Planting a Winery

Phase 1: Yelp API Research to Inform Business Decisions

Business Problem

- Should we open a winery in Napa Valley or San Diego?
  - What are the market conditions in each area?
  - What are the concentrations of businesses in each region?
  - How satisfied are their clienteles?
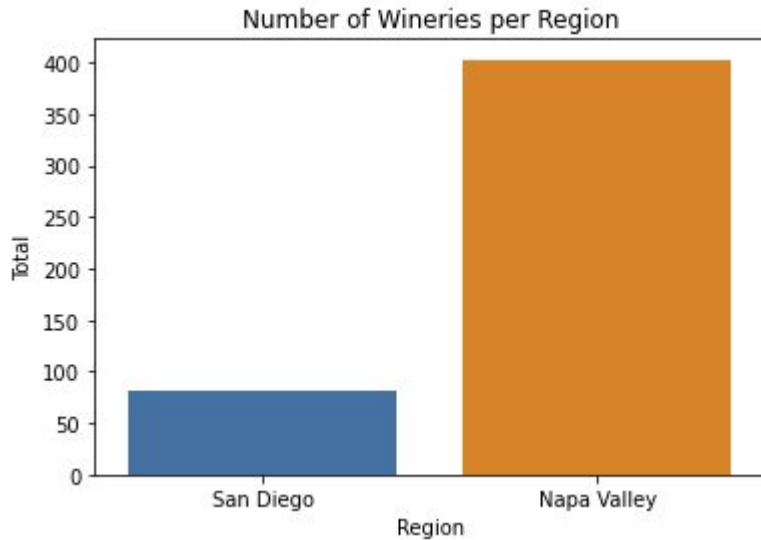 - What price ranges do the wineries in each area target?

Data

- Yelp API Business Data (per Business)
  - Locations (latitude, longitude)
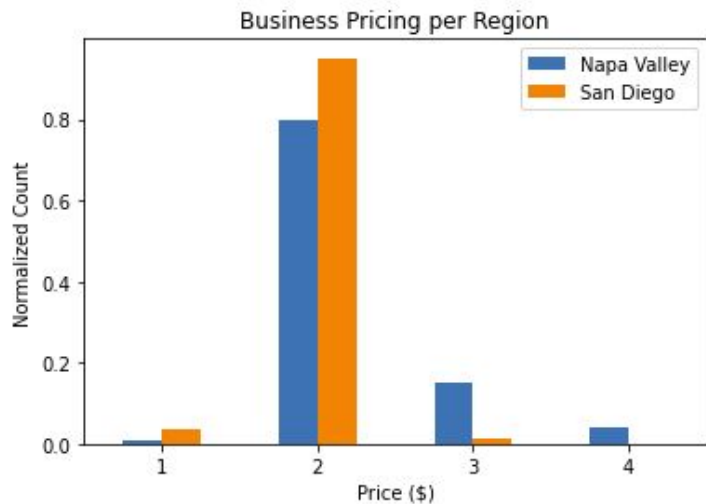 - Pricing
  - Ratings & Number of Reviews

Methods

- Identify, filter out top two aliases for each region
- Engineer "Converted Price" data
- EDA through data visualizations

Number of Wineries per Region
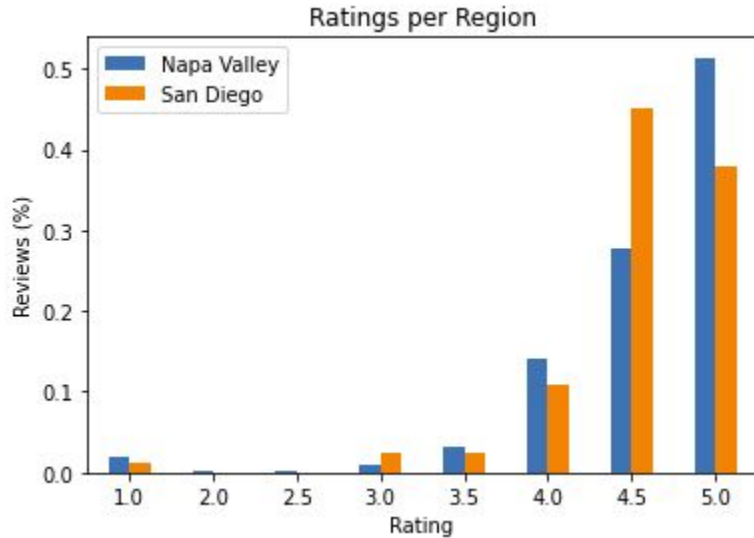

Number of Wineries per Region

- Significant market size differences

- Stronger saturation and competition in Napa Valley

Pricing per Region

- **Napa Valley**
  - Wider price range distribution
  - Appeals to larger variety of clientele

