

Segmentation at Sticks Kebob

MAR653 - Homework #1

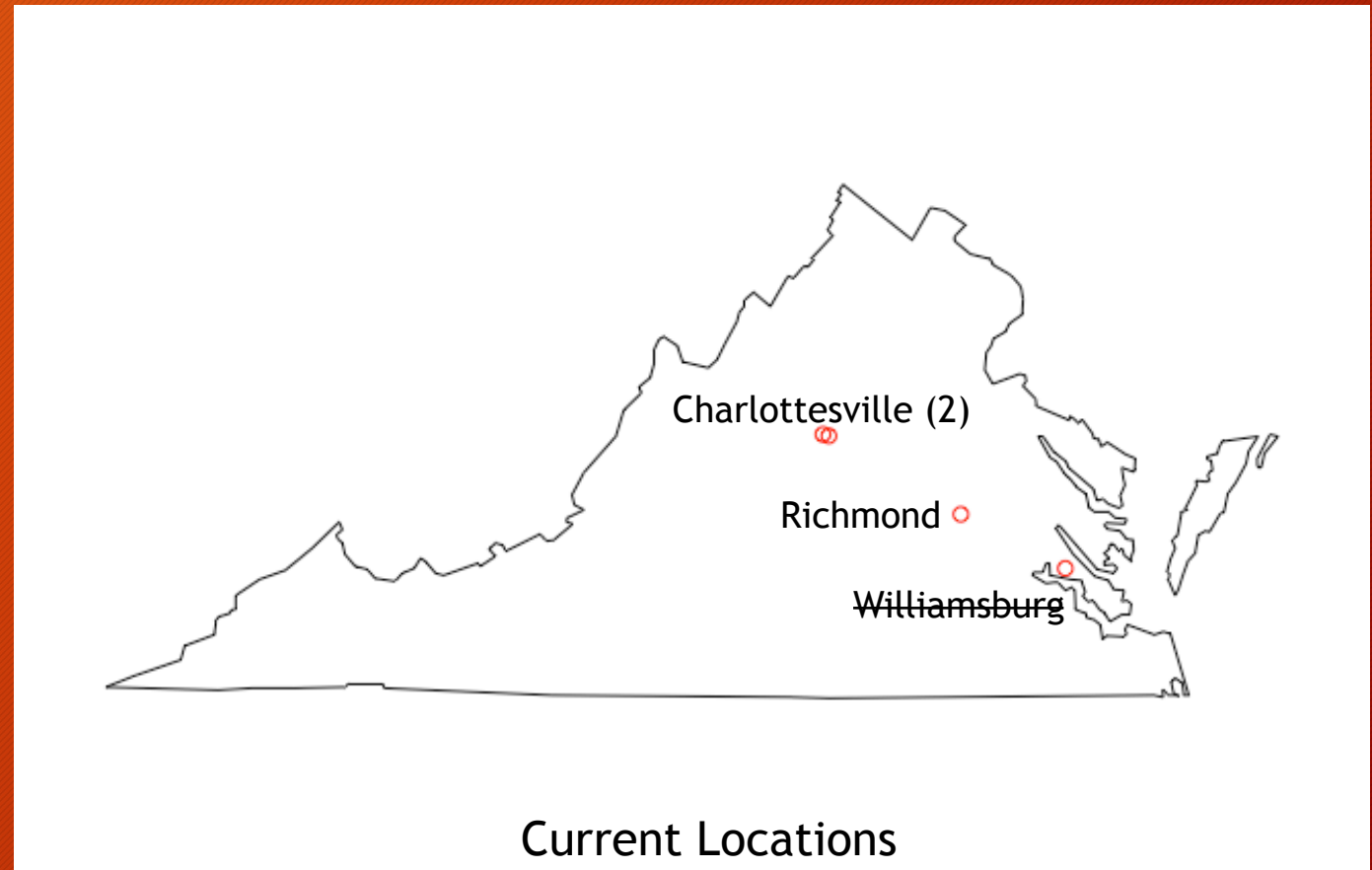
Team Y - TeKeya Crenshaw, Jennifer Gibbins, Danuel James, John Fields

