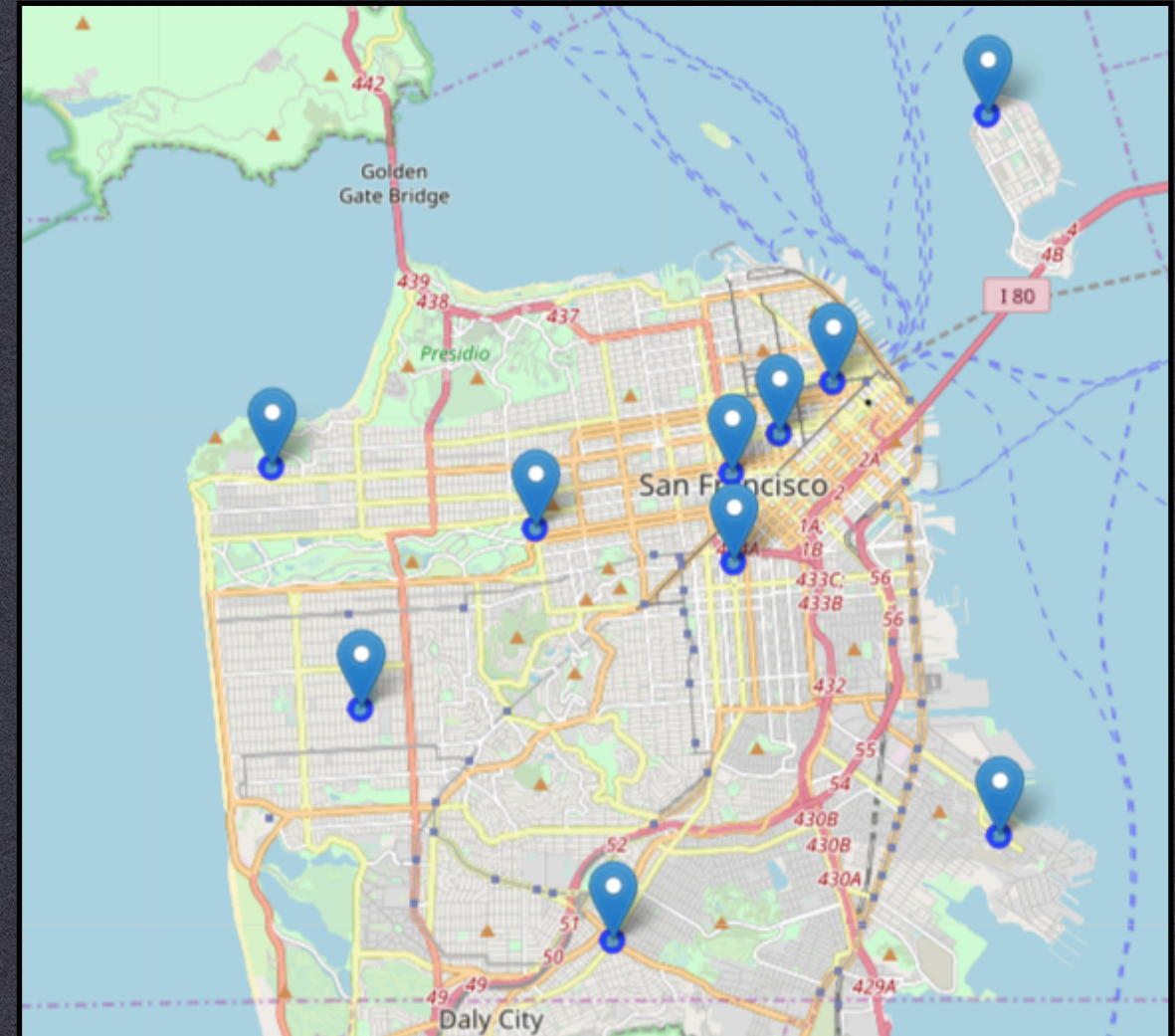


KAELA COFFEE COMPANY MARKET DEVELOPMENT RESEARCH

IBM APPLIED DATA SCIENCE CAPSTONE VIA
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02.19.19



KAELA COFFEE COMPANY

- * Established 2008
- * Locally owned in Miami, Florida
- * Specialty iced coffee
- * Assortment of baked goods
- * YOY Profits ~ \$1.1 million

WHAT'S NEXT?

