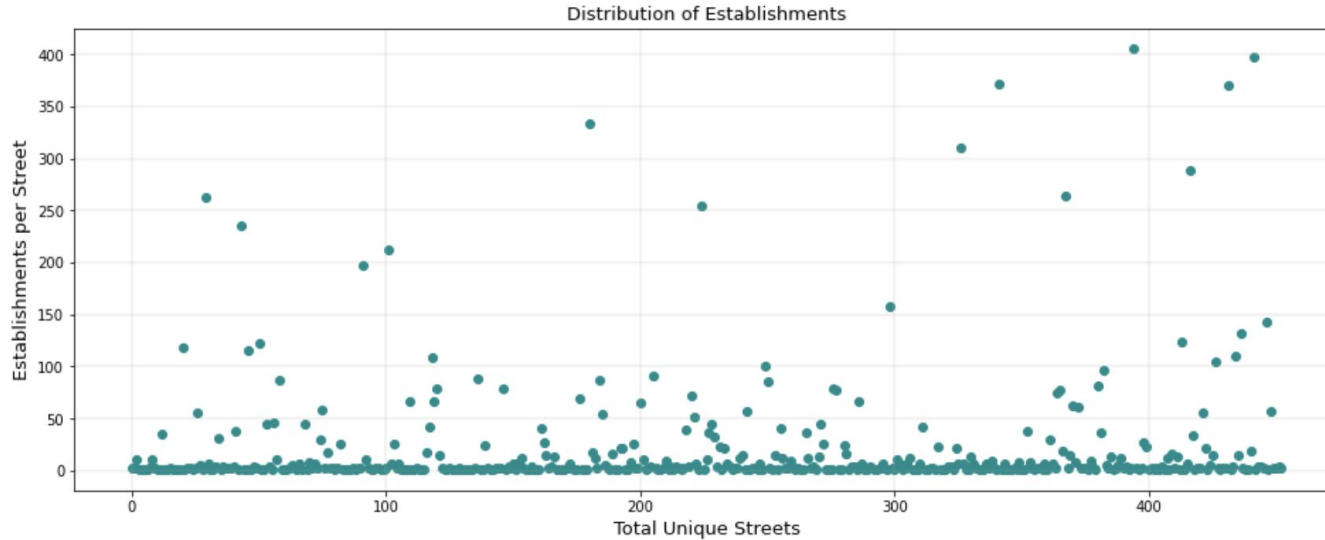
Avg seats per establishment type

- Independent restaurants, bars and pizza establishments on average can seat more customers than chain ones
- Both **independent** and **chain** restaurants can sit on average the highest number of customers at once.
- Chain fast food establishments can sit **16 more** seats on average than the independent ones