October 17, 2019

Sticks Kebob



- Started in 2001
- Quick service restaurant with four locations in 2014
- Williamsburg location closed 4/23/2016*
- Planning for future expansion:
 - Focused on the I-64 corridor
 - Potential locations
 - 2nd Richmond restaurant
 - Newport News
 - Hampton Roads
 - Virginia Beach
 - Norfolk
 - Harrisonburg
 - Lynchburg
 - Fredericksburg



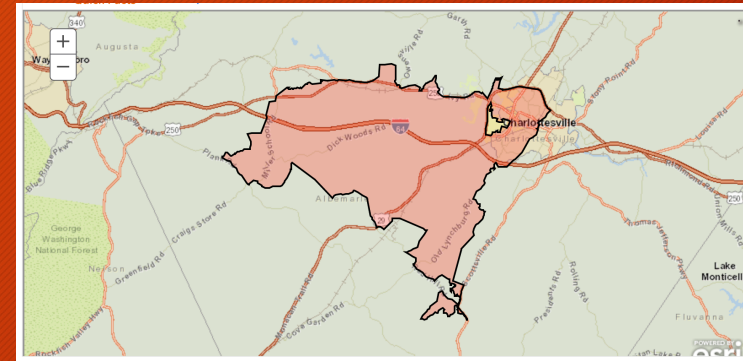
* = <https://wydaily.com/local-news/2016/04/23/local-news-sticks-kebob-shop-to-close-saturday/>



Segmentation at Current Stores

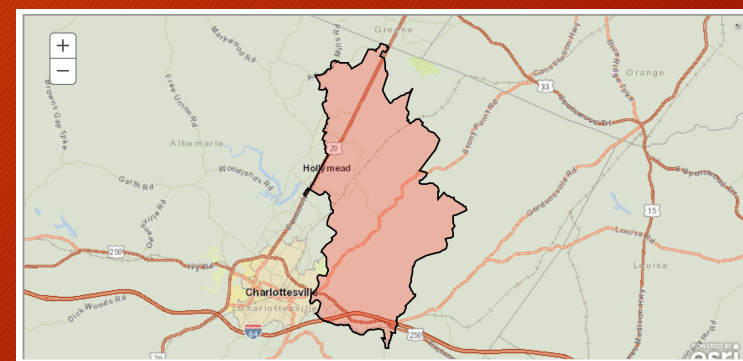
• Preston Avenue, Charlottesville 22903

<p>47 Striving Selfies Low Income Middle Age Mostly w/o Kids</p>	<p>13 Upward Bound Upscale Younger Family Mix</p>	<p>48 Generation Web Low Income Middle Age Family Mix</p>
<p>11 Fast-Track Families Upscale Middle Age Family Mix</p>	<p>25 Up-and-Comers Upper Midscale Younger Family Mix</p>	



• Pantops, Charlottesville 22911

<p>05 Country Squires Wealthy Older Family Mix</p>	<p>32 Traditional Times Upper Midscale Mature w/o Kids</p>	<p>11 Fast-Track Families Upscale Middle Age Family Mix</p>
<p>09 Big Fish, Small Pond Upscale Mature w/o Kids</p>	<p>18 Mayberry-ville Upscale Older Mostly w/o Kids</p>	

