

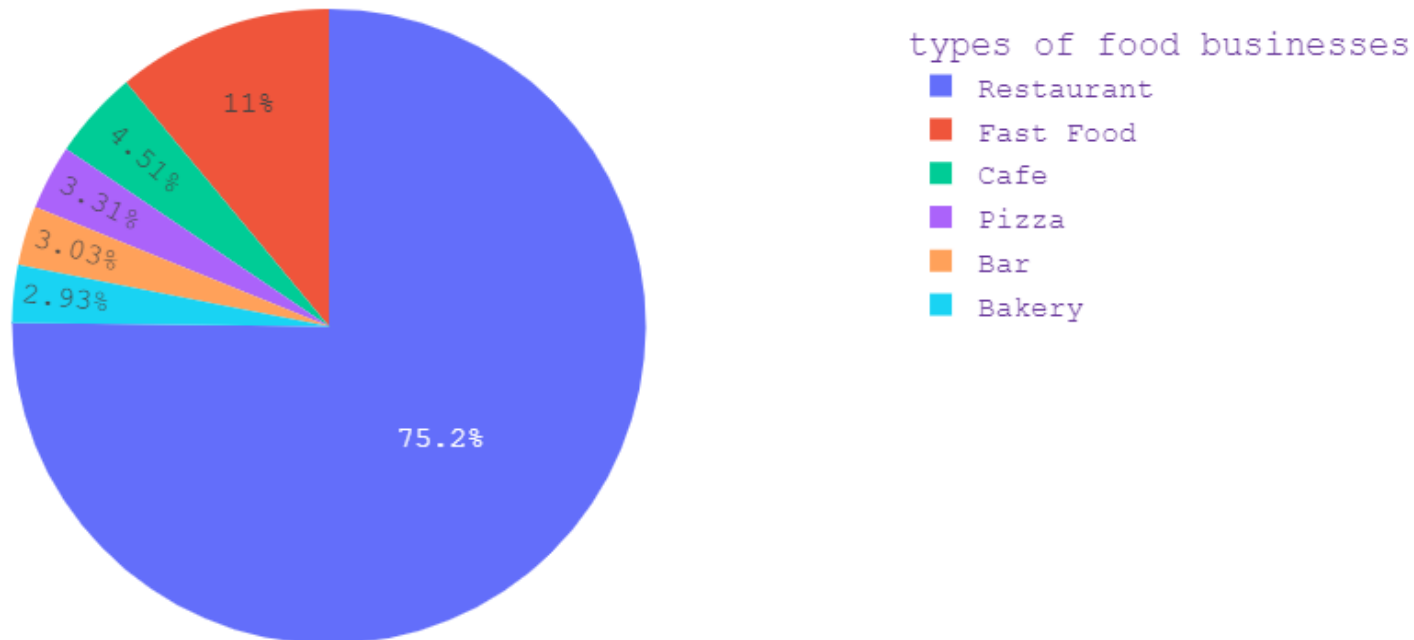
Restaurants in Los Angeles: Market Research

General Conclusions

- Cafés are the third largest food business with a share of about 4.5%.
- Cafés are more likely to belong to a chain than to be independent.
- Cafés have a low average seat number of 25.
- Locations on streets with many food-serving venues tend to have less seats, generally and for Cafés.

