

First Watch Franchise Expansion into the Flint Hills Region



Patterson, Judd. The Nature Conservancy. www.nature.org.

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Executive Summary

Our research team elected to analyze the profitability and marketability of expanding First Watch Daytime Café to Manhattan, Kansas, through market, competitive, and growth analyses. The market analysis utilizes primary data from a questionnaire and focus group to identify 1) the makeup of local consumer, 2) the demand present for Daytime Eatery restaurants and, 3) the common expectations shared by all consumers. The market analysis focuses on two primary factors: consumer feedback on the top three Daytime Eatery restaurants in Manhattan and consumer demand for the expansion of First Watch into the Flint Hills region. The competitor analysis implements a SWOT analysis to identify local competitor Strengths and Weaknesses and environmental Opportunities and Threats. The demand for consistent customer service is an example of an untapped opportunity that First Watch could leverage to achieve successful market entry. Additionally, increases in consumer demand and insufficient producer supply in the current Daytime Eatery market produce an inefficient market shortage. This shortage equates potential profit for First Watch, should they enter the market. The growth analysis is based on internal intelligence collected from interviews with managers of the top three local Daytime Eatery establishments. The managerial assessment is compiled into three sections: location, atmosphere, and customer service. Each of these areas bears significant impact on the presence of the restaurant in the Manhattan community. Through creating an efficient strategy based on the data and information collected in this report, the First Watch Leadership Team will be able to effectively diagnose the numerous environmental and company-specific factors that make investment in the Flint Hills regions profitable. The use and application of the three analyses in this report will enable First Watch Daytime Eatery to successfully enter and establish a strong competitive advantage in the Manhattan, Kansas, daytime eatery market.

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Introduction

Background

First Watch has expanded from Pacific Grove, CA, to over 105 locations in 17 states. As the “largest and fastest growing” daytime restaurant concept, First Watch has developed at positive rates for thirty consecutive years. Detailed research analyzing the profitability and marketability of First Watch, as well as primary data collection of consumer preferences, supports the viability of First Watch’s continued expansion.

Problem

This report is in reaction to the underwhelming nature of the breakfast/lunch market in the Flint Hills region, specifically in Manhattan, Kansas. The current state of the Daytime Eatery market in Manhattan fails to meet consumer demand. Both Kansas State University students and City of Manhattan residents, a population exceeding 56,000 persons², consistently suffer through long wait times at many of the “go-to” breakfast and lunch destinations. Reasons for this delay include the small size of restaurants and the lack of nearby breakfast/lunch alternatives. Given the success of First Watch in similar markets, it is evident that Manhattan is an ideal place to begin a new franchise.

Focused Analysis

Our research team decided to analyze three restaurants in Manhattan that compete directly in the Daytime Eatery market. While other restaurants in the area have breakfast offerings, The Chef, Early Edition and Arrow Coffee Co. are the top three restaurants that focus on serving consumers during the same daytime hours as First Watch: 7 AM– 2:30 PM.

Primary Research Methods

Questionnaire: A short questionnaire was disseminated to the Manhattan community using social media. The questionnaire received 119 responses. Please refer to the following link to view the format and content of the questionnaire: <http://goo.gl/forms/U03tZ8TS8b>

Observations: Research was collected from a three person focus group. Their feedback resulted in multi-faceted data, which was then translated into relevant information implemented throughout the report. The survey and data summary of focus group feedback may be found at the following link: <http://goo.gl/forms/cE0e3TCpkF>

Personal Visits: One-on-one interviews with managers from three competitive restaurants contributed to a more holistic view of data collected through afore mentioned methods.

Furthermore, our team leveraged market, competitor and growth analyses to assess Manhattan’s profitability and marketability for a First Watch franchise. We examined company

ideologies and the local environment to prove how First Watch would achieve competitive and strategic advantage in the existing market.

Discussion

Market Research Analysis

The research group decided that the most effective method to conduct a market research analysis in Manhattan, Kansas was through the collection of primary data. The research group conducted the research through a two-pronged approach. The first phase involved disseminating a questionnaire that assessed the overall attitude towards established daytime eateries in the community. The second phase consisted of personal visits to three of the most popular daytime eateries: The Chef, Early Edition, and Arrow Coffee Co. This section of the report will begin with an overview of the restaurant industry in the United States and then proceed to a more specific analysis of the market in Manhattan, Kansas.

Daytime eateries belong to the Full-Service Restaurant sector of the Restaurant Industry (NAICS Code 7221). According to the United Bureau of Labor Statistics released in March, 2016, roughly 12 million United States citizens were employed in the Food Services and Drinking Places sector. On average, restaurant employees earned \$13 an hour and the level of output (in terms of service and product) had risen 3.6% and labor productivity had increased .4% between 2013 and 2014. This positive national trend indicated a favorable mental affiliation with working in the restaurant industry.

The increase in worker productivity and overall restaurant profitability promises to create an optimistic atmosphere for continued expansion and growth of restaurant franchises, such as First Watch (The U.S. Bureau of Labor Statistics, 2016).