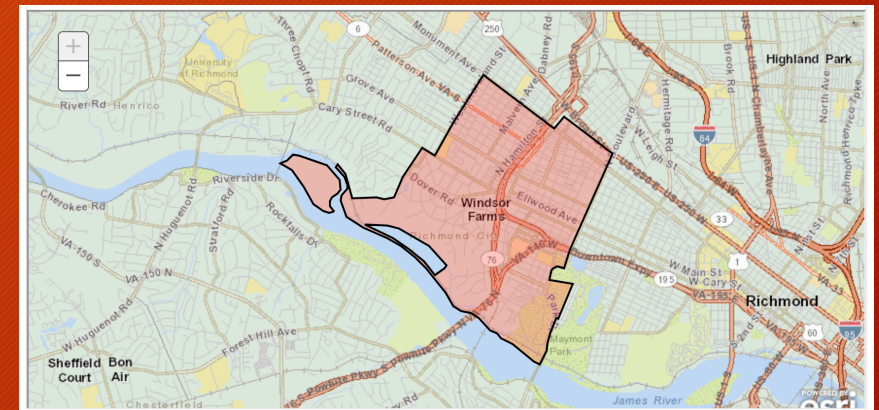




Segmentation at Current Stores

• Willow Lane, Richmond 23221

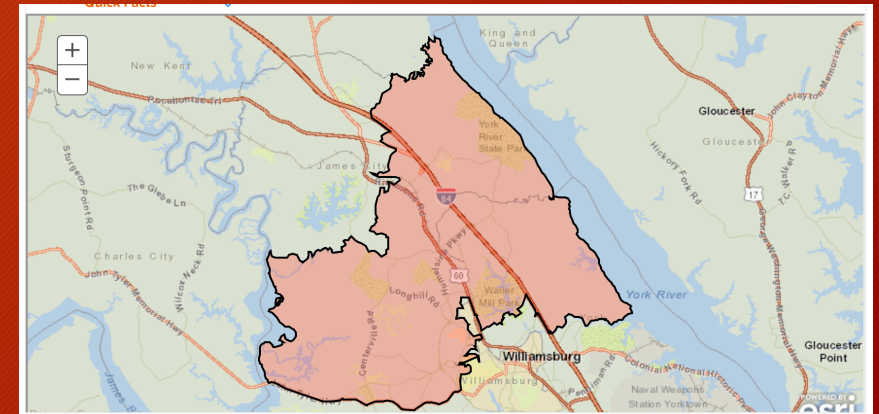
13 Upward Bound Upscale Younger Family Mix	34 Young & Influential Upper Midscale Younger Mostly w/o Kids	47 Striving Selfies Low Income Middle Age Mostly w/o Kids
25 Up-and-Comers Upper Midscale Younger Family Mix	10 Executive Suites Upscale Middle Age Mostly w/ Kids	



• Courthouse Commons, Williamsburg 23188

09 Big Fish, Small Pond Upscale Mature w/o Kids	32 Traditional Times Upper Midscale Mature w/o Kids	05 Country Squires Wealthy Older Family Mix
29 White Picket Fences Midscale Middle Age Family Mix	60 Small-Town Collegiates Downscale Middle Age Family Mix	

CLOSED



Who is our customer & what is important to them?

26-40 years old

\$50-100K

Sticks
KEBOB SHOP

Visits

- Sticks events
- After school

Work

Play

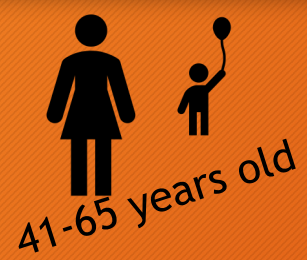
Visiting

Segment	Convenient place to eat	Variety of menu options	Good value for money	Healthy menu options	Food taste and satisfaction	Friendly staff	Consistency / reliability	Pleasant ambiance	Part of community
1	1.39	1.66	1.29	1.49	1.07	1.54	1.22	1.68	1.88
2	1.50	1.74	1.34	1.53	1.09	1.62	1.35	1.83	2.27
3	1.51	1.68	1.28	1.38	1.08	1.66	1.28	1.75	2.13
4	1.57	1.62	1.47	1.52	1.00	1.53	1.17	1.66	2.13
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Grand Total	1.49	1.69	1.33	1.48	1.07	1.60	1.28	1.75	2.12
Min	1.39	1.62	1.28	1.38	1.00	1.53	1.17	1.66	1.88
Rank	5.00	7.00	3.00	4.00	1.00	6.00	2.00	8.00	9.00

Overall importance
Food taste and satisfaction
Consistency and reliability
Good value for the money
Healthy menu options
Convenient place to eat
Friendly staff
Variety of menu options
Ambiance
Part of community

Segment 1: Convenience, Community
 Segment 2: Balanced
 Segment 3: Value, Health
 Segment 4: Variety, Taste/Satisfaction, Friendly staff, Consistency, Ambiance

Who is NOT our customer & what is important to them?



