# LA catering market stats

Project description

Proposed idea is to open a small robot-run cafe in Los Angeles. The project is promising but expensive, so investments are required.

So the current market conditions research is crucially important. Will robot-run cafe be able to maintain success when the novelty of robot waiters wears off?

Having open-source data on restaurants in LA, I prepared this document..

Proportions of the types
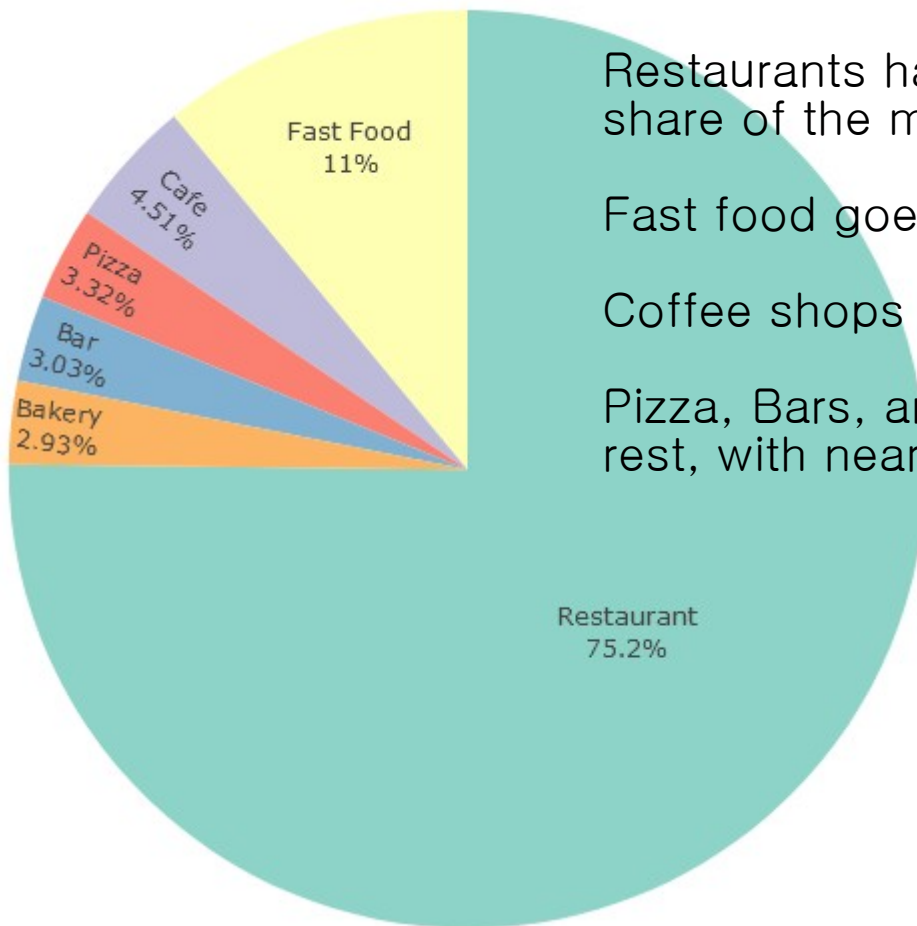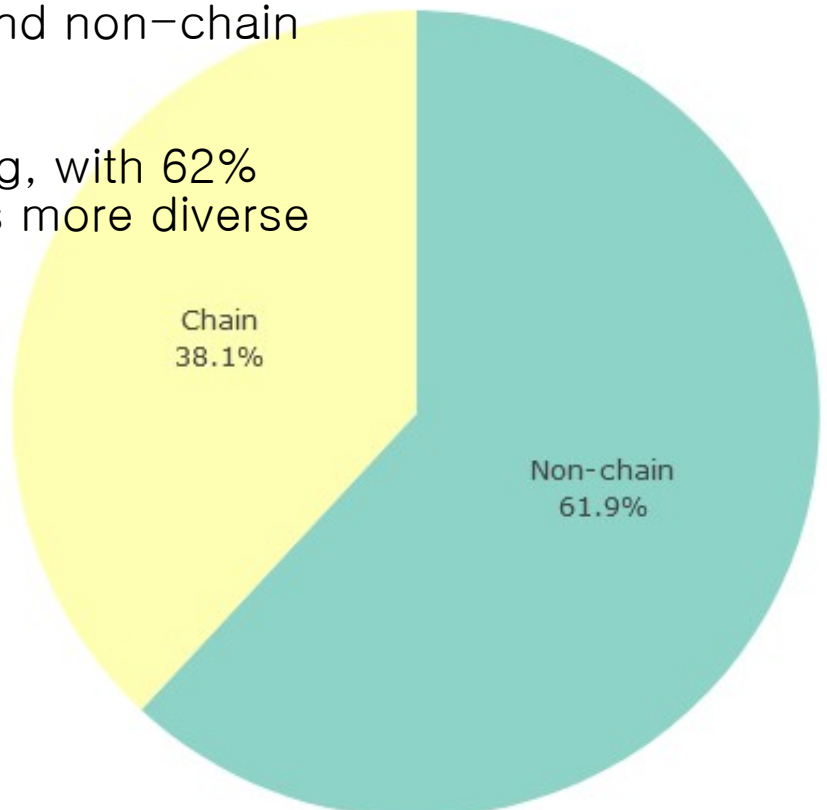
Restaurants have the vast 75% share of the market.

