



STARBUCKS®

THE STARBUCKS EXPLORATION

02/06/2020

INTRODUCTION

As of May 2020, Starbucks is present in over 30,000 locations, on 6 continents and 79 countries.

Year	Revenue in mil. US\$	Net income in mil. US\$	Total Assets in mil. US\$	Average Price per Share in US\$	Employees
2013	14867	8	11517	33.71	182000
2014	16448	2068	10753	37.78	191000
2015	19163	2757	12416	53.25	238000
2016	21316	2818	14313	56.59	254000
2017	22387	2885	14366	57.27	277000
2018	24720	4518	24156	57.50	291000
2019	26509	3599	19220	81.44	346000

BUSINESS PROBLEM

Where to open a new store in Europe?

APPROACH

- 1) Find which cities have the most (reference) and the fewest (target) stores.
- 2) Find the most popular store in the reference city and its area (reference neighbourhood).
- 3) Characterize the target city neighbourhoods along with the reference city neighbourhood.
- 4) Assess the similarity between target city and reference neighbourhood.

STARBUCKS IN EUROPE

City	Country	Officialpopulation	StarbucksStoresCount	Inhabitants / Starbucks
Nizhny Novgorod	Russia	1259013	0	inf
Saint Petersburg	Russia	5383890	0	inf
Perm	Russia	1051583	0	inf
Ufa	Russia	1121429	0	inf
Kiev	Ukraine	2950800	1	2.950800e+06
Minsk	Belarus	1982444	1	1.982444e+06
Kharkiv	Ukraine	1451132	1	1.451132e+06
Rome	Italy	2844750	2	1.422375e+06
Tekirdağ	Turkey	1055412	1	1.055412e+06
Volgograd	Russia	1013533	1	1.013533e+06
Voronezh	Russia	1054537	2	5.272685e+05
Odessa	Ukraine	1011494	2	5.057470e+05
Belgrade	Serbia	1397939	3	4.659797e+05
Samara	Russia	1170910	3	3.903033e+05
Istanbul	Turkey	15519267	50	3.103853e+05
Moscow	Russia	12615279	50	2.523056e+05
Kazan	Russia	1243500	5	2.487000e+05
London	United Kingdom	9126366	50	1.825273e+05
Milan	Italy	1390434	8	1.738042e+05
Berlin	Germany	3748148	22	1.703704e+05
Rostov-on-Don	Russia	1119875	7	1.599821e+05
Sofia	Bulgaria	1238438	8	1.548048e+05
Hamburg	Germany	1930996	14	1.379283e+05
Cologne	Germany	1085664	8	1.357080e+05
Munich	Germany	1471508	17	8.655929e+04

STARBUCKS IN EUROPE

- ☐ Cyrillic alphabet would make our search difficult, so we will focus on Western Europe.
- ☐ Italy and Germany are good candidates.
- ☐ **We choose Rome** which has only one store (which is in fact not part of the Starbucks franchise, but categorized by Foursquare as such).