- * Market development strategy
- * Cities considered: San Francisco, Minneapolis, San Antonio, New York City
- * San Francisco chosen as next location - one district (out of 10)

RESEARCH QUESTIONS

- * Analysis of current retail venues for each district
- * Details on primary competition
- * Final Recommendation

METHODOLOGY

- * Foursquare data used to analyze retail operations for 10 San Francisco regions:

1. Central
2. Mission
3. Northern
4. Park
5. Tenderloin

6. Bayview
7. Richmond
8. Taraval
9. Ingleside
10. Southern

- * Review top 10 venue categories for each region

METHODOLOGY

- * Determine primary competition - review coffee establishments within a 5-mile radius of city
- * Identify competitive risk

CURRENT RETAIL SCENARIO

----Central----

	venue	freq
0	Coffee Shop	0.08
1	Men's Store	0.04
2	Gym	0.04
3	Sandwich Place	0.04
4	Sushi Restaurant	0.04
5	Café	0.03
6	Japanese Restaurant	0.03
7	Italian Restaurant	0.03
8	New American Restaurant	0.03
9	Hotel	0.02

----Mission----

	venue	freq
0	Boutique	0.05
1	Gym / Fitness Center	0.04
2	Mexican Restaurant	0.04
3	Pizza Place	0.04
4	Sushi Restaurant	0.03
5	Coffee Shop	0.03
6	Yoga Studio	0.03
7	Furniture / Home Store	0.03
8	Tapas Restaurant	0.02
9	Whisky Bar	0.02

----Northern----

	venue	freq
0	Vietnamese Restaurant	0.07
1	Café	0.06
2	French Restaurant	0.04
3	Sandwich Place	0.03
4	Wine Bar	0.03
5	Park	0.03
6	Furniture / Home Store	0.03
7	Vegetarian / Vegan Restaurant	0.03
8	Thai Restaurant	0.03
9	Coffee Shop	0.03

----Park----

	venue	freq
0	Park	0.14
1	Café	0.07
2	Pizza Place	0.05
3	Garden	0.05
4	Thai Restaurant	0.05
5	Trail	0.05
6	Sushi Restaurant	0.05
7	Deli / Bodega	0.05
8	College Gym	0.02
9	Coffee Shop	0.02

----Tenderloin----

	venue	freq
0	Theater	0.06
1	Hotel	0.06
2	Cocktail Bar	0.05
3	Speakeasy	0.04
4	Jazz Club	0.03
5	Art Gallery	0.03
6	Wine Bar	0.03
7	Sushi Restaurant	0.03
8	Thai Restaurant	0.03
9	Music Venue	0.03

----Bayview----

	venue	freq
0	Public Art	0.25
1	Park	0.25
2	Bakery	0.25
3	Spa	0.25
4	Pharmacy	0.00
5	Peruvian Restaurant	0.00
6	Monument / Landmark	0.00
7	Motorcycle Shop	0.00
8	Music Store	0.00
9	Music Venue	0.00

CURRENT RETAIL SCENARIO

----Richmond----

	venue	freq
0	Bus Stop	0.12
1	Pharmacy	0.12
2	Sculpture Garden	0.12
3	Trail	0.06
4	Monument / Landmark	0.06
5	Cafeteria	0.06
6	Café	0.06
7	Golf Course	0.06
8	Exhibit	0.06
9	Outdoor Sculpture	0.06

