

Restaurant market in Los Angeles

Analytical research

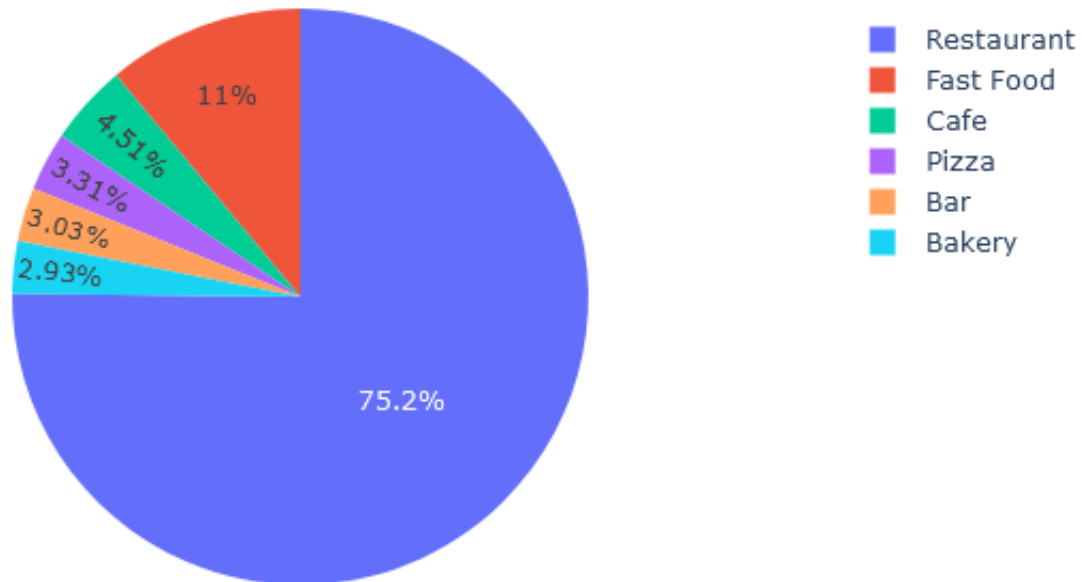
23.10.2020

General conclusions

- The *biggest* market share belongs to **restaurants (48%)** while the *smallest* share belongs to **bakeries (2.93%)**.
- Chains share in the market is **38%**.
- Chains are typically represented by **bakery** or **cafe**.
- Typically chains are represented by **1 restaurant** with average seats # **25 seats**.
- On average **bakeries** have **21 seats** and **cafes** - **25** while **restaurants** have **48 seats** on average.
- There're **45% streets** with only **1 restaurant** and **~75% streets** have no more than **9 restaurants**.
- In the streets with high competition (analyzed top10 streets) the median number of seats is almost equal and tends to value of **29 seats**.