Busy streets vs quiet streets

Establishments per street

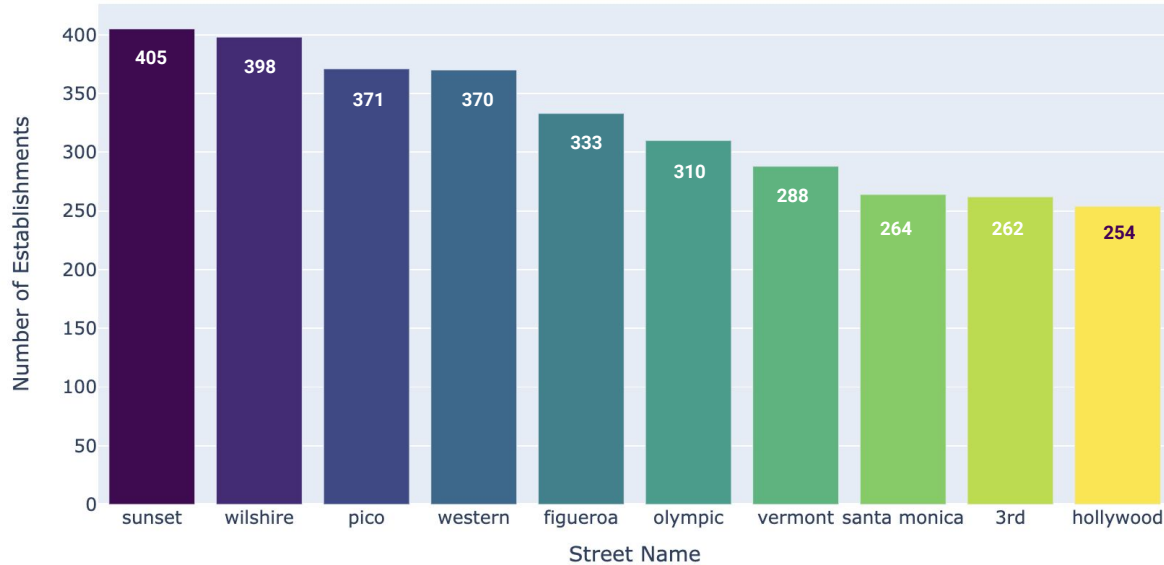


- Most streets have no more than 50 establishments
- Only **5%** of streets have more than **100** establishments.



Busy streets - Top 10

Busy streets = more than 100 establishments



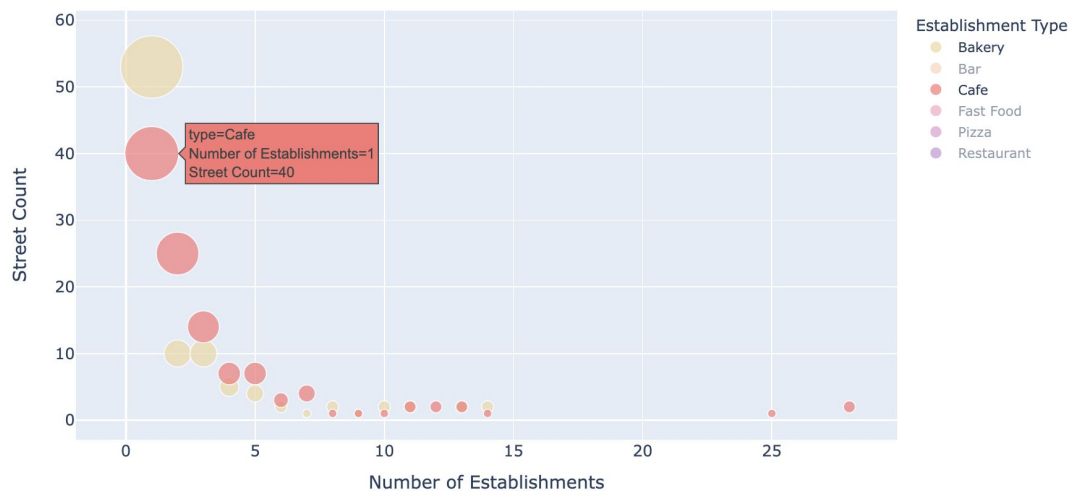
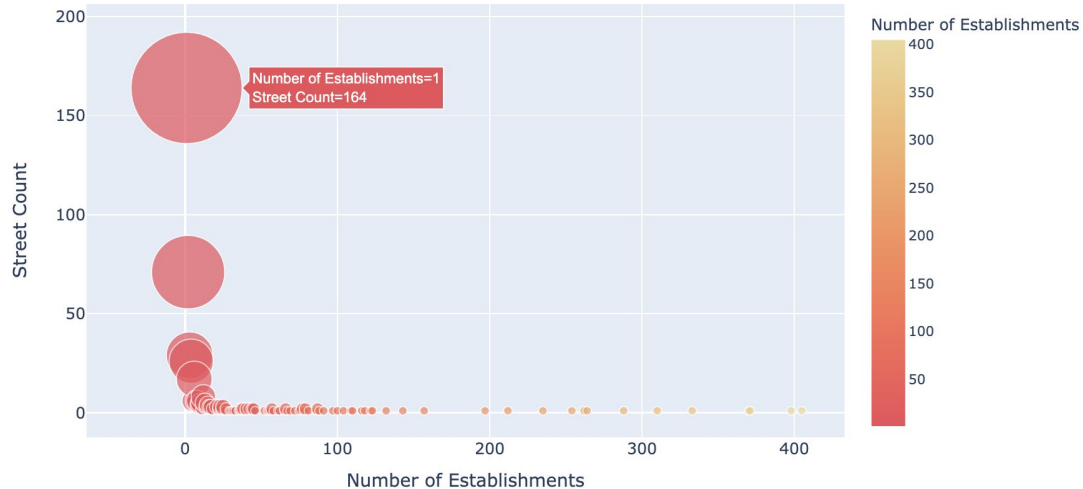
- The **top 10 streets** with the most in the bar chart above, Sunset Blvd has the highest number of establishments (**405**), followed by Wilshire very close