The National Restaurant Association has placed the hopeful Restaurant Industry trends in a statewide context. In Kansas, the Association reported 5,033 eating and drinking locations. 1,341 of these establishments are located in the Flint Hills region. The Kansas restaurant industry is forecasted to achieve sales revenue of \$4.7 billion by the end of 2016. Furthermore, 134,800 Kansas jobs are derived from employment in the Restaurant Industry. This constitutes 10% of state employment. Additionally, 14,700 jobs are expected to be added between 2016 and 2026 – a growth projection of 10.9% (The National Restaurant Association, 2015).

It is beneficial for First Watch to consider the past performance and future projections of sustainable business development in the Flint Hills region. The high number of restaurants indicates a demand for full service restaurants. Additionally, the strong forecast of sales revenue displays a consumer market willing, and able, to feed their appetite for more specialty restaurants.

Given the above statistics, it is clear that the Flint Hills region of Kansas provides a promising place for current investment and long-term sustainability.

Questionnaire Analysis

The specific community factors affecting the decision to expand First Watch to the Flint Hills region were thoroughly researched and examined. Our analysis of current demand in the local (Manhattan, KS) restaurant market reveals a shortage of daytime eateries¹. This creates a favorable environment for new firm entry.

Demographics

The participants in the Manhattan Daytime Eateries questionnaire ranged from under 18 to over 55 years old. 89% of participants surveyed were between the ages of eighteen and twenty-four years old. Demographically, 89.8% were single, 5.1% were married and 3.4% had young children. 11% of participants were full-time professionals while 84.7% considered themselves full-time students. 2.5% were employed part-time (non-student) and 1.7% classified themselves as “retired” professionals.

Personal Decision Factors

When asked, 87.3% of survey participants indicated that they enjoyed eating out for breakfast and 66.1% expressed eating out for breakfast at least once a month. 18.6% of participants revealed their habit of eating out for breakfast once a week and 1.7% marked that they patron breakfast establishments 2-3 times a week (Figure 1-1). 44.1% of surveyed consumers displayed an interest in natural, locally-sourced ingredients and 59.3% signaled a willingness to wait over forty-five minutes for a table if the restaurant had a strong reputation.

Consumer View of the Market

The questionnaire also surveyed each consumer’s view of Daytime Eatery options in Manhattan, Kansas. 58.1% of participants selected The Chef as their favorite restaurant, 23.1% favored Early Edition and 3.4% preferred Arrow Coffee Co. (Figure 1-2). On a scale from 1 to 5, with 1 indicating no significance and 5 marking very significant, 72% expressed a desire (score of 3 or higher) of having more breakfast restaurants in Manhattan. Furthermore, 73.5% were explicitly interested in a local First Watch franchise opening in the community.

¹ If you are interested in viewing the questionnaire used to collect data for this segment, please visit: <http://goo.gl/forms/KfSS5S5Wiy>

Personal Visit Analysis

The final segment of the market analysis utilized first-hand experiences to create a second layer of primary data collection². A focus group was taken to The Chef, Early Edition, and Arrow Coffee Co. Members of the focus group ranked each dining establishment based on their overall and dish-specific experiences. The following results have been released with consent of the participants.

The Chef

Individuals who visited The Chef ranked the atmosphere and food quality highly whereas the median for pricing, timeliness, and customer service ranked below average. Presentation, flavor, and texture of dishes were viewed favorably by all participants.

Early Edition

Participants in the survey ranked the atmosphere, pricing, and customer service of the restaurant favorably. However, the dining establishment received feedback at or below average satisfaction in the areas of food quality and timeliness. In regards to dish-specific evaluations, diners appreciated the texture and presentation of the dish but were underwhelmed by the flavor.

Arrow Coffee Co.

Surveyed participants who visited Arrow Coffee Co. enjoyed the atmosphere, pricing, timeliness, food quality, and customer service. Dishes ordered met the customers' expectations in regard to taste, flavor, and presentation. One comment made, however, was that the selection of dining options was extremely limited. Diners were less apt to visit the establishment again due to poor variety.

Personal Visit Conclusion

Overall, diners who had visited a First Watch ranked their experience at First Watch as superior to the restaurant they were evaluating. They indicated their desire to have a First Watch come to Manhattan and revealed their likelihood to patron the franchise an equal, if not greater, amount than other Manhattan breakfast restaurants.

² If you are interested in viewing the direct feedback from market research participants, please visit: <http://goo.gl/forms/SjVydW3RIA>

Competitive Analysis

The focus of this competitive analysis is to determine whether a First Watch franchise is optimal given the competitive restaurant environment in Manhattan, Kansas.

A competitive analysis helps management develop marketing strategies, formulate an effective business plan, and make informed strategic decisions. The analysis for First Watch provides an overview of its competitors' SWOT analyses, histories, and reactions to industry changes.

The Chef

The Chef opened in 1946 with the goal of feeding as many Manhattanites in their small café as possible. Management wanted to create “a modern, comfortable, family café with an eclectic menu” that would offer a “home-cooked meal that doesn't take all day” (The Chef Breakfast Café). Much to the dismay of the Manhattan community, The Chef closed its doors in 1986, starting a 22-year gap before re-opening in 2008 with new owners. Today, The Chef ranks #1 on Yelp in Manhattan for breakfast and #3 for lunch.