Fast food goes second, 11%.

Coffee shops are 5%.

Pizza, Bars, and Bakeries take the rest, with nearly 3% each.

Fast Food
11%

Cafe
4.51%

Pizza
3.32%

Bar
3.03%

Bakery
2.93%

Restaurant
75.2%

Proportions of chain and non-chain establishments.

Non-chains are leading, with 62% market share. It means more diverse market.

Chain
38.1%

Non-chain
61.9%

Chain establishments by type

Most chains are restaurants, though most restaurants are non-chain.

Obviously. Restaurants have lion share of the market as shown above.
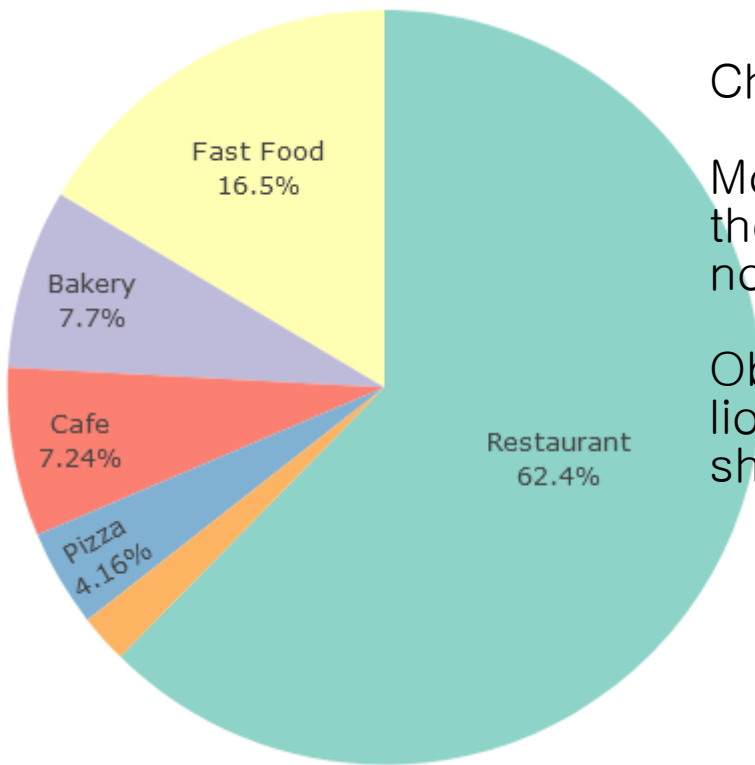
~82% of chain establishments are under 50 seats, 18% are under 10. Median number of seats is 25 for chains. So, there are many establishments with a small number of seats or a few establishments with a lot of seats. Half of all establishments are under 25.