Establishments per street

All vs. cafes

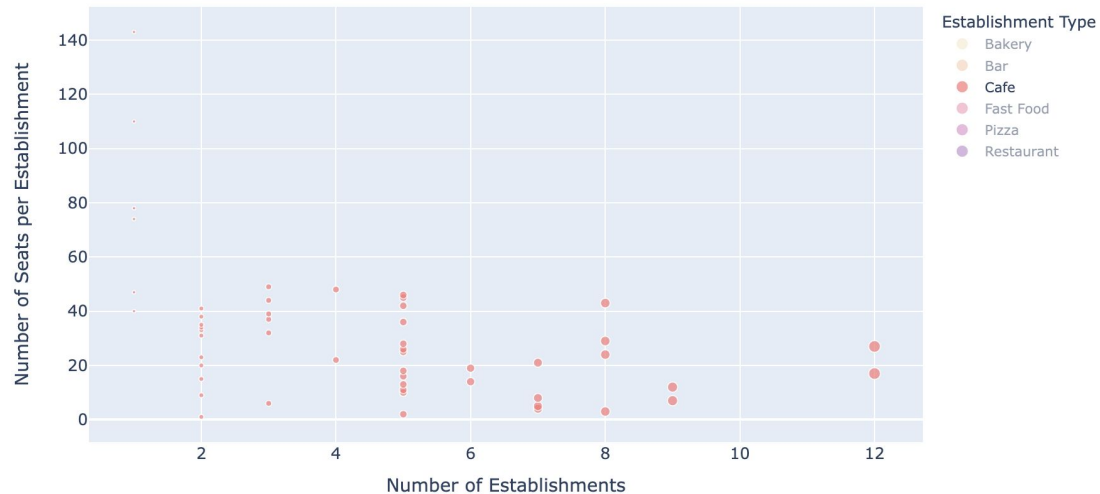
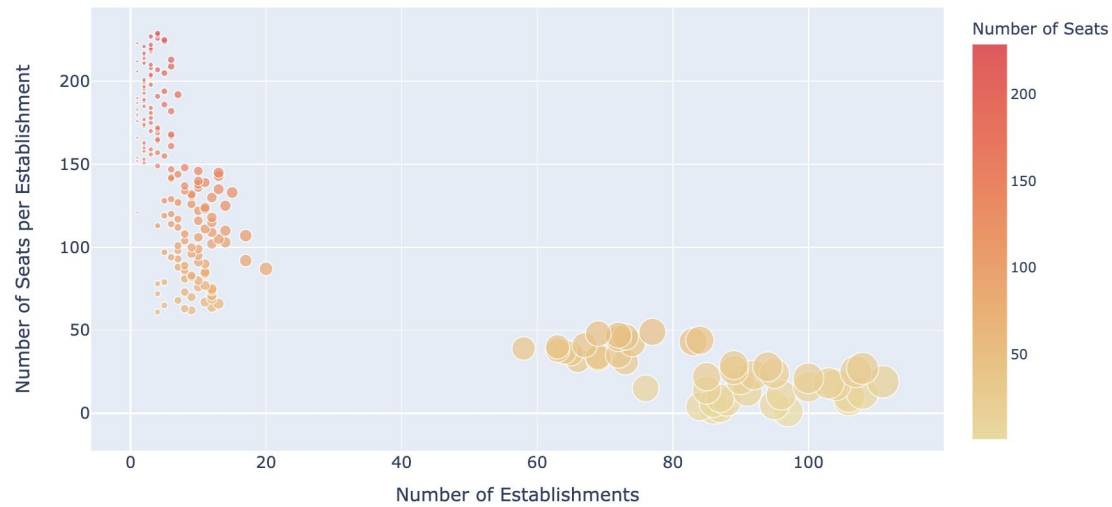
- **164** streets have only 1 establishment
- **71** streets have 2 establishments
- **96** streets have both cafes and bakeries
- **113** streets have either cafes or bakeries
- **40** streets have only 1 cafe
- **25** streets have 2 cafes
- **1** street has 28 cafes