Like many local eateries, The Chef has its own unique set of characteristics that differentiate it within the market. The Chef's strengths include its outstanding brand image, superior quality of food, and unique dining atmosphere. These strengths make a significant difference to 58.1% of respondents in our survey who selected The Chef as their favorite breakfast restaurant in Manhattan³.

The primary weakness that plagues The Chef is the physical size of the restaurant. The space is very small and often gets crowded with waiting customers both inside the restaurant and outside on the sidewalk. Additionally, its location in downtown Manhattan does not allow much room for physical restaurant growth without the acquisition of a bordering space, which comes at a hefty price. This space restriction causes consistently long wait times that can exceed two hours on the weekends (Yelp - Customer Reviews). Although the wait times for The Chef can be long, nearly 60% of respondents to our survey indicated their willingness to wait over 45 minutes to be seated³. However, according to Yelp reviews, some did people decide to give up the wait and look for another place to dine.

The threats associated with The Chef include the likely entry of new competitors in the marketplace and consumer time constraints limiting the potential amount of customers they are able to serve. Manhattan's population is growing and the opportunity for businesses to capture market is increases. These two factors contribute to ideally low entry barriers for First Watch to penetrate.

Early Edition

Early Edition is a popular American style breakfast/brunch restaurant with two locations in Manhattan. It is a locally owned establishment that was founded in 2001, followed by the

³ If you are interested in viewing the questionnaire used to collect data for this segment, please visit: <http://goo.gl/forms/KfSS5S5Wiy>

addition of another location in 2010. According to Tripadvisor.com, it ranks 47 on the list of best restaurants in the area.

Early Edition's most prominent strengths are their friendly wait staff and their classic American style breakfast items.

Several weaknesses of Early Edition include lengthy wait times on weekends, inconsistent food preparation, and an insipid ambiance. Lengthy wait times contribute to loss of consumer interest, which result in loss of sales. Early Edition also receives criticism about food being over or undercooked resulting in some portion of a customer's meal being dissatisfying. Ill-defined atmosphere leads to Yelp consumer reports of a dining experience that is similar to "eating in a warehouse" (Yelp Review, 2014).

Furthermore, the weakness of not having an official website threatens the competitive advantage of Early Edition by debilitating their advertising presence and threatening the loss of customers who rely on web-based sources to select dining options

Opportunities facing Early Edition include: improving their web presence, increasing catering services and updating transaction technology. These missed opportunities for Early Edition can help First Watch successfully enter into the market.

Threats facing Early Edition are: local competition, variability in food sourcing, pricing, and customer preferences. Competitive businesses in the restaurant industry introduce new marketing plans that enhance competitive position, which can negatively impact demand for Early Edition. There is also the threat of changing food prices and availability, which greatly limits supply. Finally, customer preferences are easily subject to change.

First Watch has the opportunity of flexibly meeting the change in food prices and availability by fulfilling its mission of sourcing local and fresh ingredients. In a smaller community, such as Manhattan, supporting local growers and vendors is a consumer preference that is constant and would serve as an additional boon for First Watch.

Arrow Coffee Co. Co.

Arrow Coffee Co. is one of the favorite destinations for young people in Manhattan. Their strengths include: a convenient location, excellent customer service, a "trendy" ambiance and an impressive line of highly sought after products. They also conscientiously provide excellent customer service both in-store and online.

Arrow Coffee Co. has its fair share of weaknesses, which makes it vulnerable in the restaurant market. For example, price points on products are higher than their competitors'. This is largely due to the quality and attention Arrow Coffee Co. gives to each product offering.

Our focus group noted, however, that ordering can be a daunting experience. Arrow Coffee Co. can also become overcrowded, leading to high customer attrition simply due to a lack of space.

One of Arrow Coffee Co.’s weaknesses is their “parking problem.” This is proving “unsolvable” due to their geographic location.

The biggest opportunity for Arrow Coffee Co. is the consistent demand for their products. They have expanded services to Kansas State University and continue to offer greater catering options.

The threats associated with Arrow Coffee Co. are similar to those faced by their competitors, including variable product pricing and availability, local competition, and varying consumer expectations. Arrow Coffee Co. operates in a niche market specializing in specialty coffees, teas, and food items. While they may have a small group of loyal customers that enjoy the superior quality of product they offer on a regular basis, Arrow Coffee Co. does not reach clientele simply looking for a good cup of coffee to kick start their morning.

As such, First Watch has the opportunity to serve high quality breakfast items alongside excellent dining complements, such as quality coffee and juice offerings.

Growth Analysis

The growth analysis was created using local managerial interviews, First Watch’s data from the Lawrence, KS, location, and support from the 2020 National Restaurant News Forecast. The above segments of data were used to compare the similarities in market location, consumer demographics, and market demand between Manhattan and Lawrence.

Managerial Interviews

Interviews with local competitors’ managers provided internal information about each business’ location, demographics, and demand. Table 1.1 demonstrates each business’s awareness of their current and prospective weaknesses and strengths. Their responses demonstrate how First Watch can strategically target growth and profitability in the existing market.