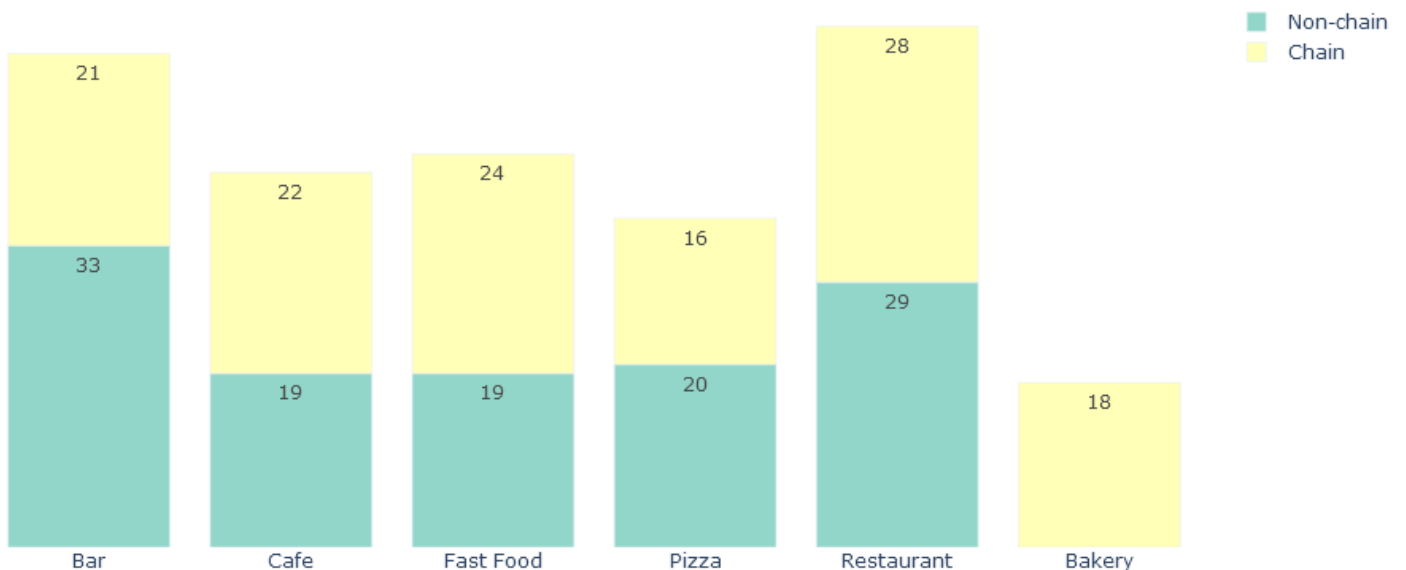Number of seats for chains
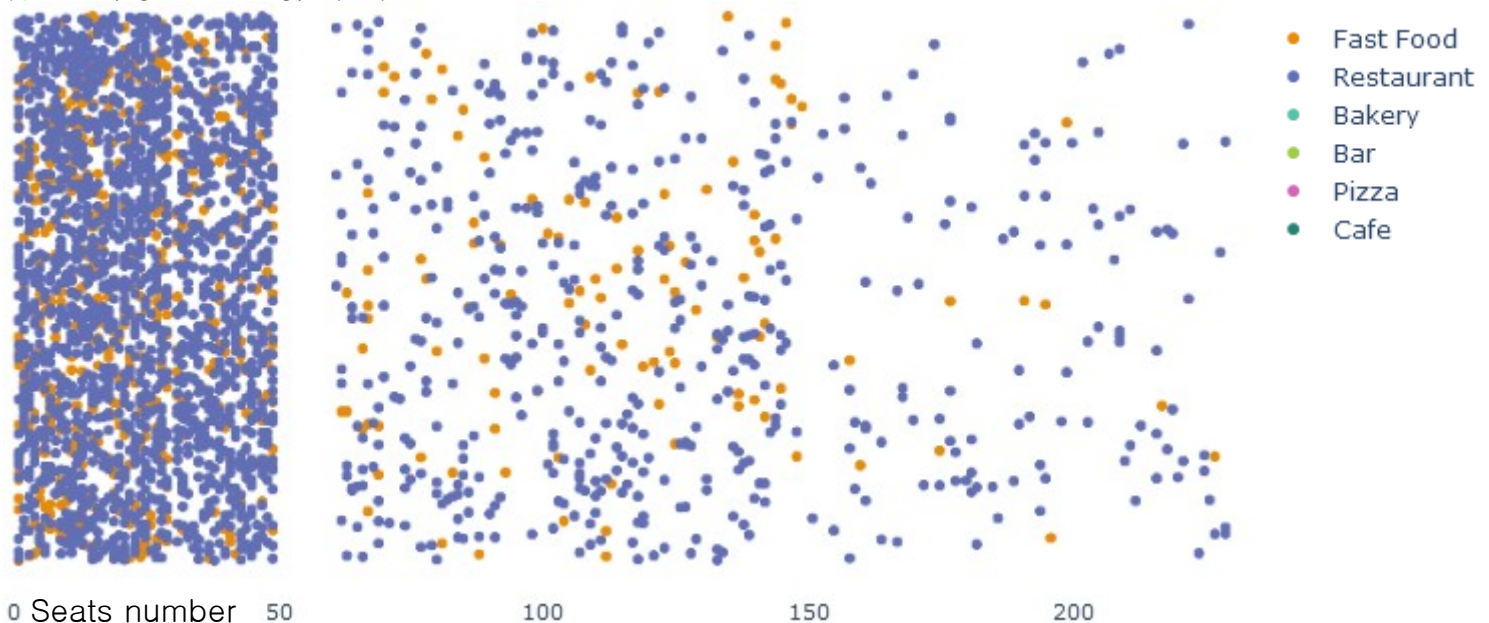
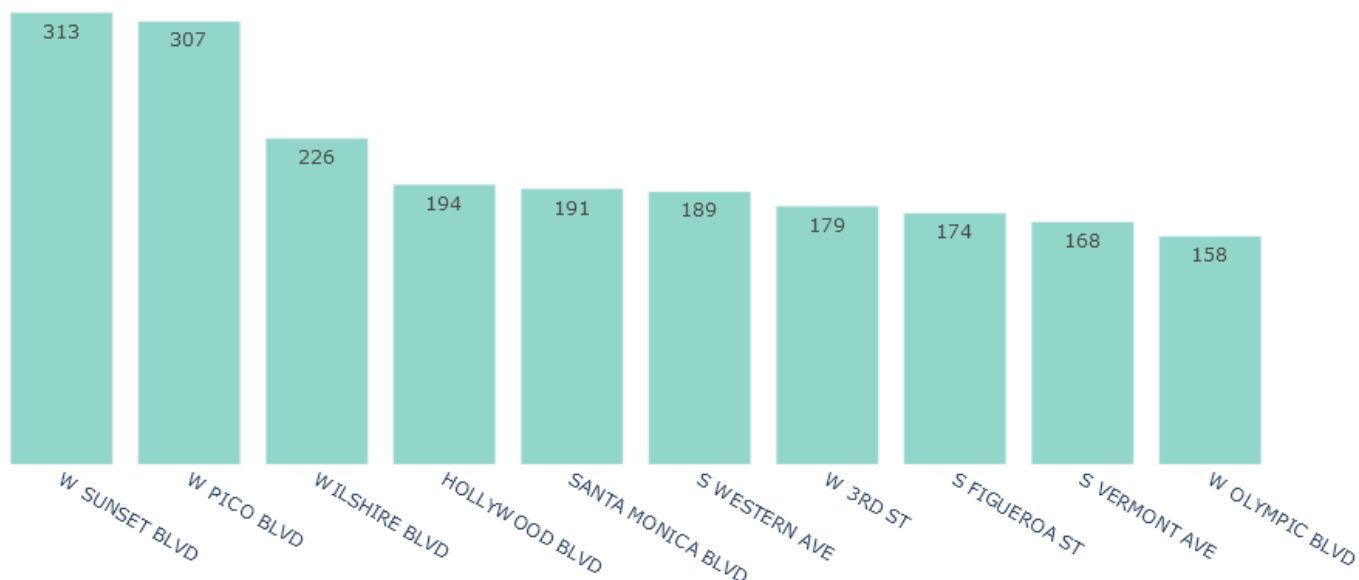## Average number