

# Capstone Project - The Battle of Neighborhoods

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Coursera Project

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# Introduction:

## Problem Description

Lot of stores are selling coffee in New York and Toronto, but there are very fewer coffee shops which only sell coffee (example- Starbucks).

Questions which required to be answered:

- 1) If any coffee company or a coffeehouse chain is planning to open a new store in New York or Toronto, where can they open the same? Which are the probable Neighborhoods in which coffee is already being sold by a non-Coffee store, but have a possibility to have a coffee store?
- 2) Which coffee drinking neighborhoods in New York and Toronto are similar, so the same business model can be implemented in the other city as well?

## Business Stakeholders:

1. Coffee company who would like to open a new coffee shop in New York.
2. Existing coffee shops which would like to improve there business model.

## Background of the issue

According to thecoffeebump statistics

- 58% of Americans over the age of 18 drink coffee every single day
- The US alone spends \$4 billion importing coffee each year
- The average coffee drinker spends \$164.71 on coffee each year
- 100 million people in the US drink coffee each day
- 25% of Americans skip breakfast, yet 50% will still consume a cup of coffee in the morning

Specialty coffee sales are increasing by 20% per year and account for nearly 8% of the 18 billion-dollar U.S. coffee market. Major coffee companies like Starbucks, Espresso house are planning to open more and more stores. But coffee is already being sold in Neighborhood by general shops, like Donut store, Mc Donald's, KFC etc.... which proves a fact that there is an increasing demand for coffee in these areas. If major

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coffee companies can plan to open their outlets in these places, it could lead to better sales and profit.

Second issue being which business model to be selected for a specific neighborhood while opening the store. Business model / Sales strategy place a vital role in starting and improving the business in any place. There is a need to know which business model would help to improve the business here depending on coffee drinking habits, by comparing the same which is already implemented in a different city.