Market share per *establishment type*: *bakeries* are *the least* represented

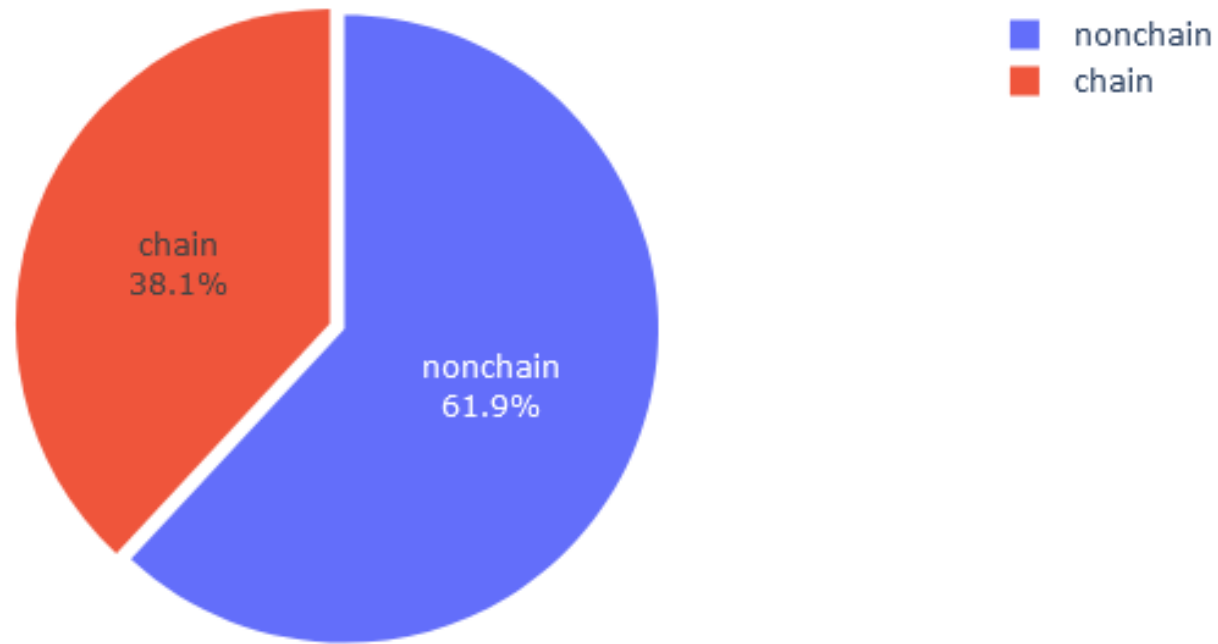
Establishment type proportions



- **Restaurants** take **75.2%** of the market
- **Fast food** follows with **11%** share
- **Café** takes **4.51%**
- **Bakery** is the *smallest* with **2.93%**

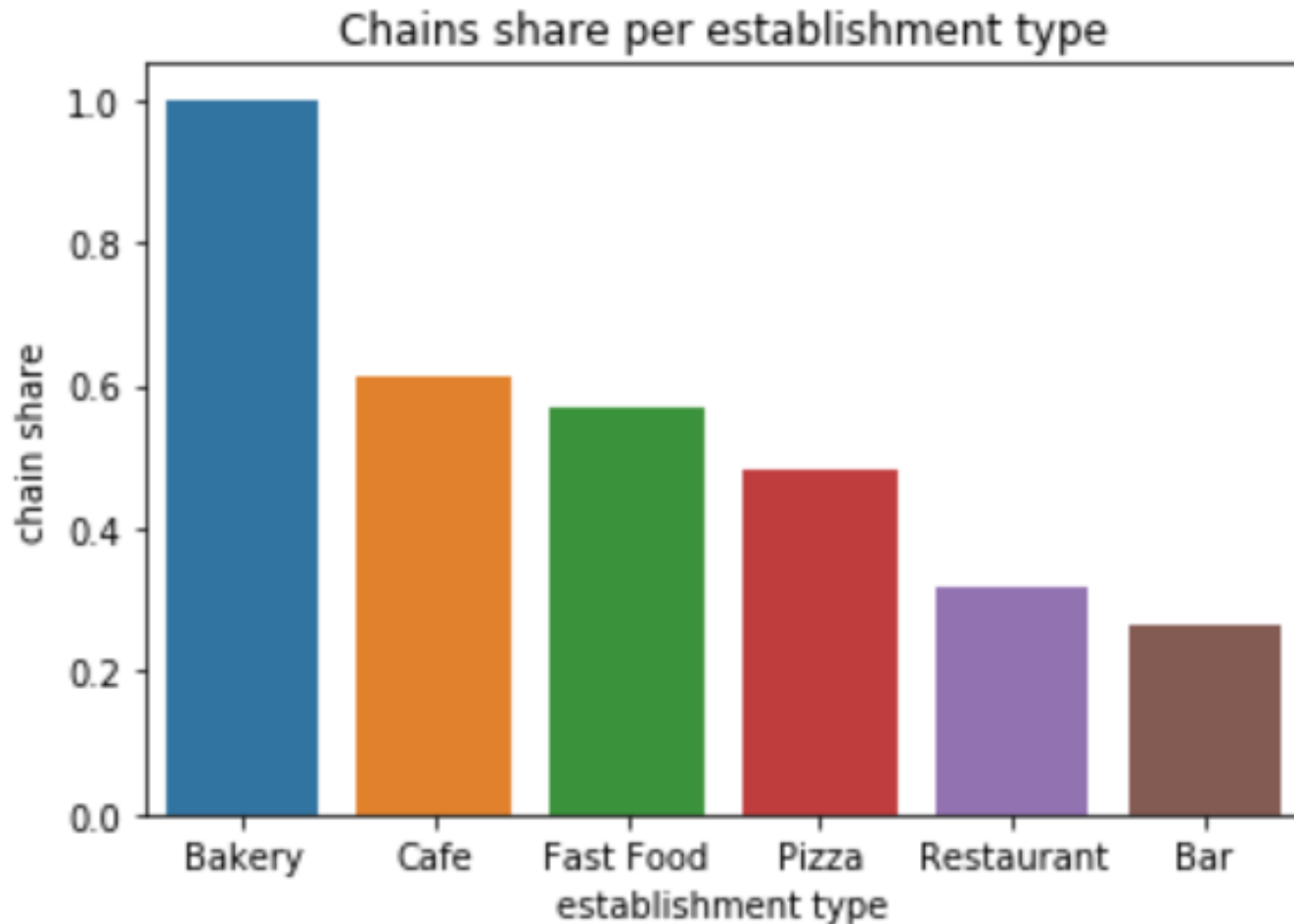
Chains share in the market: less than **40%**

