

County Comparison

Stearns County, MN

St. Clair County, MI

CHICKEN KITCHEN EXPANSION

Graduate school assignment

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Executive Summary

Recommendation: Stearns County MN

Recommendation

Stearns County, MN

- **67,689** median household income
- **35.3** median age
- **22.3** mean commute time
- Growing white collar jobs
- Largely conservative

Expansion evaluation

Chicken Kitchen favored in:

Younger population ■ income above national median ■ conservative ■ dining out culture ■ newly developed ■ potential for further expansion ■ near highways ■ driving culture

Applications

Stearns County, MN and St. Clair County, MI

Recommendation

Stearns is better in almost all measures.

Demographics

The median age in Stearns is lower (35.3 vs 44.2 in St. Clair), with a **majority under 40** years old (55% vs 46%).

Median household income is higher (\$66,558 vs \$59,837), with **64% of household earning above \$50,000** (vs 58% in St. Clair).

Despite counties having similar number of residents, Stearns has a larger labor force (101,540 vs 77,862), of which the **majority is in white collar jobs** (54,463 vs 36,993).

Culture

Both counties lean **strongly conservative** but Stearns has a **growing white population** (128,339 in 2000, 139,432 in 2020, 140,954 projected in 2025), as opposed to St. Clair (158,899, 150,014, 147,908 for the same period).

Dinning out spending in Stearns (\$3,519) is 10% higher than in St. Clair (\$3,179); both expected to grow 7% by 2025.

Location

Total **housing units have grown** almost 6% in the last ten years (vs 0.8%) and **projected to continue growing** (3.7% in 2025 vs 0.6%).

Three highways pass through Stearns (I-94, MN-15, MN-23).

Caveats

1. St. Clair has stronger car culture. The mean travel time to work in Stearns (22.3 min) is lower than St. Clair (29.1 min).
2. Detailed population profile might be stronger in St. Clair. In Stearns, 52% of the population fit preferred profile (younger, conservative, upscale, and car culture), while St. Clair match is slightly over 65%.

3. Stearns already has some competition (2 Chick-Fil-A) and an established upscale casual dining market (Chipotle, Qdoba, Panera Bread). Whereas St. Clair only has 1 Qdoba and 1 Panera Bread.

Despite these caveats, the overall affluence, younger population, and expansion patterns and potential all favor Stearns.

Next Steps

Analyze detailed demographic indicators for successful existing branches.

Evaluate demand and supply for eating places in cities/towns in Stearns County.

Potential real estate to investigate:

St. Cloud: largest city in the county
Population: 67,513 ■ Median age: 30.7

Waite Park: adjacent to St. Cloud
Population: 7,623 ■ Median age: 29.8

Sartell: north of St. Cloud, *this town has a higher median household income, \$74,116*
Population: 17,076 ■ Median age: 33.7

Methodology

We used demographic data from the suggested sources in order to establish an estimated population, household income, median age and commute patterns.

- 2000, 2010 historical data and 2020 estimated and 2025 projected data from Gale Business DemographicsNow
- American Community Survey from the U.S. Census from 2018 and 2019 from Census Reporter
- Federal Reserve Economic Data: FRED: St. Louis Fed – to explore economical indicators

We also consulted Gale Business DemographicsNow extensively to understand consumer habits. Reports consulted:

- Consumer Expenditure Restaurant Detail Summary
- Consumer Expenditures Food, Beverage, Grocery Detail Summary
- Simmons Lifestyle Demographic Statements Survey
- Simmons Entertainment Leisure Dining Summary (from Gale Business DemographicsNow)
- Complete Demographic Summary Report (from Gale Business DemographicsNow)
- Mosaic Experian Household Comparison Report – to understand the “typical” families’ habits for each county.

We consulted several open web sources.

- Counties and cities websites, including Parks and Recreation websites and Comprehensive Plans – to understand the regions infrastructure and plans.
- Google Maps – for traffic patterns, location of schools, museums, restaurants
- Yelp – to investigate existing restaurants in the regions

Recommendation

STEARNS COUNTY, MN

161,075

Population in 2019

35.3

Median
age

55%

under
40

The County

Located around 60 miles northwest of Minneapolis, in central Minnesota, Stearns County is an appealing location for the expansion of Chicken Kitchen because it meets several criteria for a successful franchise.