----Southern----

	venue	freq
0	Athletics & Sports	0.33
1	Winery	0.17
2	Breakfast Spot	0.17
3	Dog Run	0.17
4	Harbor / Marina	0.17
5	Accessories Store	0.00
6	Opera House	0.00
7	Motorcycle Shop	0.00
8	Music Store	0.00
9	Music Venue	0.00

----Taraval----

	venue	freq
0	Clothing Store	0.5
1	Bus Stop	0.5
2	Accessories Store	0.0
3	Opera House	0.0
4	Motorcycle Shop	0.0
5	Music Store	0.0
6	Music Venue	0.0
7	Nail Salon	0.0
8	New American Restaurant	0.0
9	Nightclub	0.0

----Ingleside----

	venue	freq
0	Pizza Place	0.14
1	Latin American Restaurant	0.10
2	Bar	0.07
3	Mexican Restaurant	0.07
4	Vietnamese Restaurant	0.07
5	Chinese Restaurant	0.07
6	Bakery	0.07
7	Bus Line	0.03
8	Pool Hall	0.03
9	Filipino Restaurant	0.03

PRIMARY COMPETITION

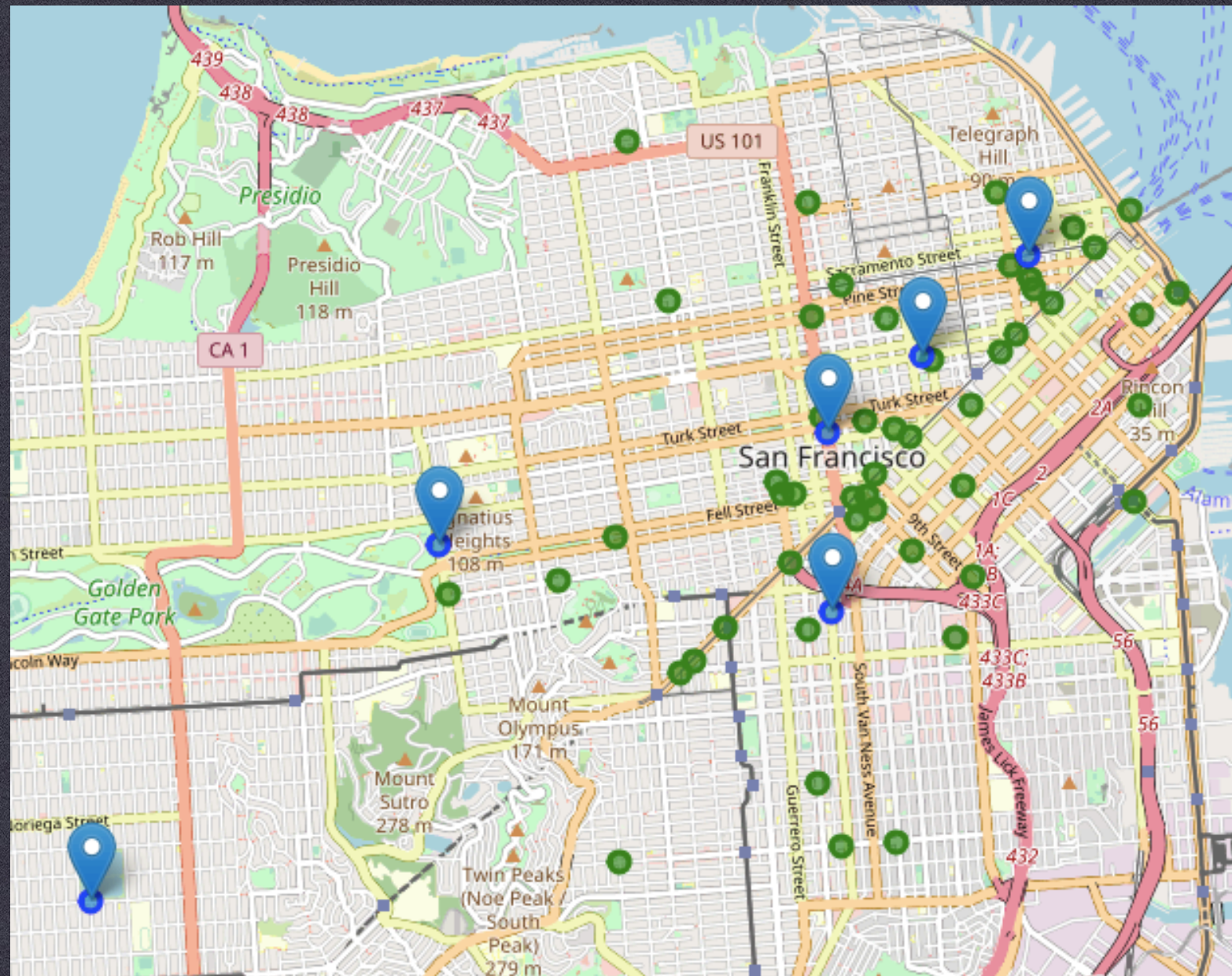
- * Within the 5-mile radius:
 - Peet's Coffee
 - Blue Bottle Coffee
 - Ritual Coffee Roasters
 - Philz Coffee
- * Total of 49 coffee establishment (incl. above)