Visits
 • Sticks events
 • After school



Segment	Convenient place to eat	Variety of menu options	Good value for money	Healthy menu options	Food taste and satisfaction	Friendly staff	Consistency / reliability	Pleasant ambiance	Part of community
1	1.50	1.57	1.27	1.73	1.17	1.53	1.30	1.70	2.36
2	2.11	1.61	1.34	2.19	1.24	1.57	1.61	1.79	2.46
3	1.71	1.56	1.31	2.05	1.10	1.51	1.39	1.68	2.45
4	1.54	1.82	1.36	2.21	1.39	1.75	1.64	1.86	2.18
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Grand Total	1.74	1.62	1.32	2.05	1.20	1.57	1.47	1.74	2.38
Min	1.50	1.56	1.27	1.73	1.10	1.51	1.30	1.68	2.18
Rank	6.00	5.00	2.00	8.00	1.00	4.00	7.00	3.00	9.00

Overall importance
Food taste and satisfaction
Good value for the money
Consistency and reliability
Friendly staff
Variety of menu options
Convenient place to eat
Ambiance
Healthy menu options
Part of community

Segment 1: Convenience, Value, Healthy, Consistency
 Segment 2: Balanced
 Segment 3: Variety, Taste, Staff, Ambiance
 Segment 4: Community

Current/Future Locations

	Preston Ave. 22903	Pantops 22911	Willow Lane 23221	Total	Courthouse Commons 23188 (Closed)	Location A	Location B	Location C	Location D
Striving Selfies	1		1	2					
Upward Bound	1		1	2		X		X	X
Generation Web	1			1					
Fast-Track Families	1	1		2					
Up-and-Comers	1		1	2				X	X
Country Squires		1		1	1				X
Traditional Times		1		1	1				
Big Fish, Small Pond		1		1	1				
Mayberry-ville		1		1					
Young & Influential			1	1					
Executive Suites			1	1		X			
White Picket Fences				0	1			X	X
Small-Town Collegiates				0	1				
Blue Blood Estates						X			
Brite Lites, Li'l City						X		X	X
Winner's Circle						X			
City Startups							X		
Family Thrifts								X	
Hometown Retired							X		
New Beginnings							X		
Sunset City Blues							X		

Recommendation

Loc.	Pop.	Median Age	Median Income	Consumer Spend	Consumer Spend Per Household	Major Customer Profiles
A	29,321	39.1	\$92,700	\$722M	\$62,404	Blue Blood Estates, Brite Lites, Li'l City, Executive Suites, Upward Bound, Winner's Circle
B	34,183	32.5	\$31,900	\$482M	\$36,720	City Startups, Family Thrifts, Hometown Retired, New Beginnings, Sunset City Blues
C	42,913	32.5	\$55,700	\$754M	\$46,828	Brite Lites, Li'l City, Family Thrifts, Up-and-Comers, Upward Bound, White Picket Fences
D	57,509	34.8	\$75,500	\$1,184M	\$57,880	Brite Lites, Li'l City, Country Squires, Up-and-Comers, Upward Bound, White Picket Fences

Location C Snapshot from Claritas/Prizm

Segment	Restaurant	Car	Music	Store
Brite Lites, Lil'City	Wingstop	Lincoln	Urban Oldies	Shoe Carnival
Family Thrifts	Little Caesar's	Kia	Urban Oldies	Family Dollar
Up-N-Comers	Mellow Mushroom	Volkswagen	Active Rock	New York & Company
Upward Bound	Jimmy Johns	Infiniti	Alternative	H&M
White Picket Fences	Chick-fil-A	Kia	New Country	New York & Company