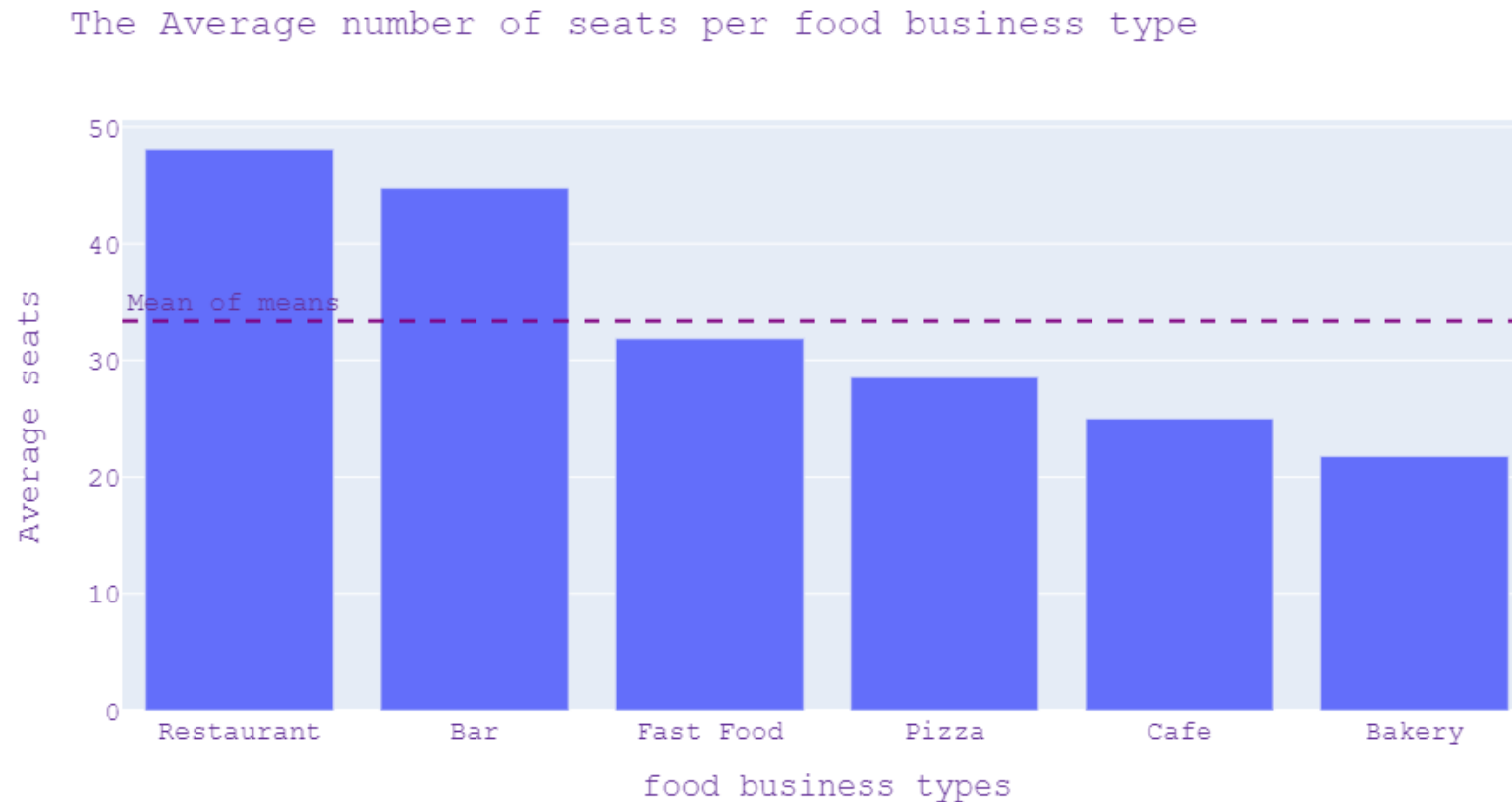
Market Shares of food businesses

Proportions of different food businesses in LA



- There are 9,650 food-serving-businesses in LA.
- Restaurants are over 75% of them.
- Fast food is the second largest share with 11%.
- Cafes are third with a share of about 4.5%.
- Pizza, bar and bakeries are about 3% each.