PRIMARY COMPETITION

0	Blue Bottle Coffee
1	Ritual Coffee Roasters
2	Blue Bottle Coffee
3	Sightglass Coffee
4	Philz Coffee
5	Blue Bottle Coffee
6	Four Barrel Coffee
7	Andytown Coffee
8	Verve Coffee Roasters
9	Peet's Coffee & Tea
10	Peet's Coffee & Tea
11	Ma'Velous Coffee & Little Griddle
12	Peet's Coffee
13	Ritual Coffee Roasters
14	Philz Coffee
15	Sextant Coffee Roasters
16	Blue Bottle Coffee
17	Blue Bottle Coffee
18	Philz Coffee
19	Cup-A-Joe Coffee House
20	Celtic Coffee Company
21	It's Tops Coffee Shop
22	Coffee Bar
23	Peet's Coffee & Tea
24	Réveille Coffee Co.
25	Coffee Bar

26	Lobby Coffee Bar
27	Peet's Coffee & Tea
28	Peet's Coffee & Tea
29	Taylor Street Coffee Shop
30	Peet's Coffee & Tea
31	Peet's Coffee & Tea
32	Mymy Coffee Shop
33	Ritual Coffee Roasters
34	Peet's Coffee & Tea
35	Ritual Coffee Roasters
36	Peet's Coffee & Tea
37	Peet's Coffee & Tea
38	Peet's Coffee & Tea
39	Peet's Coffee & Tea
40	Philz Coffee
41	Ikon Coffee Roasters
42	Peet's Coffee & Tea
43	Peet's Coffee & Tea
44	Flywheel Coffee
45	W6 Coffee Bar
46	Philz Coffee
47	Mazarine Coffee
48	Coffee Mission
49	Wise Sons Bagel & Coffee