Some attention is necessary as some areas are either close to the minimum criteria or slightly below (more on this soon).

Demographics

The American Community Survey (ACS) reports a median age of 35.3, in which 55% of the population are under 40 years old.

Stearns skews conservative and has a continually growing white population (DemographicsNow).

Though the mean travel time to work of 22.3 minutes is low relative to the national figure, 27.6, the proportion of the population that drive to work, 78% alone and 10% carpool, is higher than the national figure.

88% drive to work

Economics

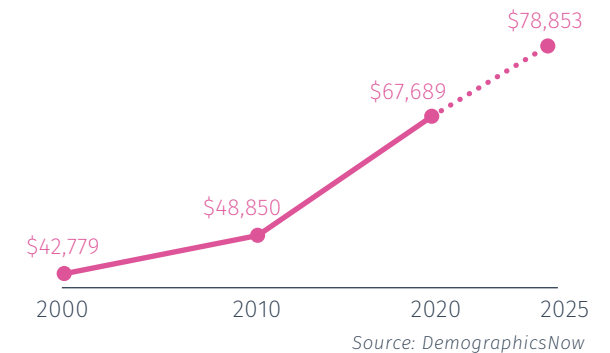
The ACS also estimates a total population of 161,075, and a median household income of \$66,558, placing Stearns slightly above the national average of \$65,712.

This indicator requires some attention since the census reports a margin of error higher than 10%.

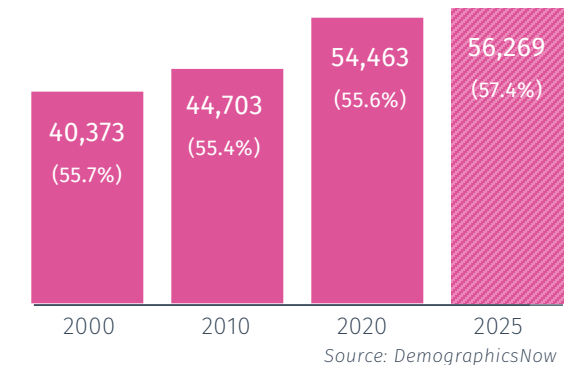
To address this, let's also look at historical, estimate and projected median household income from DemographicsNow. From the household income figure, we can see a strong growth from 2000 to 2020.

Another good indicator of income is portion of white-collar jobs for Stearns. And looking at the data from DemographicsNow, we can see that this segment has been growing. But, although the percentage of white-collar jobs is projected to grow by 1.8 points in 2025, the actual increase is less than 2,000 positions, a slim growth when compared to the 9,760 increase from 2010 to 2020.

Median Household Income



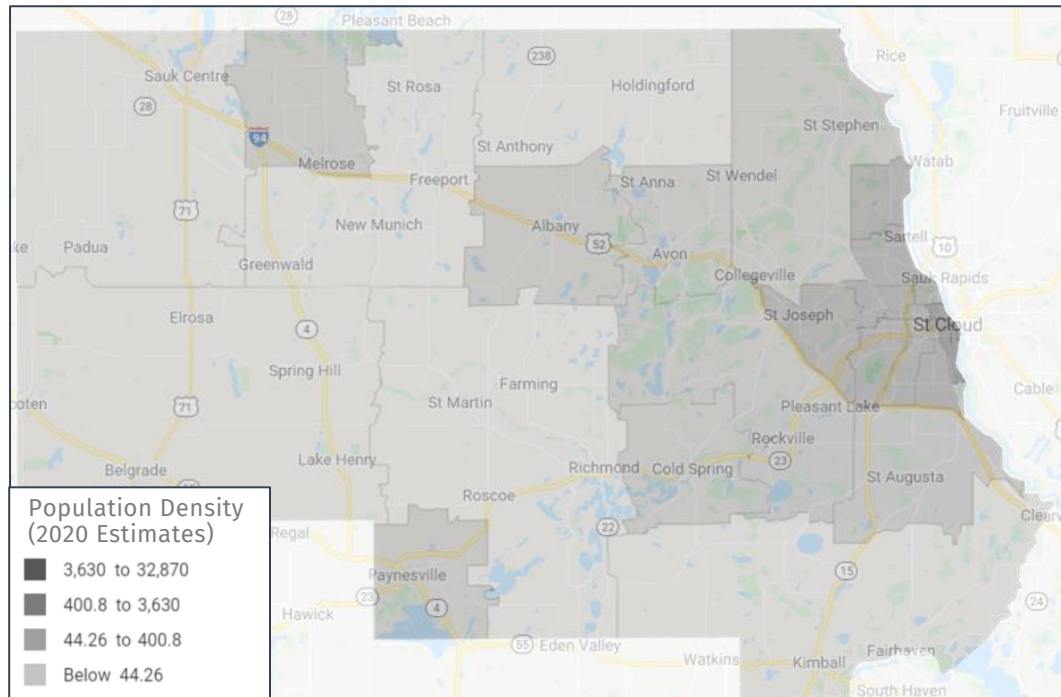
White-collar jobs (in number and %)