Interviews	Arrow Coffee Co. Co.	Early Edition	The Chef
Manager	Ben J. ⁴	Amber S.	Tim Brown
Company Description	A sophisticated community surrounded by coffee and food.	Breakfast and lunch diner vibe.	“Kitcheny homemade diner vibe with rays of happiness.”
Selling Point	Unique coffee and breakfast/brunch.	Breakfast that feels like home.	Atmosphere that encourages regulars and local landmark.

⁴ Due to time constraints, Ben’s responses are comprised of responses collected from his personal blog, which is available on the company’s website (<http://www.arrowcoffeecompany.com/blog/>).

Weekly Traffic	Constant traffic Monday through Sunday. Heavy breakfast/brunch crowds Friday through Sunday.	Very low traffic on Mondays and Wednesdays. Constant traffic Thursday and Friday. Heavy traffic Saturday and Sunday.	Constant traffic weekdays from the local businesses downtown. Weekends have high traffic with families, students, and nearby hotel guests.
Customer Trends	Kansas State students and staff. Young families. Visitors of Kansas State affiliates.	Retired individuals. Local families. Students. Church crowds.	Business people. Delivery personnel. Local families. Students. Guests of local hotels.
Company Weaknesses	Lack of parking and space for increasing number of consumers.	High employee turnover because employees are students between the ages 14-21.	Inconsistent customer experience.
Successful Marketing	Word of Mouth. Social media. Website.	Word of mouth from regulars and employee. Radio spots (101.5 FM K Rock deals).	Word of mouth. Social media.
Unsuccessful marketing	Printed advertising.	Printed advertising.	Printed advertising in newspaper.

Source: Amber S, and Tim Brown. "Managerial Interviews." Personal interview. 12 Apr. 2016."Arrow Coffee Co. Blog." *Arrow Coffee Co. Co.* N.p., n.d. Web. 19 Apr. 2016.

Comparison to First Watch Lawrence

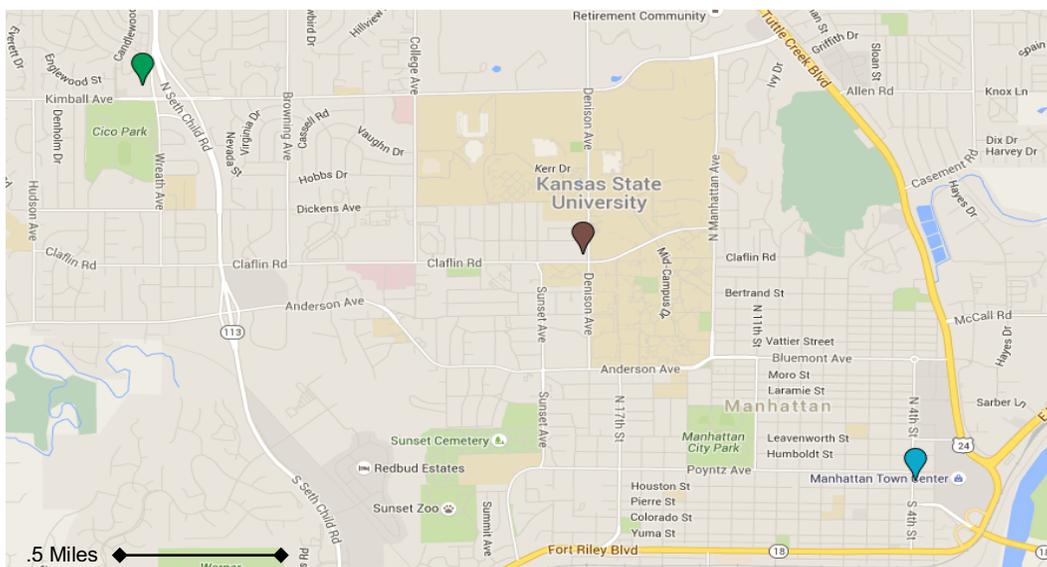
A comparison of growth rate characteristics between Lawrence and Manhattan demonstrate more similarities than differences. The below assessments highlight the areas of: location, demographics, and demand.

Location

Map 1.1 of Manhattan, reveals that:

- One of Early Edition's locations is situated in a cluster of neighborhoods, which explains the company's complaints of low traffic during week day business hours. Their east location is strategically placed near a main road and across from a thriving business center (Blue Earth Place).
- Arrow Coffee Co. is located to the west of Kansas State University. This location enables them to profit from never ending waves of University students and staff. This explains why Arrow Coffee Co. experiences consistent and heavy weekly traffic.
- The Chef is located in the downtown and hotel district of Manhattan, Kansas. Their location allows constant traffic during the week and weekend from various business personnel and hotel guests. On weekends The Chef becomes overcrowded with waits as long as two hours from the combination of hotel guests, local students, and families.