Our customer's most frequented restaurants



Panera

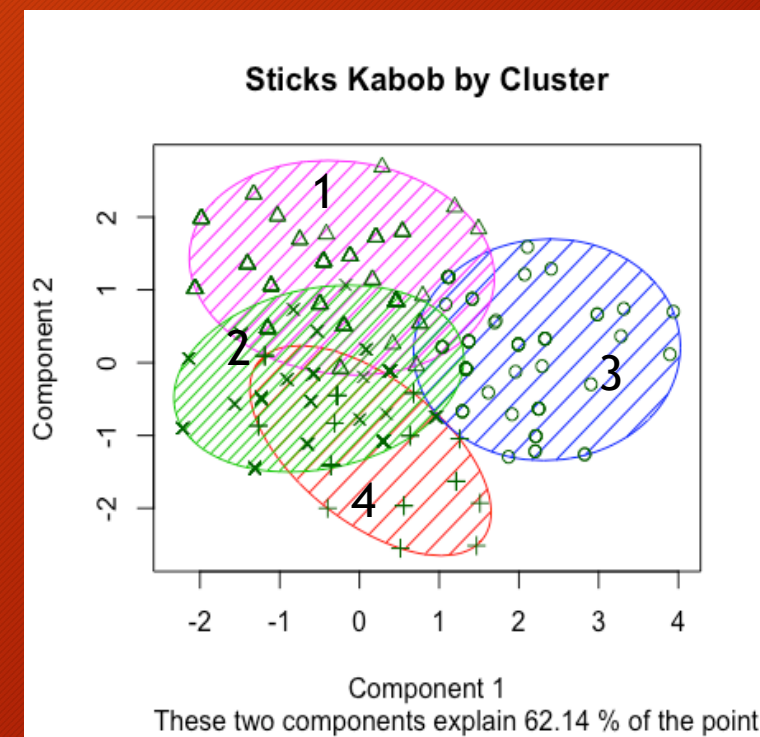
Chick-Fil-A

Chipotle

Subway

Segment Alignment with Proposed Location

	Segment 2 Current Customers	Location C
Overall	“Balanced”	Brite Lites, Lil’ City, Family Thrifts, Up-N-Comers, Upward Bound, White Picket Fences
Income	~\$60,000	\$55,700
Age	~33	32.5
Household Type - Couple/Family	64%	na
Household Type - Single	29%	na
Household Type - Shared	7%	na

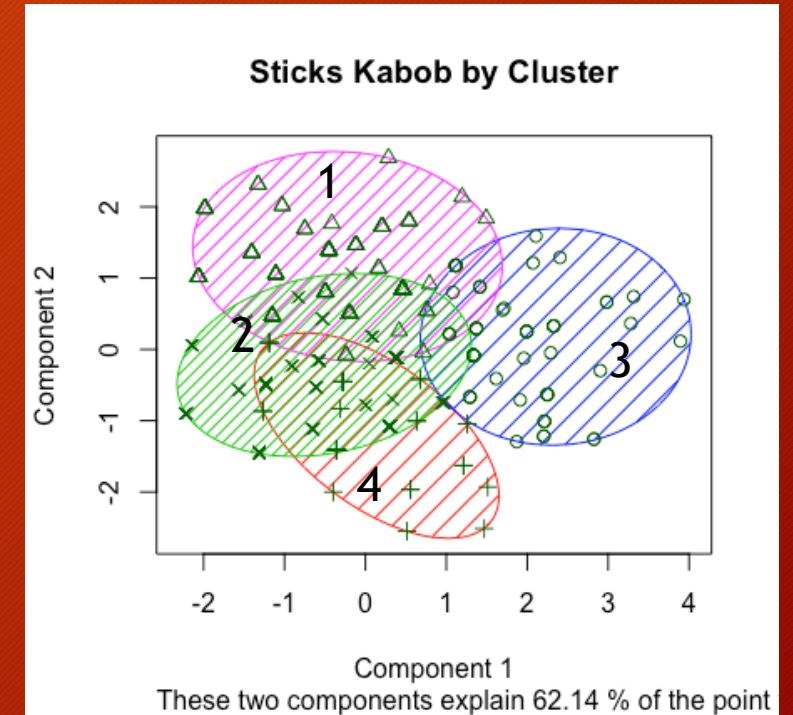
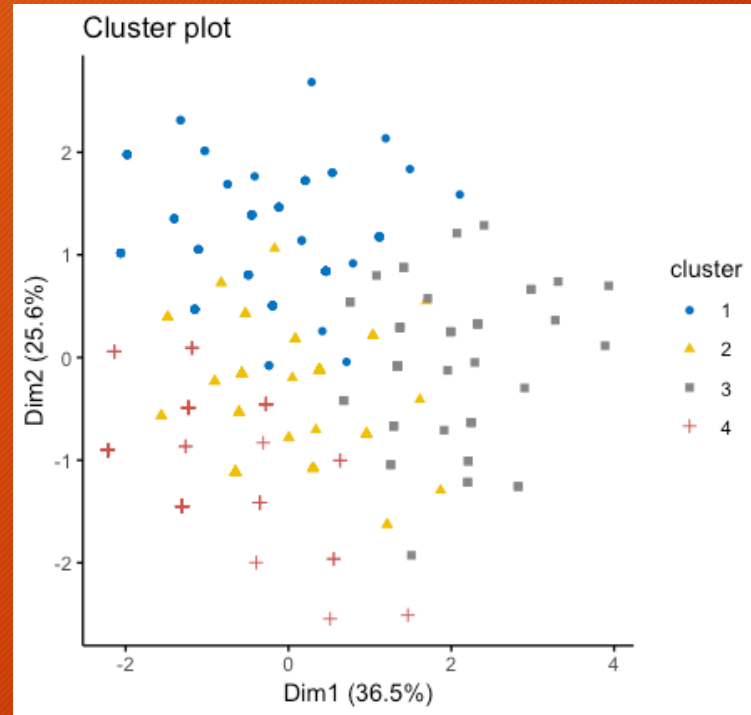
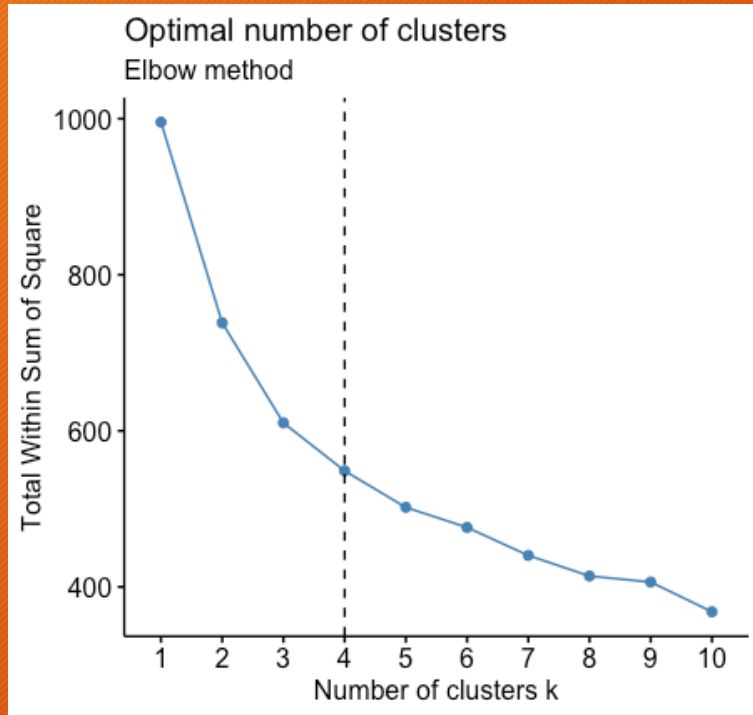