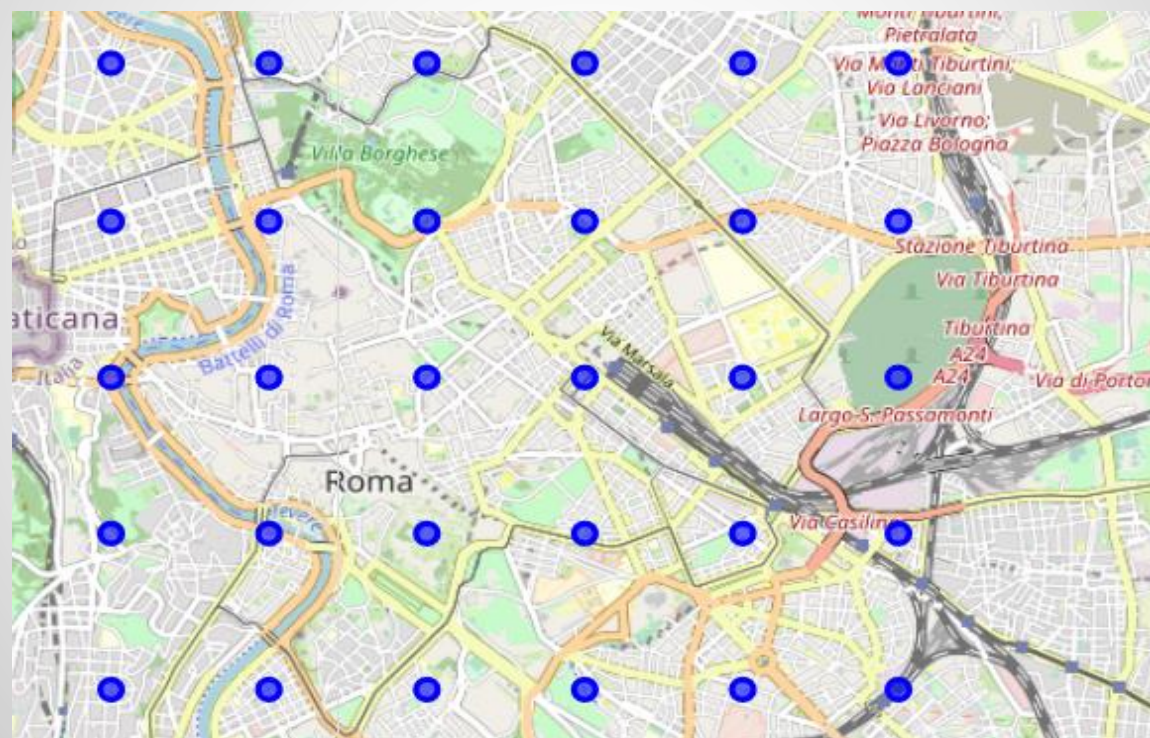
REFERENCE STARBUCKS

London is the city with the highest proportion of Starbucks per inhabitant. The most popular store according to Foursquare is 52 Berkeley St.

Name	Address	Rating	Likes
Starbucks	52 Berkeley St.	7.3	186
Starbucks	10 Kingsway, Unit B2; St Catherines House	7.3	70
Starbucks	27 Berkeley St	7.1	96
Starbucks	34 Great Marlborough St, (Carnaby Street)	7.0	108
Starbucks	6A Vigo Street, London	7.0	380

➤ We will try to find an area in Rome similar to the one around this store.

NEIGHBOURHOODS TO EXPLORE IN ROME



APPROACH TO CHARACTERIZE NEIGHBOURHOODS

- ❑ We search venues in each neighbourhood and list them:

Neigh.	Venue	Venue Latitude	Venue Longitude	Venue Category
London	The Ritz London	51.507078	-0.141627	Hotel
London	Novikov	51.507767	-0.142850	Asian Restaurant
London	Brown's Hotel	51.509127	-0.142077	Hotel
London	Burger & Lobster	51.507118	-0.145477	Seafood Restaurant
London	Prada	51.508998	-0.140959	Boutique

- ❑ We group these results by venue category and calculate their frequency for each neighbourhood:

```

----London----
venue  freq
0      Store  0.17
1       Art   0.09
2  Boutique  0.05
3      Hotel  0.05
4    Lounge   0.04

```

```

----R0----
venue  freq
0      Hotel  0.09
1     Plaza  0.06
2    Winery  0.06
3 Pizza Place 0.06
4      Café  0.06

```

NEIGHBOURHOOD SIMILARITY

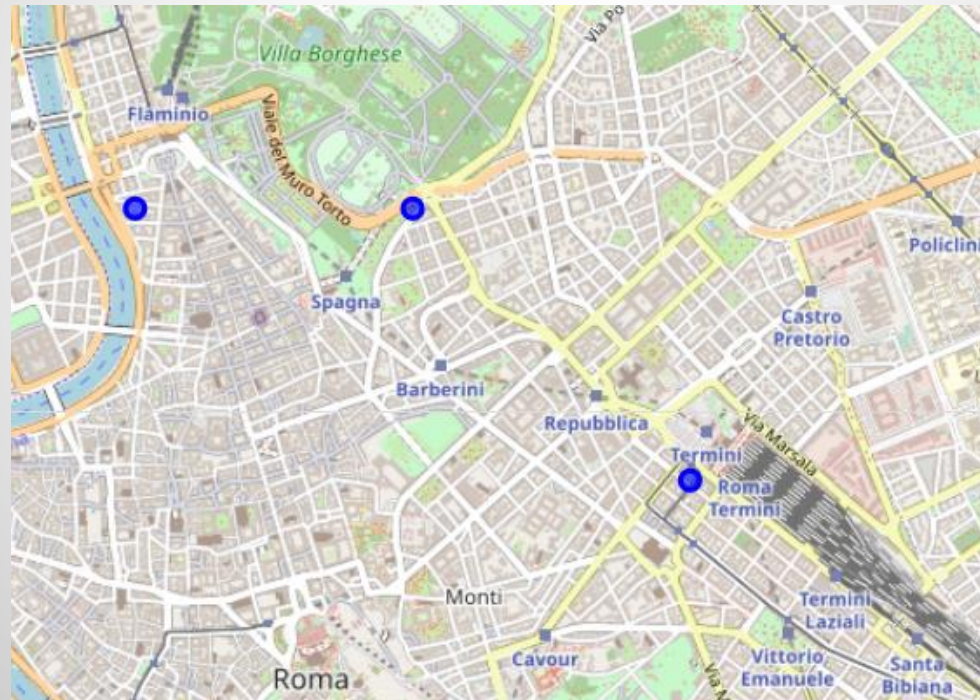
We use Pearson Correlation between London reference and each Rome neighbourhood venue category frequencies.

We select 3 neighbourhoods as good matches.

Neighbourhood	Correlation
London	1.000000
R20	0.448627
R19	0.435693
R15	0.408138
R28	0.326147

RESULTS

The 3 matches are located as follows in Rome:



CONCLUSION

- ☐ We have 3 potential locations to open a new store, in Rome (Italy).
- ☐ Among the points to improve the analysis:
 - ☐ Include challenging locations to the analysis,
 - ☐ Have an up to date list of existing stores,
 - ☐ Less limitations from the API,
 - ☐ Sorting venues in a better way.