Map 1.1

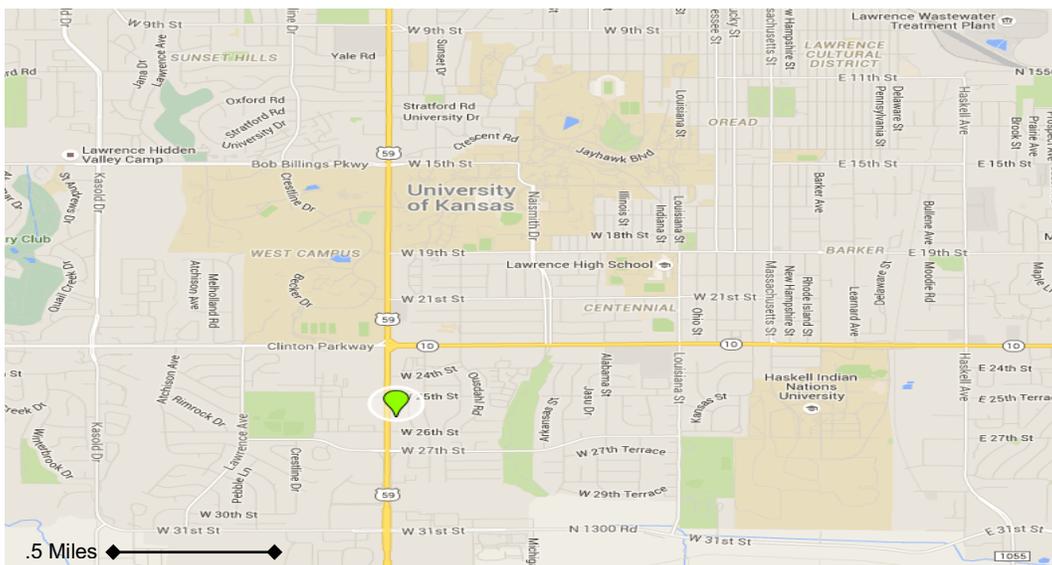


Source: "Google Maps." *Google Maps*. N.p., n.d. Web. 18 Apr. 2016.

Arrow Coffee Co.: Brown Early Edition: Green The Chef: Blue

Map 1.1 of Manhattan and Map 1.2 of Lawrence compare the proximity of Manhattan’s restaurants to Kansas State University and Lawrence’s First Watch’s strategic location next to two university campuses, the University of Kansas and Haskell Indian Nations University.

Map 1.2



Source: "Google Maps." *Google Maps*. N.p., n.d. Web. 18 Apr. 2016.

First Watch: Green

The comparison between Lawrence and Manhattan exhibits Manhattan’s ability to reach the same diversified audience that First Watch Lawrence has benefited from.

Demographics & Cost of Living Indexes

Below are two tables, which detail the demographic and cost of living similarities and differences between the cities of Manhattan and Lawrence. This data is provided in order to better assess how a First Watch franchise would prosper in the Manhattan area.

Table 1.2

Demographics 2015-16	Manhattan	Lawrence
Total Population	52,281	87,643
Population Density	3,737	3,230
Total Student Population (2014)	24,766	27,983
Average Age	24	27
Total Households	20,008	34,940
Family Households	9,466	16,939
Single Person Household	6,064	11,182
Multi-person Household	4,478	6,849

Source: "Current Lawrence, Kansas Population, Demographics and Stats in 2016, 2015." SuburbanStats.org. N.p., n.d. Web. 18 Apr. 2016.

Table 1.3

Cost of Living Indexes	Manhattan	Lawrence
Overall	101.4	96.1
Food	95.4	91.4
Housing	118.9	98.8
Utilities	85.3	89.3
Transportation	93.6	96
Health	93.6	88.6
Miscellaneous	93.1	99.5
Average Salary	\$50,000	\$47,387

Source: "Cost of Living Comparison: Manhattan, Kansas - Lawrence, Kansas." *Cost of Living Comparison: Compare Manhattan, Kansas to Lawrence, Kansas*. N.p., n.d. Web. 18 Apr. 2016.

100=national average

Although Lawrence is the leader in seven categories out of eight in Table 1.2, it should be noted that Lawrence is 28.1 mi² and Manhattan is 15.0 mi² (city-data). Manhattan has a

population density of 3,737 people per square mile versus Lawrence's 3,230 people per square mile.

When looking at Table 1.3, Manhattan has a higher overall cost of living, 101.4, compared to Lawrence's 96.1. Although Manhattan's higher cost of living could be perceived as negative, it is actually a positive for First Watch. The price level of First Watch in the Lawrence location is known as affordable; therefore, the same price menu will not only be affordable but cheaper than local competitors in Manhattan's higher cost index location. First Watch will capitalize on local consumers' satisfaction with all it has to offer, as well as the affordability.

The above information confirms that First Watch will also be able to profit from the expansion to Manhattan due to local residents' similarities to local residents of First Watch's current Lawrence restaurant. As well as the combination of Manhattan residents' higher average salary and First Watch ability to provide the affordable prices that have succeeded in Lawrence to combat Manhattan's higher cost in food.

