

# The Battle of Neighborhoods

IBM Applied Data Science Capstone

***Opening a New Hotel in Kuala Lumpur,  
Malaysia***

Abhishek Kumar

April 2020

# Business Problem

- Location of the hotel is one of the most important decisions that will determine whether the hotel will be a success or a failure
- Objective: To analyse and select the best locations in the city of Kuala Lumpur, Malaysia to open a new hotel
- This project is timely as the city always sees rise in tourism if there are good hotels around.
- Business question
  - In the city of Kuala Lumpur, Malaysia, if a property developer is looking to open a new hotel, where would you recommend that they open it?

# Data

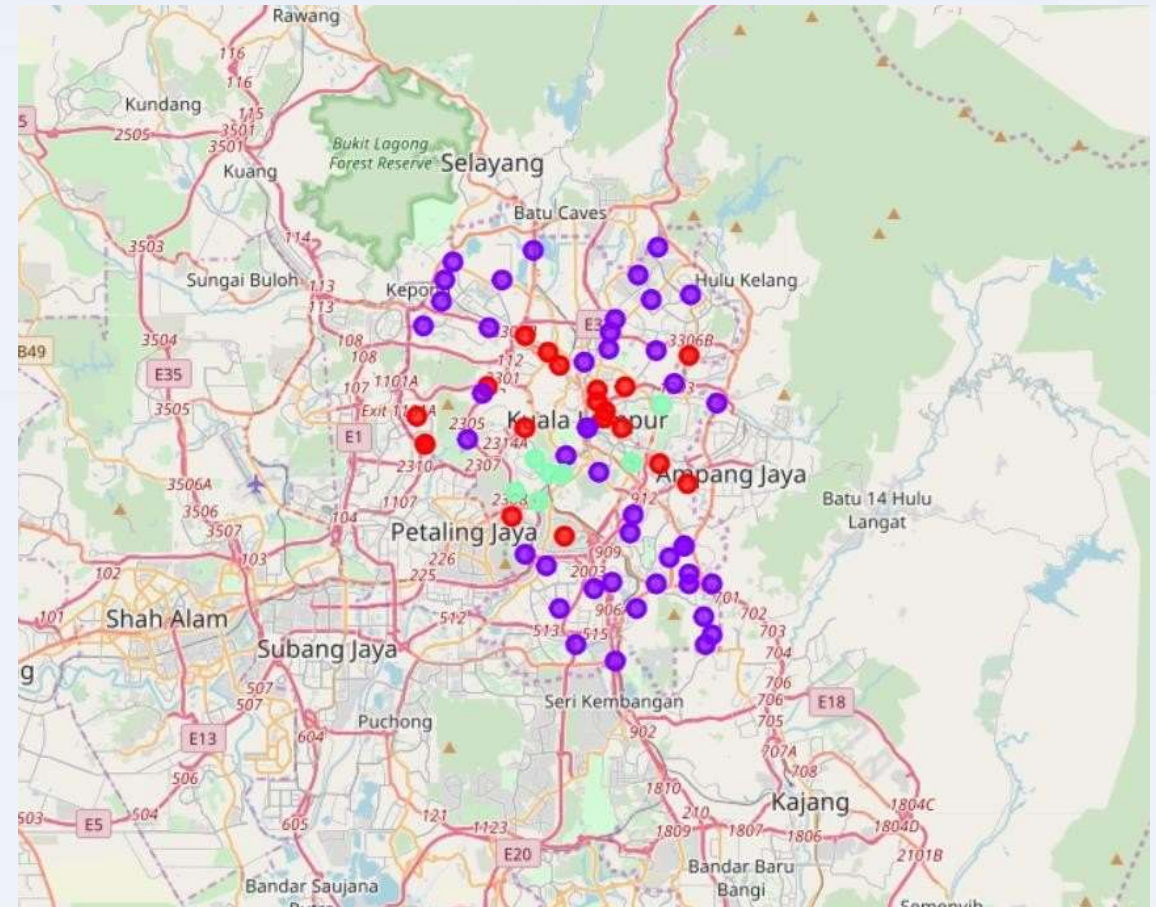
- Data required
  - List of neighbourhoods in Kuala Lumpur
  - Latitude and longitude coordinates of the neighbourhoods
  - Venue data, particularly data related to hotels
- Sources of data
  - Wikipedia page for neighbourhoods  
([https://en.wikipedia.org/wiki/Category:Suburbs\\_in\\_Kuala\\_Lumpur](https://en.wikipedia.org/wiki/Category:Suburbs_in_Kuala_Lumpur))
  - Geocoder package for latitude and longitude coordinates
  - Foursquare API for venue data

# Methodology

- Web scraping Wikipedia page for neighbourhoods list
- Get latitude and longitude coordinates using Geocoder
- Use Foursquare API to get venue data
- Group data by neighbourhood and taking the mean of the frequency of occurrence of each venue category
- Filter venue category by Hotel
- Perform clustering on the data by using k-means clustering
- Visualize the clusters in a map using Folium

# Results

- Categorized the neighbourhoods into 3 clusters :
  - Cluster 0: Neighbourhoods with moderate number of hotel
  - Cluster 1: Neighbourhoods with low number to no existence of hotel
  - Cluster 2: Neighbourhoods with high concentration of hotel





# Discussion

- Most of the hotel are concentrated in the central area of the city
- Highest number in cluster 2 and moderate number in cluster 0
- Cluster 1 has very low number to no hotels in the neighbourhoods
- Oversupply of hotels mostly happened in the central area of the city, with the suburb area still have very few hotels

# Recommendations

- Open new hotel in neighbourhoods in cluster 1 with little to no competition
- Can also open in neighbourhoods in cluster 0 with moderate competition if have unique selling propositions to stand out from the competition
- Avoid neighbourhoods in cluster 2, already high concentration of hotel and intense competition

# Conclusion

- Answer to business question: The neighbourhoods in cluster 0 are the most preferred locations to open a new hotel
- Findings of this project will help the relevant stakeholders to capitalize on the opportunities on high potential locations while avoiding overcrowded areas in their decisions to open a new Hotels



# Thank you!