Recommendation

Greater St Cloud

Stearns is a large county, with an overall low population density (120 people per square mile), however, the eastern portion of the county, which is delimited by the Mississippi river, has a much higher concentration.



Source: DemographicsNow Maps

In this region, we find the county's main city, St. Cloud, with a density of approximately 1,688 people per square mile. Officially, St. Cloud extends beyond the Mississippi, but most of the population reside west of the river. It's a vibrant community, with museums, parks, universities, theaters, sports, convention center and growing retail.

St. Cloud is also the center of a metropolitan area encompassing some smaller but higher-income cities such as Sartell, Saint Augusta, and Rockville.

Further study focused on this region may ensure exploration of a region with higher concentration of income, cultural activities and population.

City	Population	Median Age	Median Income	Commute time
Sartell	17,076	33.7	\$74,116	21.5 min
St Augusta	3,669	39.5	79,605	25.7
Rockville	2,533	43.6	75,625	23.9
Avon	1,628	35.4	82,532	23.8
St Stephen	916	37.2	80,000	26.8

Source: American Community Survey, via Census Reporter

Recommendation

Personas

Conservative possibly trending towards diversity

Looking at the largest segments of Experian's habits profiles, there is not an undoubtful conclusion that this community would embrace Chicken Kitchen.

There are larger groups identified as urban, leaning more liberal.

It is recommended that further analysis comparing the Experian personas in this county with those of several successful branches. Such analysis should also focus on the political inclinations of customers.

Some of the largest groups' profiles are presented below.

Potlucks and the Great Outdoors

The largest segment of population in Stearns County does not fit perfectly the preferred Chicken Kitchen profile. Making up 27% of the households, this group contains families living in rural areas, who hold farming or blue-collar jobs with a median income between \$50,000-75,000. But they enjoy outdoor activities, antique shows and the annual fair. They rely strongly on cars but might not necessarily commute every day to work.

They are between 36-45 and have strong conservative values, but it is unclear whether they would spend that extra dollar for a healthier casual dining option.

Boomers and Boomerangs

This group enjoys more financial stability and though they heads of the house are older, they tend to live with grown-up children. These families enjoy sports, concerts and movie theaters, and enjoy casual dining with the entire household.

Given that they are mostly Republicans and enjoy casual dining with the entire family, these are a strong fit for a Chicken Kitchen customer.

No Place Like Home

Another significantly sized group, these are also multigenerational households, holding conservative values, and with enough disposable income to support their cultural and dining habits. This group enjoys going to movies, concert, and most importantly for Chicken Kitchen, eating healthy. This group is the preferred profile customer for Chicken Kitchen.

Suburban Sophisticates

Suburban Sophisticates also fit Chicken Kitchen profile well. These are small households, typically retired or approaching retirement, and they don't enjoy cultural events, but they do enjoy casual dining and have enough to afford a more upscale casual meal.

Why Not St Clair, MI

Where St Clair was ahead

In some measures, St Clair, MI performed better than Stearns.