BACKUP

Questions to Answer

1. What is important: location, price, assortment, or cuisine?
2. Who do you think are Sticks' customers, and what are their motivations for visiting Sticks?
3. What does the survey data tell us about differences between customers and noncustomers?
4. What survey questions would you use to identify the customer segments?
5. How many customer segments can you estimate from the survey data?
 1. What are the profiles of the customer segments?
 2. Which customer segments should Sticks target?
6. Provide a recommendation for the location of the next Sticks Kebob Shop based on the segmentation analysis and the demographic profiles of the locations A-D.
7. Are customers and non-customer responses to the questions different?

K-means Cluster Plot



Current Customer Demographics

Key Female=1, Male=2 <25=1, 26-40=2, 41-65=3, >66=4 <\$50K=1, \$50-\$100K=2, >\$100K=3

Segment	Average			Range			
Row Labels	Average of What is your gender?	Average of What is your age?	Average of What is your approximate average annual household income?	Min of What is your age?	Max of What is your age?	Min of What is your approximate average annual household income?	Max of What is your approximate average annual household income?
1	1.21	2.26	2.00	1	4	1	3
2	1.22	2.37	1.78	1	4	1	3
3	1.21	2.42	2.26	1	4	1	3
4	1.13	2.47	1.94	1	4	1	3
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Grand Total **1.2** **2.374358974** **1.984615385** **1** **4** **1** **3**

Data based on averages for segments All female 1-3: 26-40 years 4: >66+ All ~\$50K-\$100K Range data shows all segments encompass all categories for the specific demographic

Non-Customers with differences from customers highlighted

Key Female=1, Male=2 <25=1, 26-40=2, 41-65=3, >66=4 <\$50K=1, \$50-\$100K=2, >\$100K=3