of seats for each type of restaurant
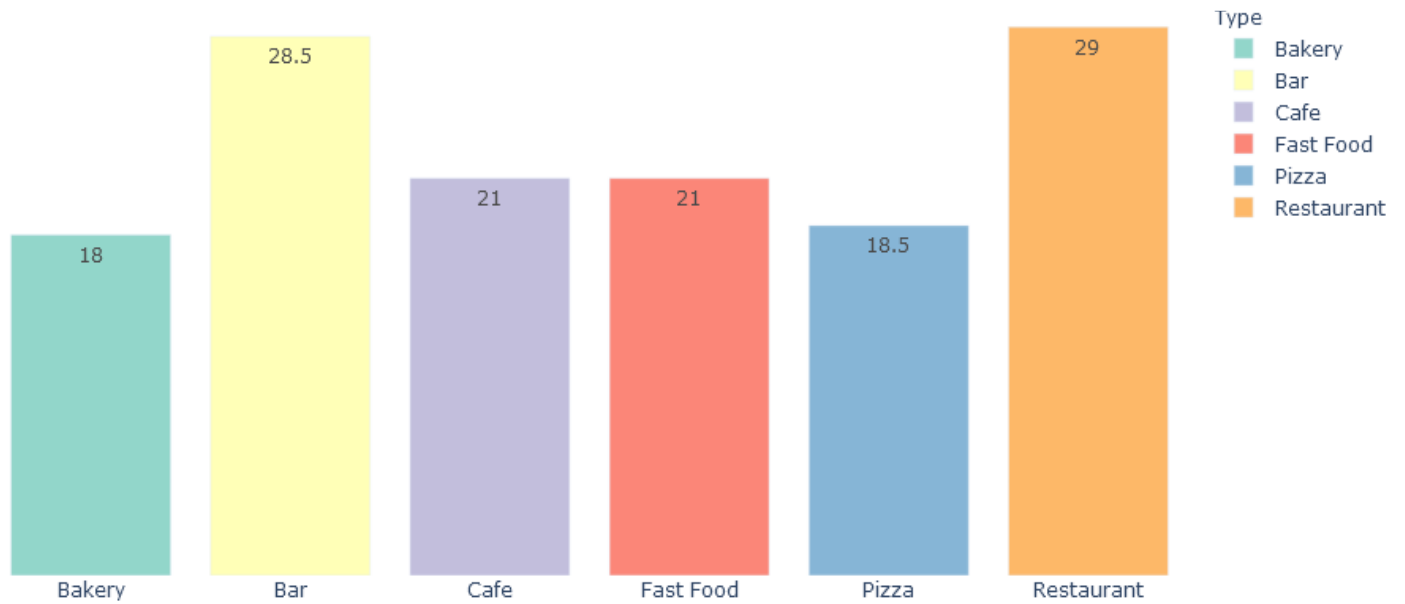
There is slight difference in number of seats between chain and non-chain establishments. Restaurants are the most crowded, both chain and non-chain. Chain pizzas are the least, they, as well as bakeries, do not expect much customers to seat in.