Chain proportions



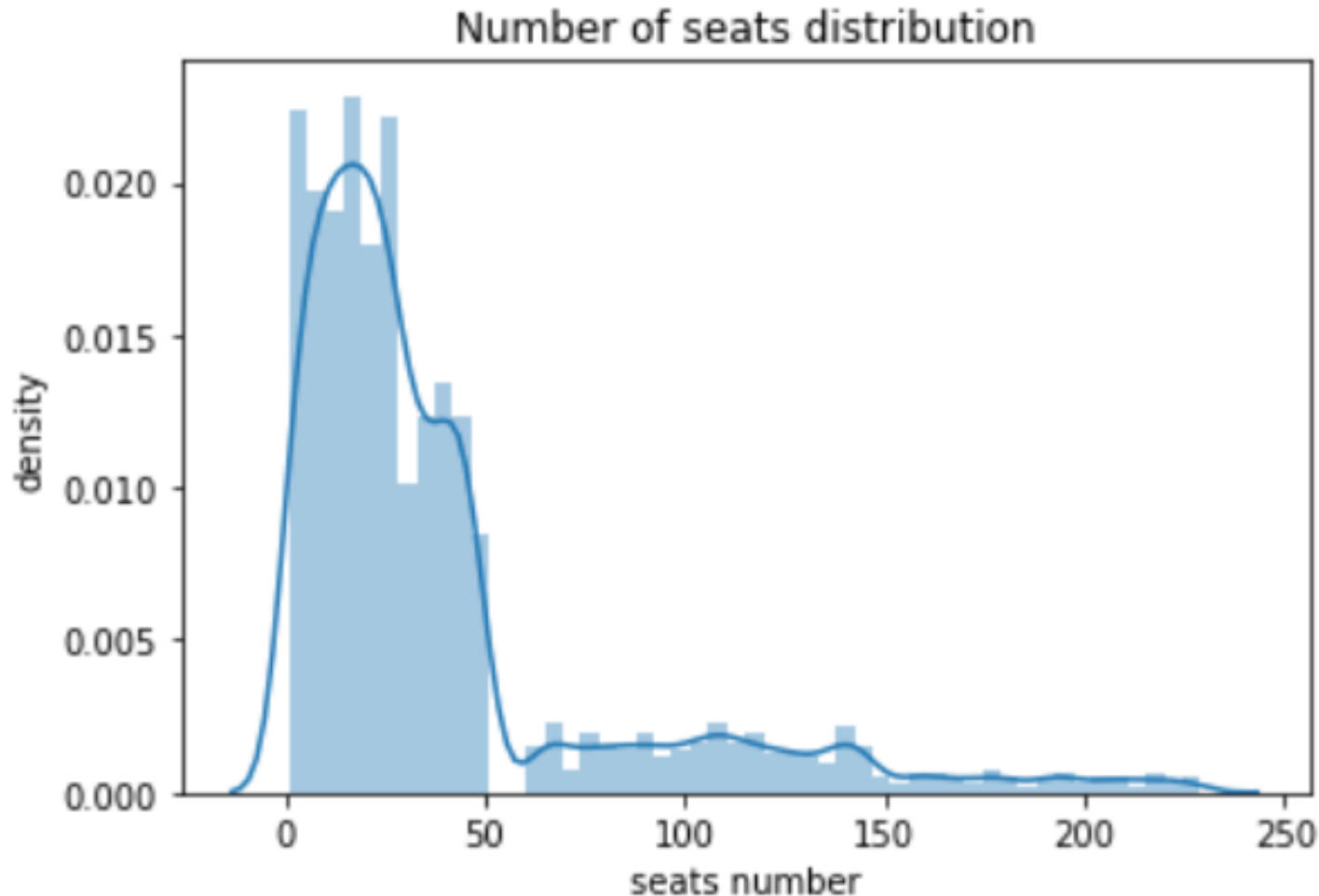
- Chains share is just 38% so typically there're **nonchain** establishments in Los Angeles.