Demand

Moving into the Manhattan market is not only supported by the data collected from our analyses but from the National Restaurant News 2020 forecast (Brandau). It states breakfast dining will continue to flourish due to Millennials' buying power, an important attribute consideration, as a result of Manhattan being home to approximately 40,500 Millennials.

Millennials

As of 2015 Millennials have surpassed Baby Boomers and become the target audience for breakfast restaurants (Brandau). The change of audience not only affects how businesses will market toward Millennials but also the total experience that they sell. This has caused many changes in atmosphere and customer service, which are two major downfalls of the three local competitors in the Manhattan community.

Atmosphere

Consumers begin to judge restaurants before they experience customer service or the quality of food. According to the 2020 plan of National Restaurant News forecast, restaurants create an atmosphere by localizing their décor and upgrading their technology placement layouts. Additionally, customers enjoy a posh atmosphere that is as comfortable as it looks. Consumers also find connection and enjoyment in displays that feature local artists (Brandau).

Along with the trend of creating a locally posh environment, incorporating more technology is just as important to a consumer's breakfast/dining experience. Having the options to choose between seating that is technologically pleasing or encourages physical social interaction is exceedingly popular as consumers search for Wi-Fi and table side USB outlets to charge their personal devices. Customers also want the option of connecting on a personal level without the temptation of TVs and USB ports (Brandau). Therefore, we conclude that having variety of seating options caters to the different experiences consumer's desire.

Customer Service

Due to the state of the economy over the past two decades, many Millennials have become “recession trained.” In other words, Millennials have developed a strong demand for dining experiences that “match” menu price (Brandau). The overall value of the experience does not depend only on the atmosphere or quality of food but the actual customer service received and the ability to make the experience their own. Although Millennials are price conscious and enjoy the concept of deals, they do not have an issue paying extra for customized options (Jones). Consumers expect that even customized experiences will be timely; thus, waiting times increase their expectations of service and food quality.

First Watch will be able to not only create a competitive advantage when expanding to Manhattan but will also become profitable during the earlier opening stage of First Watch by satisfying atmospheric and customer services preferences of Millennials who have become the market’s targeted consumers.

Opportunities

Based on the information collected from the market and competitor analysis, local competitors fall short in the following areas: atmosphere and customer service. Looking at Table 1.4 one can see each competitor's key weaknesses create an opportunity for First Watch to obtain a competitive advantage.

Table 1.4

Restaurant	Atmosphere	Customer Service
Arrow Coffee Co. Co.	Limited parking Crowded	Lack of food variety
Early Edition	Lack of decor/theme	Long waits
The Chef	Lack of space to expand	Long waits Inconsistent table service

Source: J, Ben, Amber S, and Tim Brown. "Managerial Interviews." Personal interview. 12 Apr. 2016.
"Arrow Coffee Co. Blog." *Arrow Coffee Co. Co.* N.p., n.d. Web. 19 Apr. 2016.

Recommendations

The information of the competitors’ weaknesses, which are displayed in Table 1.4, was used to generate recommendations to create First Watch's competitive advantage.

Atmosphere

First Watch can satisfy local consumers' atmospheric needs and wants by locating to a site that has:

- Enough parking
- Ability to expand when demand is greater than space
- A localized posh environment
- Areas that intermingle technology and social preferences

Customer Service

First Watch can deliver superior customer service by:

- Serving a variety of food that take account seasonal and local options
- Providing an employee training program that emphasizes great consistent customer service
- Providing speedy service to decrease wait time
- Offering the ability to customize customer experiences

Summary

By utilizing the following recommendations, First Watch will enter the local Manhattan market with a solid foundation and the essentials to succeed. First Watch will also deliver a welcoming atmosphere and superior customer service, which are critical areas where local competitors have fallen short.

Conclusion

Market Analysis Conclusion

It is apparent from an analysis of the industry and individual consumer feedback that First Watch would thrive in the limited breakfast market of Manhattan, Kansas. Among the restaurants visited and evaluated, First Watch received top preference. This is unsurprising as First Watch combines an excellent atmosphere with high quality products and superb customer service. The primary and secondary data and information collected from this research validates the existence of a shortage in the Manhattan Daytime Eatery market. As supported by economics, optimal market equilibrium is found when consumer demand equals producer supply (Figure 1.3). A shortage in the breakfast market currently exists, which indicates untapped profits. If First Watch were to monopolize on this shortage, they would reap the benefits of not only financial success but sustainable community integration and fortified brand recognition.

Competitive Analysis Conclusion

Based on the competitive landscape and the opportunities present in the Flint Hills Region, it would be ideal for a First Watch franchise to join the Daytime Eatery market in Manhattan, Kansas. The opportunities in the area are vast and First Watch has the resources necessary to capitalize on the weaknesses of the competitors in this region. These weaknesses include: capacity of dining establishment, level of customer service/attentiveness, and overall dining environment. First Watch provides customers with a larger space to accommodate more guests, excellent customer service, along with a stylish and inviting environment for customers to enjoy. Additionally, the superior quality of food offered at First Watch differentiates them from nearly all of the competing eateries in the Flint Hills region. The analysis provided indicates favorably towards First Watch opening a new franchise in Manhattan, Kansas.