Busy streets

Seats per establishments in streets with more than 100 establishments

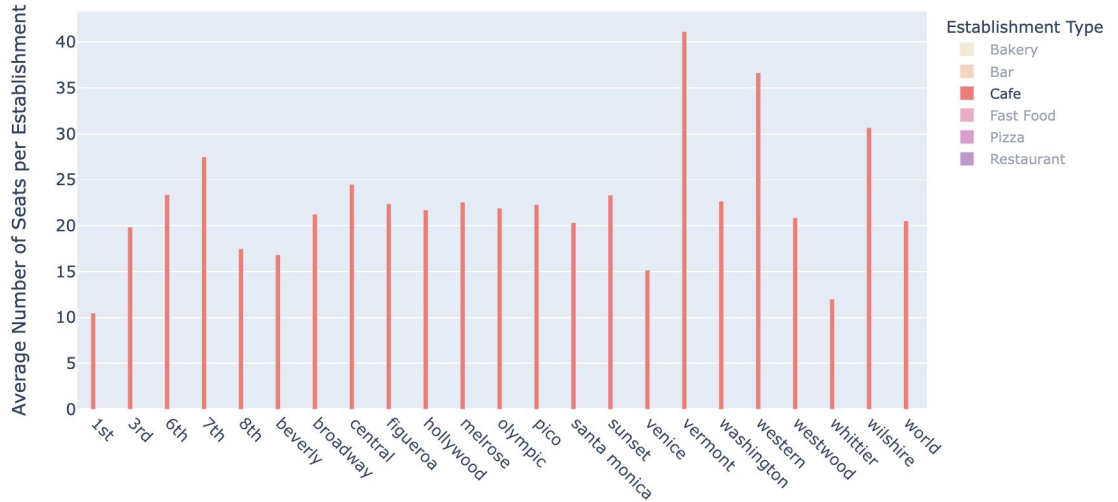
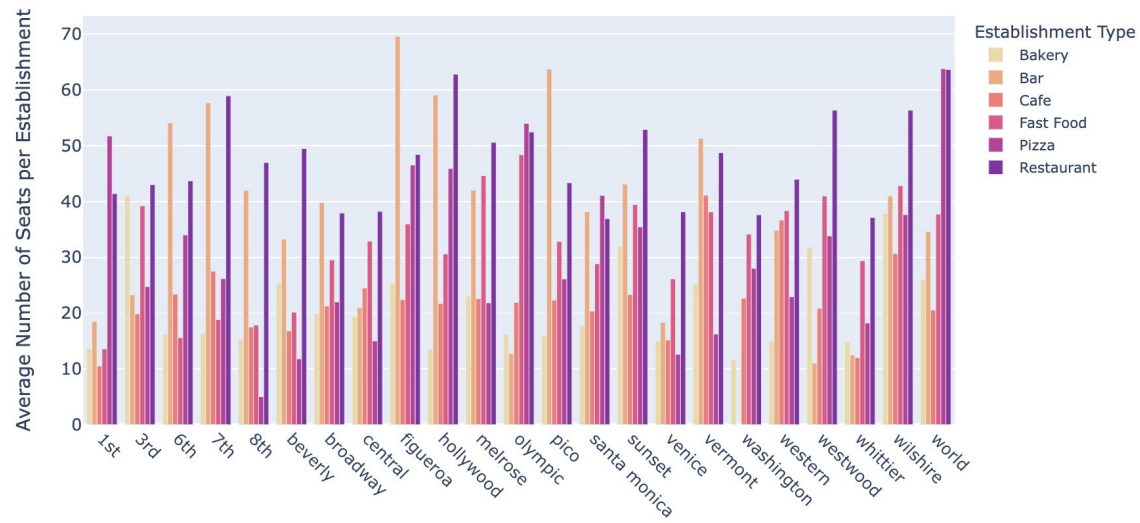
- 23 streets with more than 100 establishments. There are more with maximum of 50 seats. Fewer establishments have 50 to 229 seats
- In the second graph, we can see that cafes on those streets are closer to **20 seats maximum**. The majority of the establishments on those 23 busy streets are concentrated in not more than 20 seats.