Average seat Number, per type of businesses

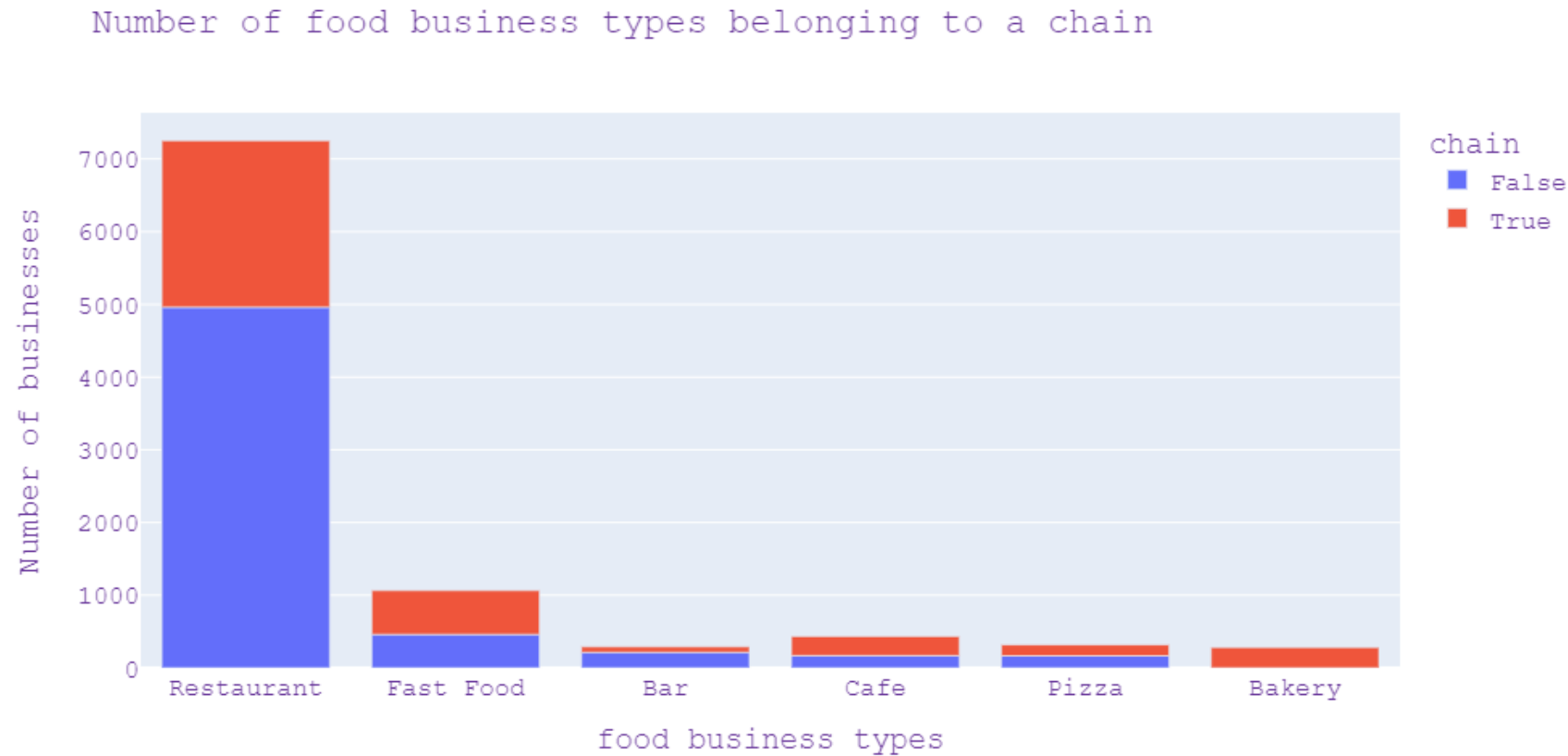


- Restaurants and bars have an above average number of seats of 48 and 45 respectively.
- Cafes have a low average seat number of 25, surpassing only bakeries who have less than 22 seats on average.

Location, Location, Location

- The streets with one restaurant are the largest share by far (2481).
- The second largest - streets with two restaurants - has 291 instances.
- The overall median number of restaurants per street in LA is 1.0, the mean is 3.1
- 95% of cafes are located in streets with no more than 4 cafes.
- Cafés which are the only food serving business on their street have about 3 seats more on average than Cafés on streets with a lot of restaurants (26.7 vs 23.8).

The chain dilemma



- The overall ratio of businesses privately owned to ones owned by chains in the is: 1.62.
- Other than bakeries, who have no non-chain businesses at all, Cafes are the most-likely to belong to a chain, with a ratio of 0.63 of non-chain cafes to chain cafes.

Recommendations

- It is highly likely that the high ratio of chain to non-chain cafes is due to a favorable business and operational structure for chains in the café sector. This needs of course to be further researched.
- When choosing a location, we should find the "sweet point" of our breakeven point, the number of seats needed to reach it and our chosen location: Locations in streets with many restaurants require less seats and those with less restaurants require more seats.