Average number of seats for each type of restaurant chain/non-chain

Top ten streets by number of establishments

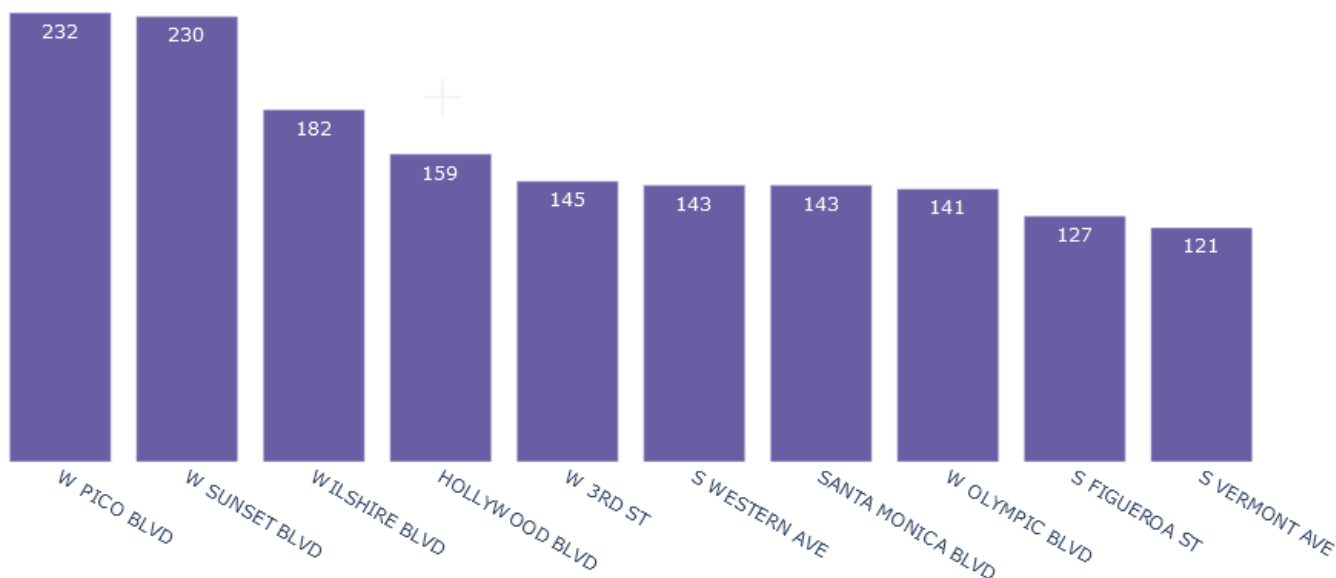| Street	Count
W SUNSET BLVD	313
W PICO BLVD	307
WILSHIRE BLVD	226
HOLLYWOOD BLVD	194
SANTA MONICA BLVD	191
S WESTERN AVE	189
W 3RD ST	179
S FIGUEROA ST	174
S VERMONT AVE	168
W OLYMPIC BLVD	158

These are streets with largest establishments concentration, 158 – 313. That's a lot. These top-10 locations are of the most interest for businesses looking for highest crowdedness. Definitely market is striving to the most populous areas.