First, Census data (via Census Reporter) shows that St Clair has a stronger car culture, with higher mean travel time and percentage of commuters traveling by car.

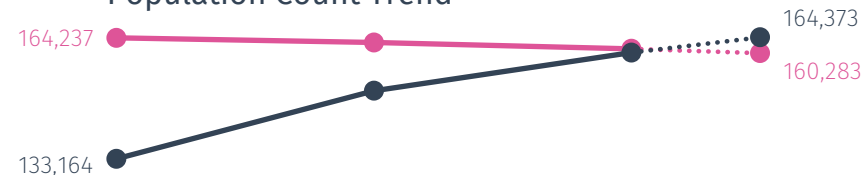
Another good point is that St Clair has less competition. The county has no Chick-Fil-A, 1 Qdoba, and 1 Panera Bread.

Lastly, detailed population profile might be stronger in St. Clair. In Stearns, 52% of the population fit preferred profile (younger, conservative, upscale, and car culture), while St. Clair match is slightly over 65%.

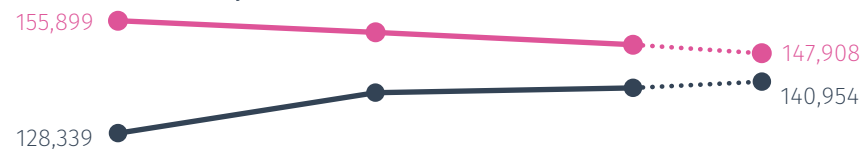
This might be a reflection on some statistics that would favor St Clair in this study, such as a larger overall population in 2020, a larger segment of white population, and more housing units when compared to Stearns.

However, looking at St Clair's trends, its growing patterns are less than ideal.

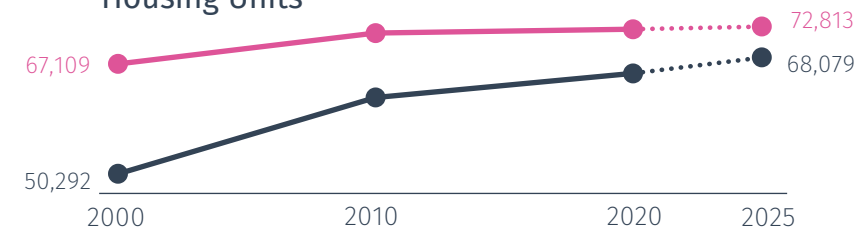
Population Count Trend



White Population Count Trend



Housing Units



Source: DemographicsNow

Trends for St Clair

Overall population and white population count has been decreasing, and in addition, the percentage of white population has also decreased, depicting a trend towards a more diverse community. One of the successful factors in Chicken Kitchen franchises are conservative communities.

Beware however, that even though Stearns white segment has increasing, its proportion has also decreased.

One last important indicator in the decision to pass on St Clair is the estimated median household income being lower than Stearns and the national median.

Given its open market, it is worth revisiting St Clair County in a few years to check for signs of projected growth.

Next Steps and Conclusion

Given the growth pattern and cultural vibrancy of the metropolitan area of St Cloud, Chicken Kitchen should further investigate the region for a potential new branch.

Next action steps include the following.

1. Given the fact that the Greater St. Cloud already has 2 Chick-Fil-A branches, detailed market analysis is granted. Possibly start by creating a more comprehensive comparison between Stearns County and several counties with successful Chicken Kitchen branches.

2. Evaluate demand and supply for casual dining in cities/towns in Stearns County.

3. Potential real estate to investigate:

St. Cloud

Largest city in the count, geographical center in Greater St Cloud, and where most universities, parks, and entertainment are located.

Population: 67,513 ■ Median age 30.7 ■ Median household income: \$46,854

Sartell

North of but still close enough to St. Cloud, this town has a higher median household income and less options for casual dining.

Population: 17,076 ■ Median age: 33.7 ■ Median household income: \$74,116

Waite Park

Adjacent to St. Cloud to the west.

Population: 7,623 ■ Median age: 29.8 ■ Median household income: \$39,685

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THANK YOU