Bakery and café are typically chains



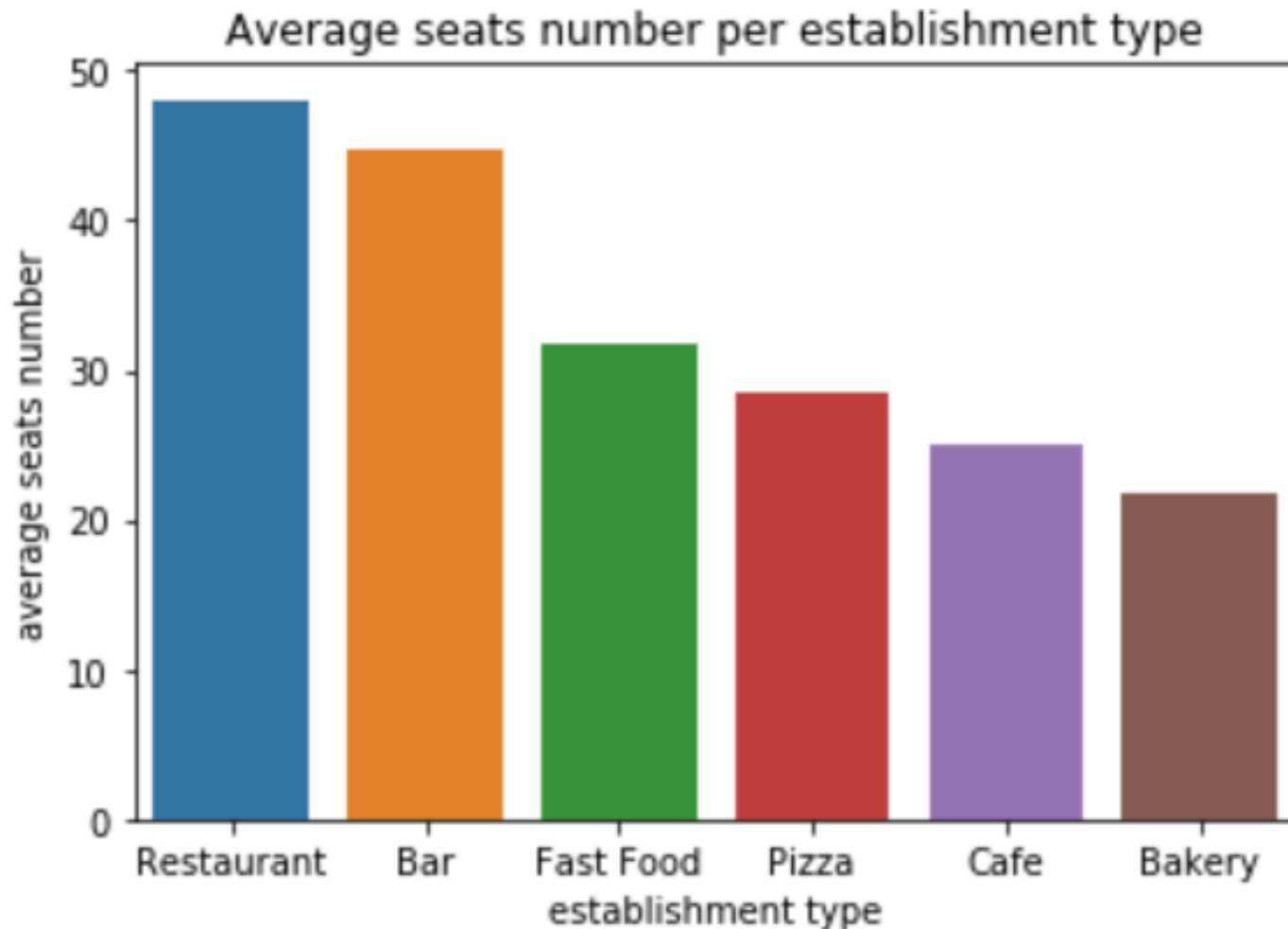
- Almost **all** *bakeries* are chains
- *Café* have ~**60%** of chains
- *Bars* have the least share of chains (<**30%**)