Both for restaurants and all establishments combined, Pico and Sunset boulevards are leading. But for restaurants Pico is on the first place.
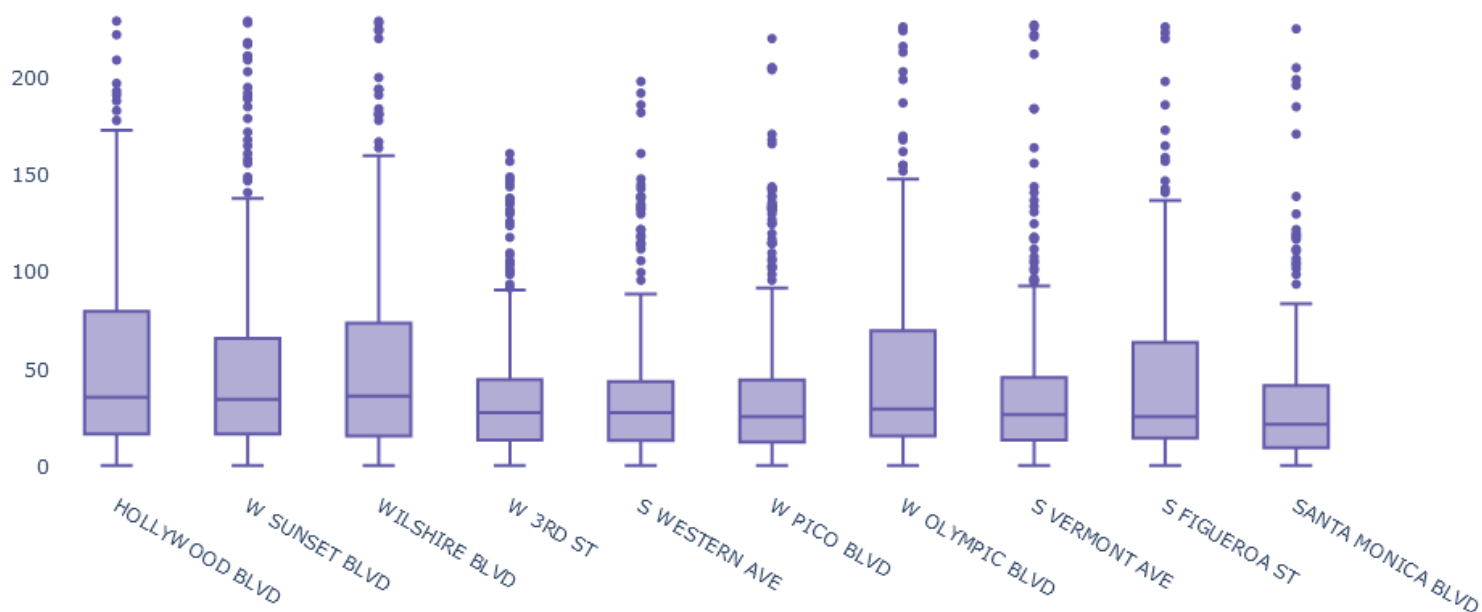
So, business is thriving in the most crowded areas. However, less populated places may be interesting for niche players. 1 establishment streets comprise almost 50% of all. Area choice for robot-run cafe depends on marketing, if it is more about robot-waiters and entertainment, with higher budget, than central densely peopled are the choice, If vending self-service cafe, or drone-robot food delivery as a primary service are considered, than dormitory and other non-downtown areas might be an option, or, if, let's say, there is some particular area, where some very specific target audience is gathered.

Almost similar distribution for restaurants as on collective establishments graph. Here we see 121–232 restaurants.

Top ten streets by number of restaurants

| Street	Count
W PICO BLVD	232
W SUNSET BLVD	230
WILSHIRE BLVD	182
HOLLYWOOD BLVD	159
W 3RD ST	145
S WESTERN AVE	143
SANTA MONICA BLVD	143
W OLYMPIC BLVD	141
S FIGUEROA ST	127
S VERMONT AVE	121

Distribution of the number of seats for streets with greater number of establishments

We have some differentiation here. Some streets tend to have more seats. Obviously, it's more crowded areas, where more visitors are expected.

The pattern is that the top 3 streets have almost similar median of ~35. The next three streets are 26-28. There is some difference for chains and non-chain establishments.