Segment	Average			Range			
Row Labels	Average of What is your gender?	Average of What is your age?	Average of What is your approximate average annual household income?	Min of What is your age?	Max of What is your age?	Min of What is your approximate average annual household income?	Max of What is your approximate average annual household income?
1	1.172413793	2.551724138	1.689655172	1	4	1	3
2	1.216216216	2.72972973	1.675675676	1	4	1	3
3	1.192982456	2.526315789	1.578947368	1	4	1	3
4	1.076923077	2.423076923	1.576923077	1	4	1	3
(blank)							

Grand Total 1.174496644 2.563758389 1.624161074 1 4 1 3

Data based on averages for segments All female 1-3: 41-65 4: 26-40 All ~\$50K-\$100K Range data shows all segments encompass all categories for the specific demographic

Lunch habit comparison

Customer

Segment	Average				
Row Labels	Average of How many times in the last week did you do the following? - Make and eat lunch at home	Average of How many times in the last week did you do the following? - Bring own lunch to work	Average of How many times in the last week did you do the following? - Buy lunch at workplace (e.g., cafeteria)	Average of How many times in the last week did you do the following? - Buy lunch at a restaurant / food court / food truck	Average of How many times in the last week did you do the following? - Skipped lunch / ate a small snack item
1	3.69	2.23	1.45	2.84	1.75
2	2.99	2.18	1.49	3.17	1.56
3	3.18	3.00	1.60	2.87	1.52
4	3.17	3.34	1.43	2.90	1.44
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Grand Total	3.22	2.60	1.50	2.97	1.58

Non-Customer

Segment	Average				
Row Labels	Average of How many times in the last week did you do the following? - Make/eat lunch at home	Average of How many times in the last week did you do the following? - Bring lunch to work	Average of How many times in the last week did you do the following? - Buy lunch at restaurant	Average of How many times in the last week did you do the following? - Buy lunch at work	Average of How many times in the last week did you do the following? - Skipped lunch
1	5.00	1.86	2.30	1.21	2.31
2	4.32	2.62	2.42	1.26	1.77
3	4.44	2.74	2.15	1.69	1.81
4	4.00	1.89	2.62	1.31	2.35
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Grand Total	4.44	2.39	2.32	1.43	1.99

Ate lunch at home 1 day more

When our customer visits

Segment	Average of In the last month, how often have you visited Sticks for the following occasions? - Weekday lunch	Average of In the last month, how often have you visited Sticks for the following occasions? - Weekday dinner	Average of In the last month, how often have you visited Sticks for the following occasions? - Weekend lunch	Average of In the last month, how often have you visited Sticks for the following occasions? - Weekend dinner	Average of In the last month, how often have you visited Sticks for the following occasions? - Sticks event (catering at work, food festival)	Average of In the last month, how often have you visited Sticks for the following occasions? - After school snack or after sports practice / event
1	3.49	2.83	3.75	3.24	5.09	5.84
2	3.70	3.30	4.08	4.50	5.62	5.70
3	3.04	3.49	4.02	3.78	5.31	5.56
4	2.52	3.43	4.11	4.53	5.74	6.00
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Grand Total	3.30	3.27	4.00	4.01	5.43	5.73

Our customer's top most frequented restaurants in the last 6 months

Most Frequent:

- Sticks: 26 visits
- Panera: 11 visits
- Chick-Fil-A: 9 visits
- Chipotle: 7-8*
- Subway: 7

*One restaurant was title Qdoba/Chipotle

Children

Customer

Segment	Average of How many children, by age, currently live in your household? - less than 12 years old	Average of How many children, by age, currently live in your household? - 12-17 years old	Average of How many children, by age, currently live in your household? - 18 and older
1	0.84	0.50	0.47
2	0.78	0.53	0.62
3	0.56	0.14	0.23
4	0.74	0.44	0.54
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Grand Total	0.72	0.40	0.45

Non-Customer

Segment	Average of How many children, by age, currently live in your household? - Less than 12	Average of How many children, by age, currently live in your household? - 12-17	Average of How many children, by age, currently live in your household? - 18+
1	0.35	0.24	0.43
2	0.36	1487.82	0.36
3	0.52	0.59	0.51
4	1.22	0.35	1.30
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Grand Total	0.58	362.59 *	0.60

Outlier skewing data - grand total average 0.26 removing outlier