- **San Diego**
  - Concentrated market pricing
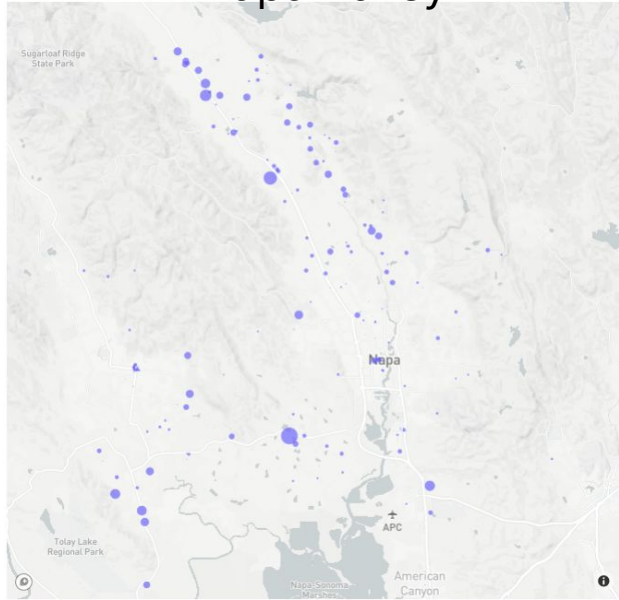 - Focused on mid-price clientele

Satisfaction Ratings per Region
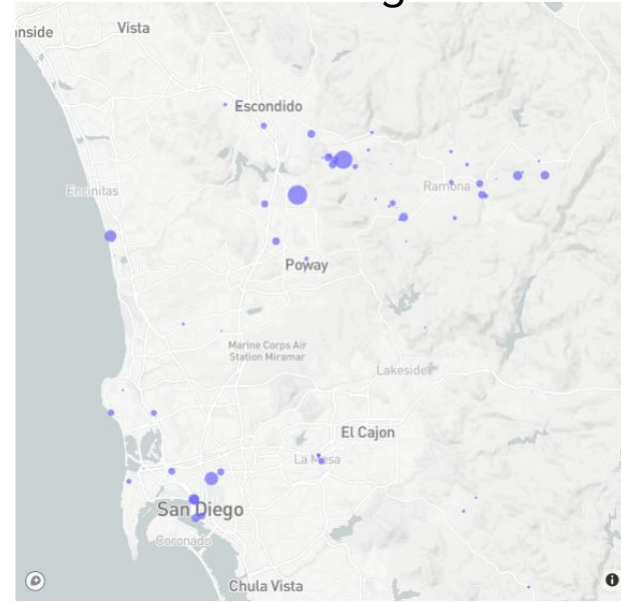

Ratings per Region

- **Napa Valley**
  - Highly-satisfied clientele

- **San Diego**
  - Opportunities to appeal to less satisfied clientele

Concentrations of Wineries By Region

Napa Valley

San Diego

Conclusions

Our EDA led us to a variety of deeper insights to inform our business decision on winery location.

- San Diego region is less saturated than Napa, and more ripe for market entry.
  - Napa Valley region is very established with many brand name/industry leaders.
- San Diego Region and presents an underserved market for either high end or cost effective wineries.
  - Good for niche markets with boutique offerings from first generation/independent growers.
- San Diego's two sub-regions (Escondido and San Diego proper) provide opportunity to diversify
  -
- Further insights:
  - Study differentiating factors through qualitative data regarding 5.0 vs. 4.5 reviews in San Diego
    - Build the business model to cater towards 5.0 values
  - Study tourism trends in LA, San Diego, and Tijuana/Northern Mexico
    - Better understand opportunity hypothesis of San Diego's central location

Thank You!

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