Chains are typically **1 establishment** and **25 seats**



- The seats number in chains mostly ranges from **1 to 50**.
- The average seats number in chains is **25**.

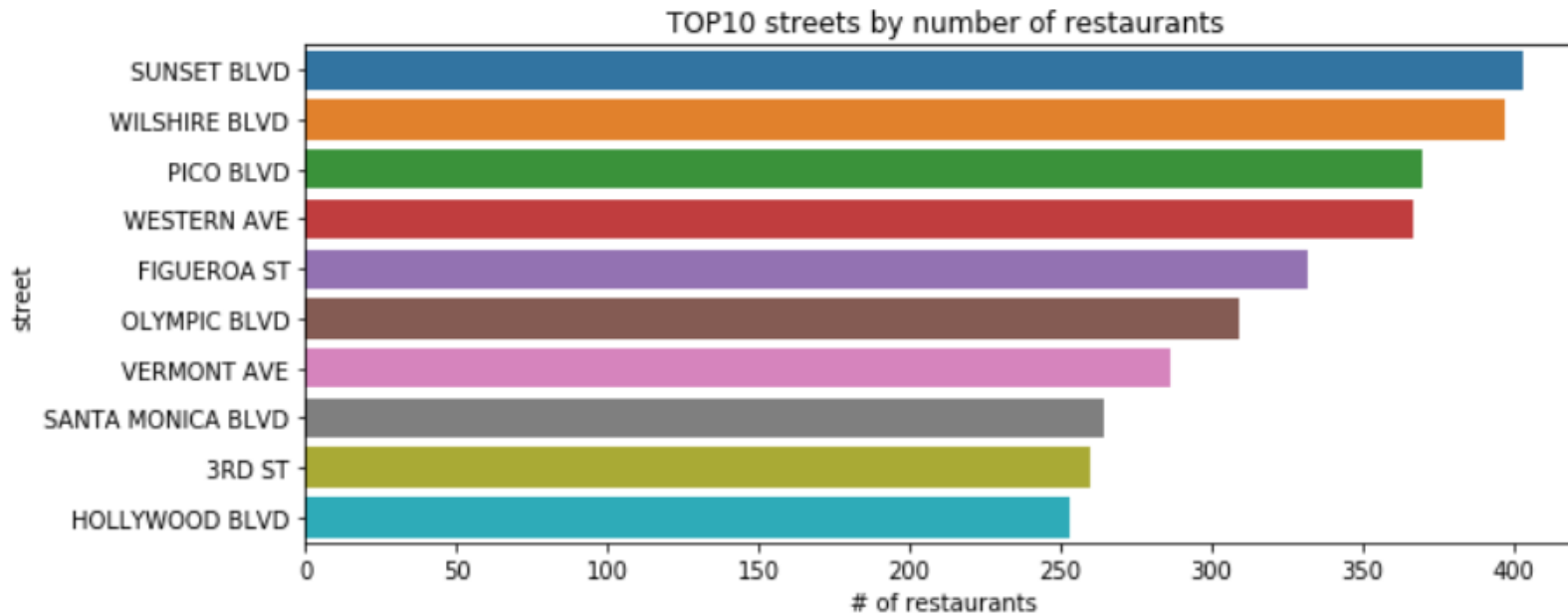
On average: *Café* and *bakery* have **the least** seats number



- *Café* and *bakery* have correspondingly **25** and **21 seats** on average.
- *Restaurants* have the *greatest* number of seats: **48 seats** on average.