PRIMARY COMPETITION



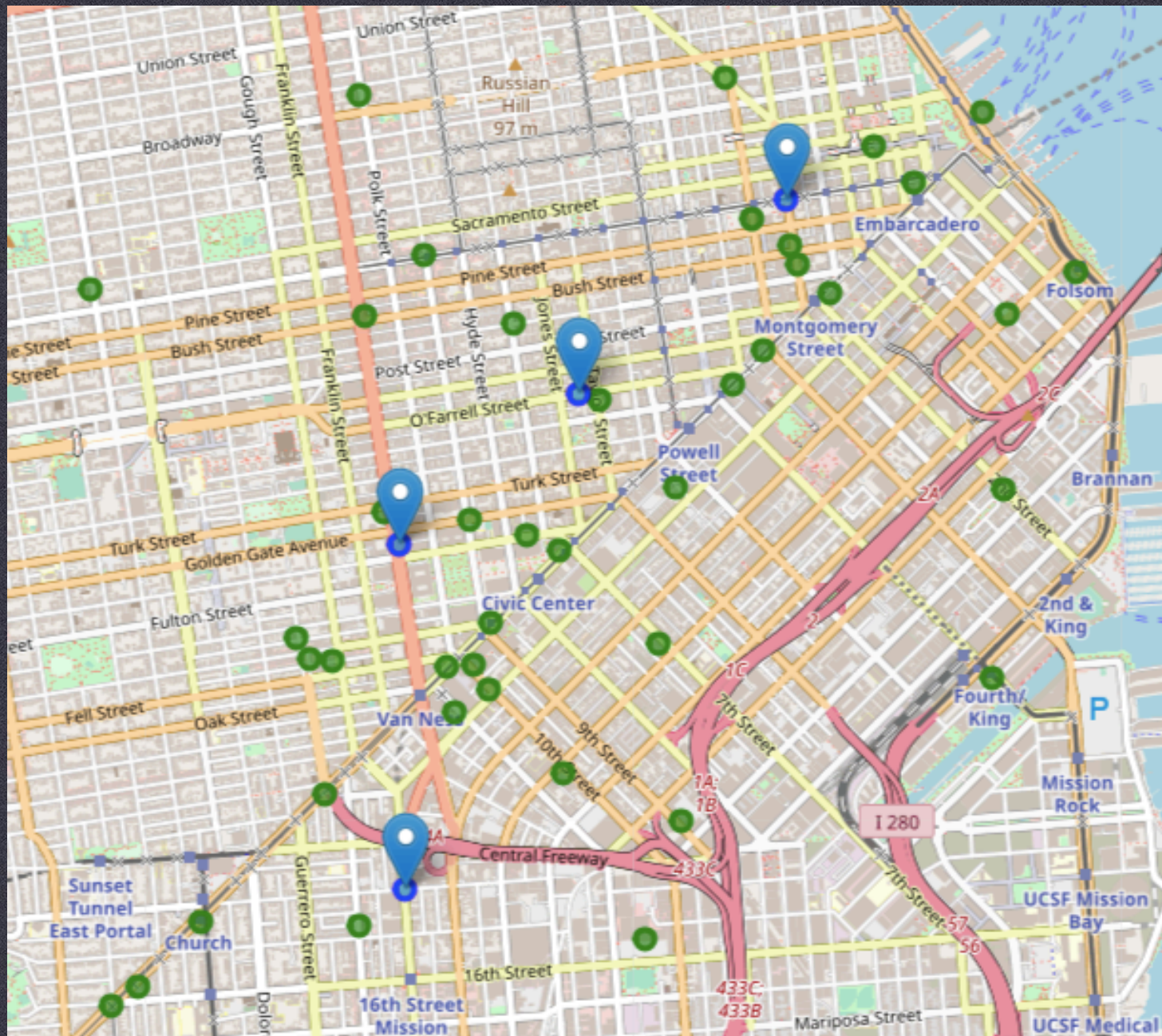
Green = coffee shops

Blue = districts

OBSERVATIONS

- * Four regions have high-volume coffee locations
 - Central
 - Mission
 - Northern
 - Tenderloin
- * Tenderloin District has slightly less density of coffee venues compared to the other three

OBSERVATIONS



Regions (blue) top to bottom: Central, Tenderloin, Northern, Mission

OBSERVATIONS

- * Kaela Coffee Company currently thrives in a high-paced, yet expensive area in Miami
- * This is the environment in which it thrives
- * Proximity to Financial District (San Fran) is a major benefit
- * Lease will be expensive in all districts

RECOMMENDATION

- ✱ Based on current economic activity, slightly less density of current coffee venues, and similarity with the current Miami location, the recommended location for new Kaela Coffee Company operations is in the Tenderloin District.