Distribution of the number of seats for streets with greater number of restaurants
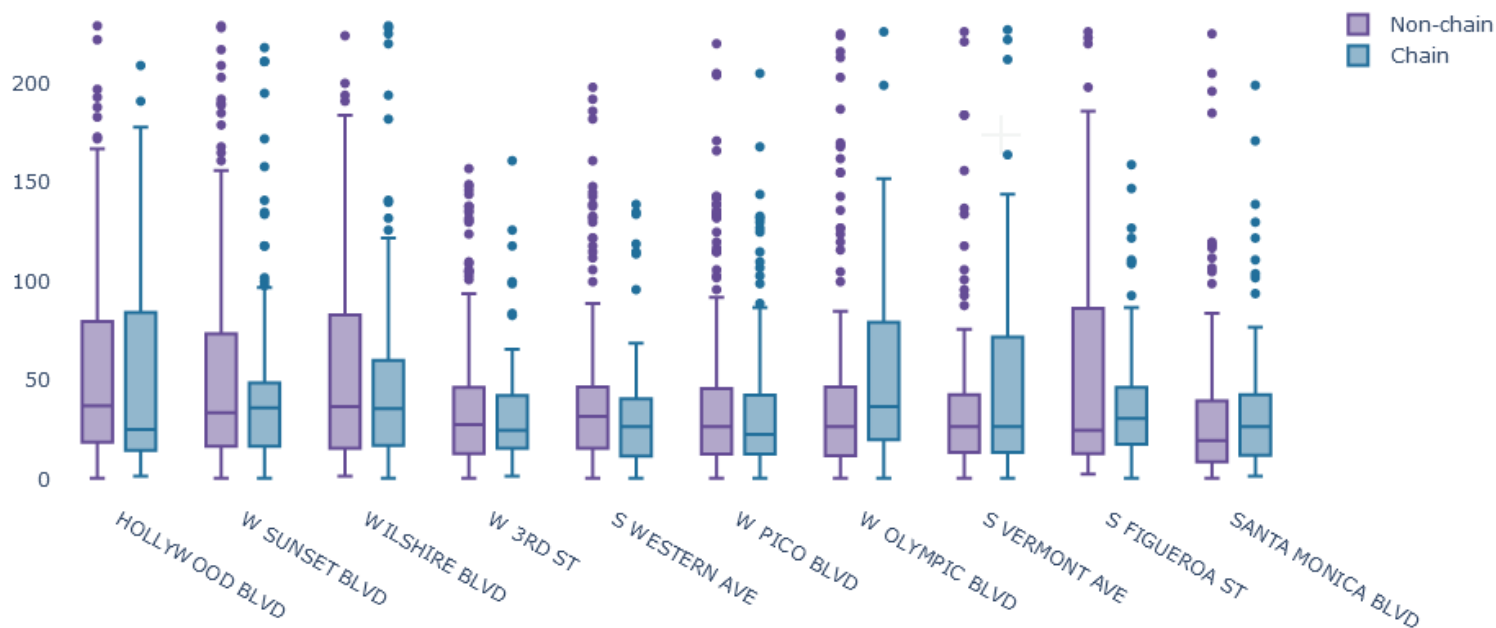
Conclusion

To make more precise conclusions, we have to employ more data: project costs and expenditures, financial and developmental goals. Choosing menu deserves a separate study as well.
The idea of robot-waiters is not that new, and looking at robot models marketed today, I would say, they are not actually looking so impressive, not like their presence would be a great customers magnet by itself. At lest it must have some marketing behind it, kinda like if there is no visible human presence at all, or if these robots could do some tricks, it would increase chances.

In my opinion, it is very interesting to look at an automated food production, and probably vending self-service. Definitely, the top trends are ground and drone robot delivery. A small robot-run cafe in Los Angeles should also have a drone delivery service, totally a must have.

Both for restaurants and all establishments combined, Pico and Sunset boulevards are leading. But for restaurants Pico is on the first place. Obviously, crowded central locations is an option for cafe and restaurants, though if more lean startup options are taken to consideration, an idea to begin with something like 0 seats drone-delivered pizza might be worth of attention.

There is less competition for restaurants, as chains dominate cafes market. So, probably restaurant format, whatever it means, is preferable over cafe. Going with 50 seats is a common choice.

Thank you!