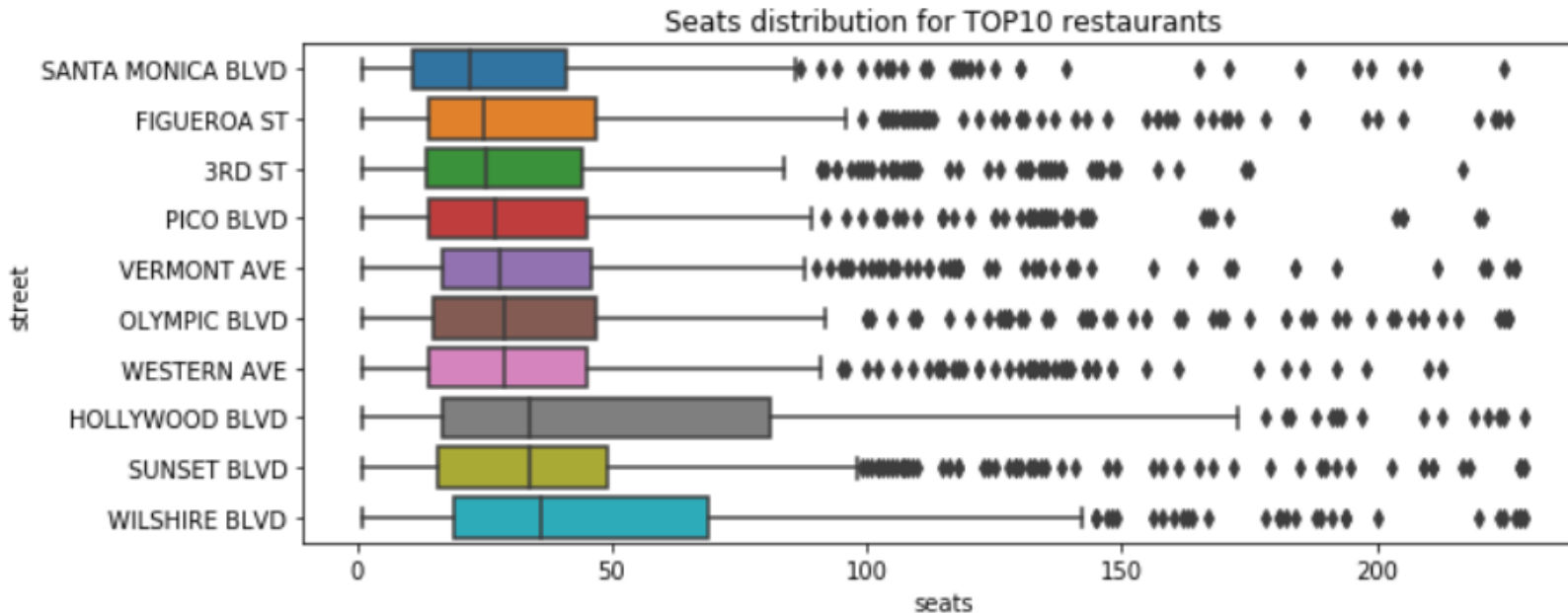
TOP10 streets by number of establishments appear in the downtown

Here're **the most competitive** streets:



1. Sunset blvd
2. Wilshire blvd
3. Pico blvd
4. Western ave
5. Figueroa st
6. Olympic blvd
7. Vermont ave
8. Santa Monica blvd
9. 3d st
10. Hollywood blvd

TOP10 streets have almost *the same* median seats number



- In the TOP10 streets the *average* seats number tends to **29 seats**.
- This value close to the average number of seats in café and in chains (**25 seats**)

Recommendations

- It's recommended to consider **Café** or **Bakery** establishment type for the launching because of less competition.
- At the same time it's a good format for developing a **chain** which is typically *cafes or bakeries*.
- We can start with a small number of seats: **20-25** seats as in a typical cafe.
- There's a *room for growth* in LA as **45%** of streets have only **1 establishment**.
- We should take into account **TOP10 streets** with the biggest number of establishments as *competition* there is also *high*.
- On the other hand as these are *central* streets a **higher demand** is also there.
- We need to carry out *additional* work calculating **risks** and **possible profit** in TOP10 streets vs streets with only 1 restaurant.
- If we decide to go with one of TOP10 streets then **the recommended number of seats** remains *the same (20-25)* similar to 50% of establishments in such streets.