Growth Analysis Conclusion

Information collected from local competitors' managers and location comparisons between Manhattan and Lawrence indicates the expansion of First Watch into the Manhattan location is a profitable move. The internal insight displayed in the data provides First Watch solid substance of critical aspects and opportunities within the Manhattan market. Location, demographics, and demand are not only critical aspects but also opportunities to create the foundation of the local restaurant market. The location comparisons also support the marketability and profitability of Manhattan in terms of location, demographics, and demand. All the information provides major actions that First Watch can take to create an enjoyable atmosphere and customer service. This will ensure First Watch succeeds in gaining a competitive advantage in the Manhattan community.

Appendix

Figure 1.1

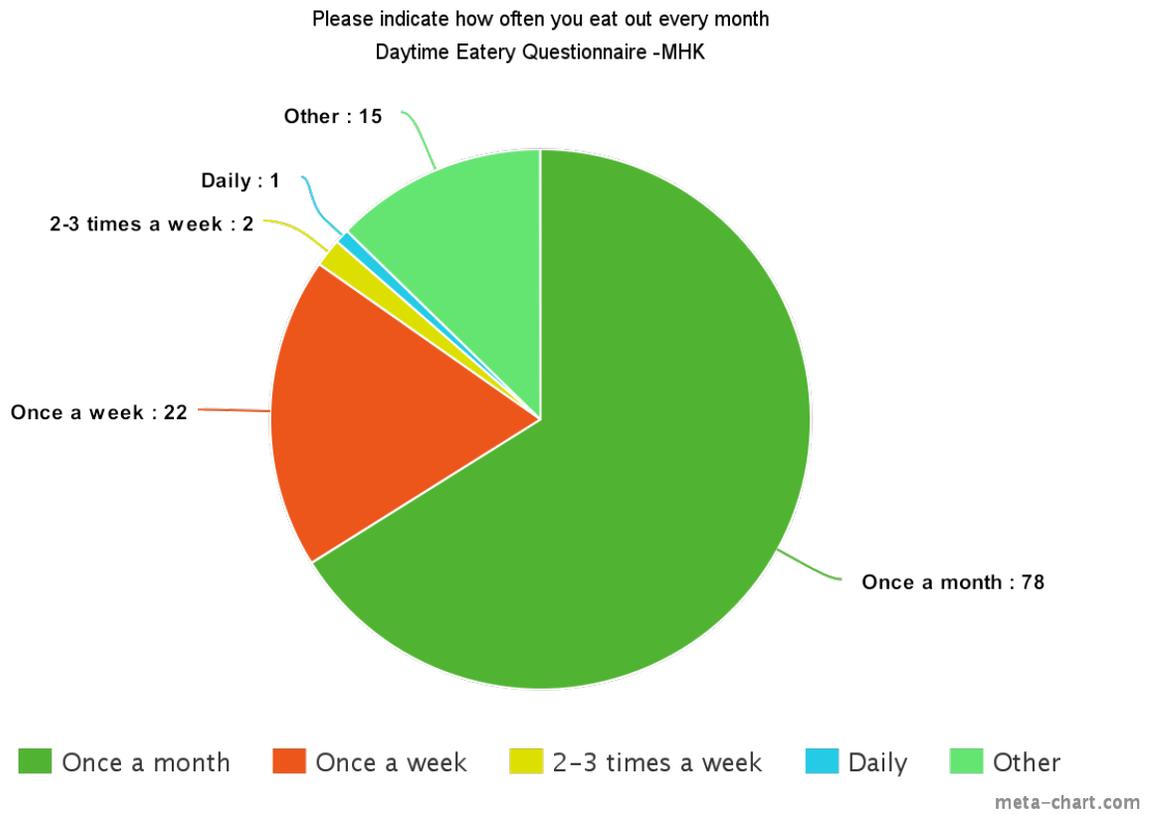


Figure 1.2

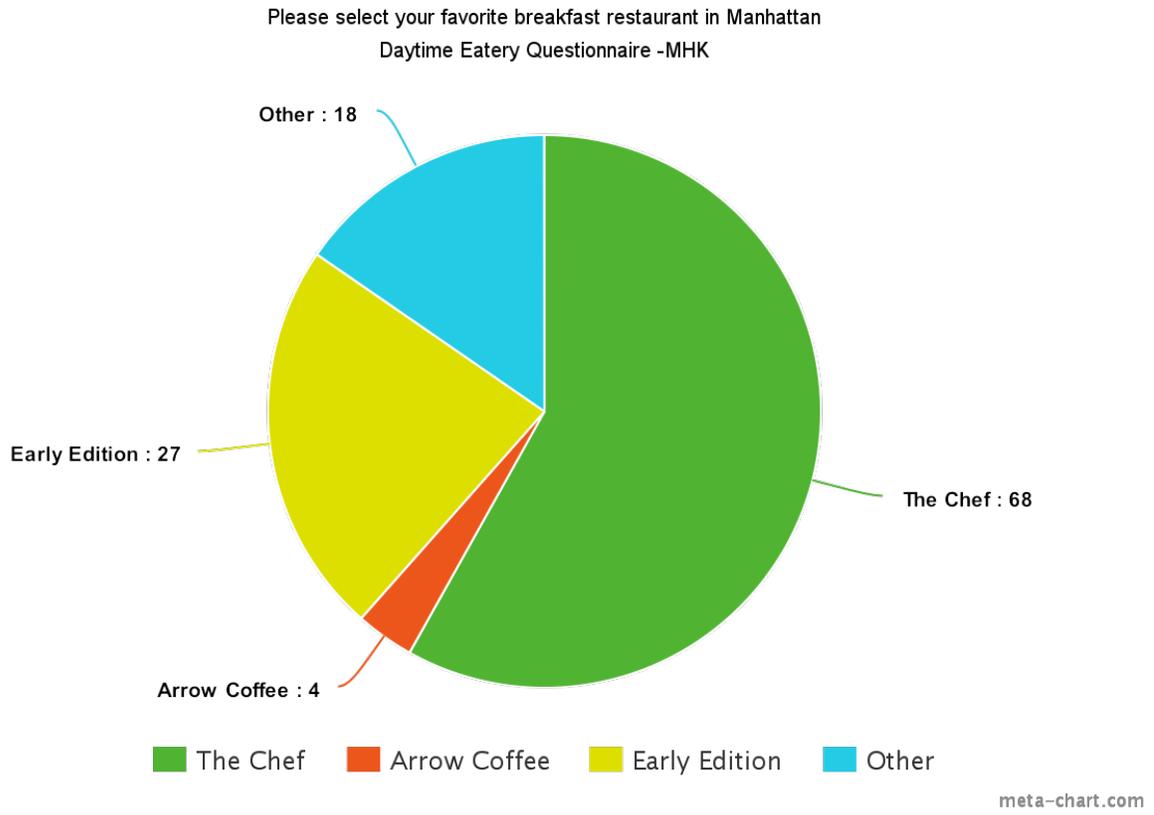
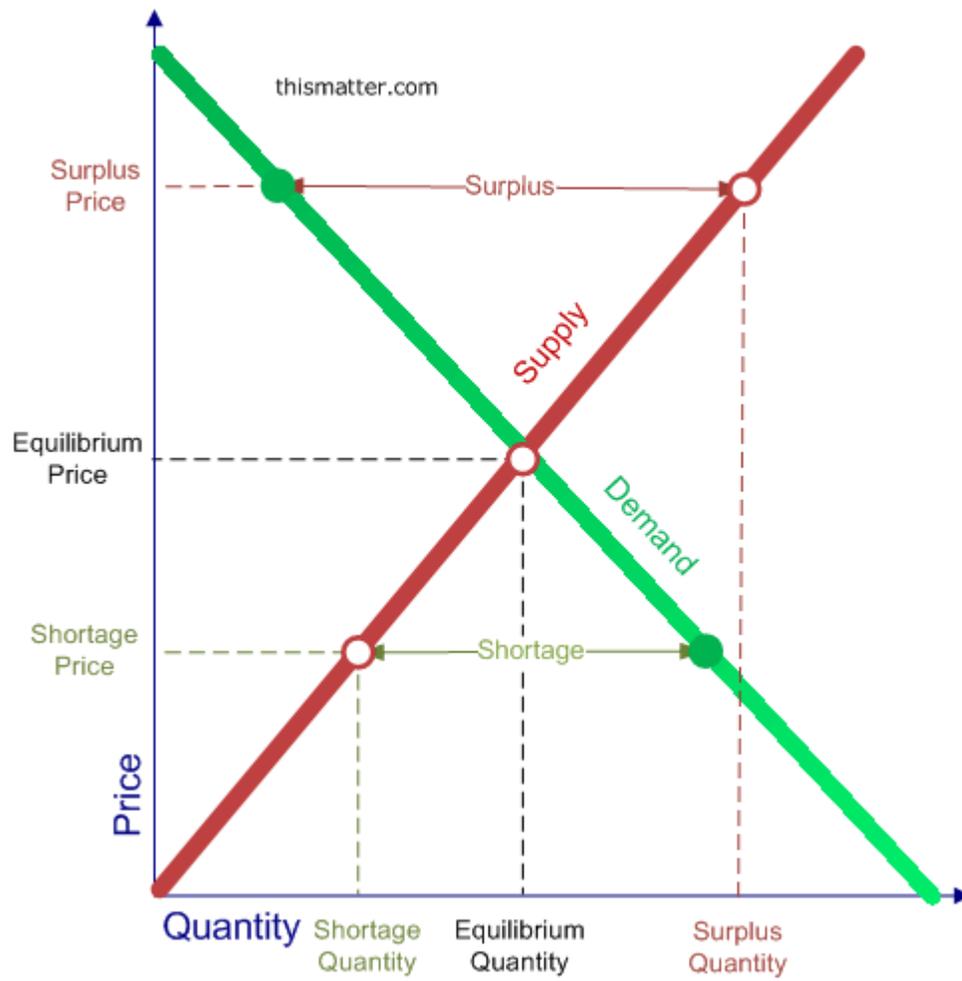


Figure 1.3



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