Caribbean Restaurants in the U.S.: Applying GIS to Show Market Potential

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Abstract

The number of people of Caribbean origin travelling and residing in the United States of America (USA) has been on the increase in recent decades. In addition, Caribbean countries continue to be attractive vacation destinations for Americans. Consequently, a large number of persons in the USA are potential consumers of Caribbean foods. A United States Department of Agriculture, Economic Research Service (USDA-ERS) report (2004) revealed that the USA market increase in demand for food away from home grew in the last decade of the 20th century and is expected to continue into the 21st century. The report outlined that the increased growth is expected at both fast food restaurants and full-service restaurants. Also, it is projected that between 2000 and 2020, the growth in household income and demographic developments are expected to result 18 percent increase in spending at full-service restaurants and 6 percent increase in spending at fast food restaurants (USDA-ERS, 2004). While the current and expected increase in demand within the USA food away from home market creates a potential market for Caribbean restaurants, it also presents Caribbean restaurant operators with the challenge of determining the market potential for their food establishments.

Market potential analysis provides information on available business opportunities in geographic regions. The authors hypothesize that Geographic Information Systems (GIS) is an ideal tool for conducting market potential analysis and aiding with decision making. This research employed the use of GIS to map Caribbean restaurants located in the continental USA, and a variety of spatial analysis tools from the Environmental Research Institute (ESRI) ArcMap 9.3 software to analyze and map potential markets for Caribbean restaurants. Population size, demographics and median income data obtained from the U.S. Census Bureau website were used to conduct the spatial analysis. Away from home food expenditures data was also used to support the results. The results suggest that GIS is an ideal tool for conducting market analysis. Furthermore, it can aid with decision making for identification of areas that are potentially suitable for targeting the location of Caribbean restaurants based on the selected variables.

Keywords: Market potential, GIS for market analysis, Caribbean restaurants in the USA, full-service restaurants