

Market Segmentation of Beer Focused Venues

A clustering approach encompassing most populous US neighborhoods

Victor Jacobsen

Introduction

Taprooms, beer bars, breweries and other similar themed venues have become a popular hangout spot in the US during the past years (1). Understanding the demographical commonalities around these beer focused venues can unlock key insights for breweries and venue owners around the US. These insights can be used for marketing campaign targeting, defining customer profiles or even guiding decisions of where to establish a new business.

This project will look at defining the key differences and commonalities across top US markets, based on the prevalence of beer focused entertainment venues. The focus of the project is to establish a distinction between neighborhoods within the most populous US cities, based on their demographical profile and beer venue occurrence at neighborhood level. A few potential questions this project hopes to answer are:

- Which age group is more prevalent in markets with a high ratio of beer venues?
- Which markets have a high prevalence of beer venues?
- What are potential markets for opening beer venues?

Data

Two main sources of data are used in this project. The first is data regarding prevalence of beer venues in the US, Foursquare API will be used for this. Second, demographical data is needed to build a profile of the US neighborhoods. The source of this data will be the official United States Census API (2). Key data collected from these sources is presented in the table below:

Data Needed	Source
Total Population	Census
Age	Census
Sex	Census
Venue Data – Beer category	Foursquare
Educational Attainment	Census
Income level	Census
Other demographical data	Census

It is important to note all data needed at zip code tabulation area level. Also, percent estimates relative to total population/number of observations for a given zip code are always preferred, as they will provide a means to compare neighborhoods with different population sizes.

Bibliography

1. **Doering, Christopher.** Tapped out? Brewpubs, taprooms inundate beer scene as brewers aim to stand out. *Food Dive*. [Online] Jan 2019. <https://www.fooddive.com/news/tapped-out-brewpubs-taprooms-inundate-beer-scene-as-brewers-aim-to-stand/544103/>.
2. **Bureau, United States Census.** Developers. *United States Census Bureau*. [Online] <https://www.census.gov/developers/>.