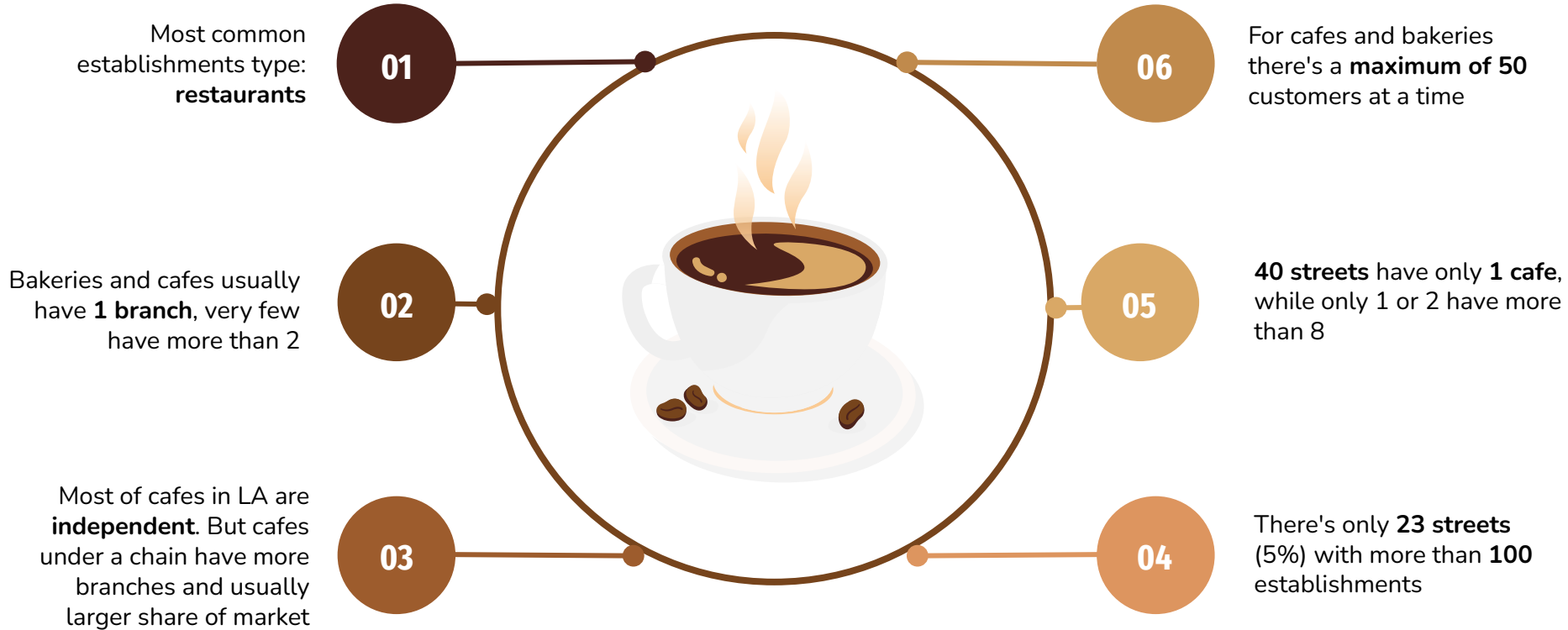
Busy streets

Avg seats per establishments in streets with more than 100 establishments

- **Restaurants** usually have the highest amount of seats, but on bars, we see a peak on Figueroa St. and Pico St.
- **18 Streets** have cafes that can seat **20 or more** customers
- In **Vermont Ave. and Western Ave.** the average amount of seats is higher, having **41** and **36** seats respectively



General conclusions



Recommendations



Chain cafes are less common in LA and have better share of the market, we can investigate this option



We should focus on streets with **medium density** of establishments, since customers might be already used to go to those streets and our cafe can be **more visible**, but we need to consider streets with **fewer cafes** and low amount of seats, to have opportunity to catch those clients.



We recommend our cafe to have between up to 25 seats

