Data Science Course – Final Capstone

**Title: Area study for a new boutique café in the Toronto area**

**Introduction and Business Problem:**

Our client, a startup boutique coffee shop and cafe, would like to open their flagship location near Berczy Park in Toronto. They believe that this location within Toronto will provide good foot traffic and ultimately help establish the brand. They are aware of competition from other existing local and franchise coffee shops in the neighborhood, but they feel their unique ambience and custom coffee and pastry selections will provide a different experience for their customers. They have asked me to do a market study of existing cafes in the area as well as other businesses to determine if this is a good location for their store.

**Data:**

F​or this analysis, we will use the Borough and Neighborhood information from Wikipedia, along with location data for the area from Four Square. The analysis will produce the relevant areas and neighborhoods (specifically Berczy Park) and provide the nearby businesses. Evaluation of these businesses will produce the nearby competitor cafes to better understand the market situation.

This data is available in the "Capstone\_Data" Jupyter notebook at the following GitHub link: <https://github.com/AliGitHub2020/DataScience_Capstone_Final>

**Methodology:**

To assist the client in their request, we had to pull data from different sources, namely Wikipedia and Four Square, to first identify the main boroughs and neighborhoods in the Toronto area and correlate them with their respective postal codes. Further analysis and merging with available Four Square data allowed for further details about the area, specifically providing information about the neighborhood in question, Berczy Park. Analysis indicated the most frequented shops in the neighborhood, which would give our client a good idea of the caliber of competition. Although an area with zero competition may be desirable, but this also poses a challenge, as the area may not be receptive to such an establishment. Healthy competition is preferred, which will be see in the results section of this report.

**Results:**

Analysis of the data produced the top ten common venues in each neighborhood. For the Berczy Park area specifically, the top ten most common venues are listed below:

1. Coffee Shop
2. Cocktail Bar
3. Beer Bar
4. Farmers Market
5. Seafood Restaurant
6. Bakery
7. Cheese Shop
8. Restaurant
9. Butcher
10. Shopping Mall



**Discussion:**

This detailed analysis of the available information and specifically the Berczy Park neighborhood indicates that the area is a very popular location for dining (food and beverage establishments). Of the top ten most common venues (as indicated by Four Square data), the top eight are food and beverage venues, and only one of these is a coffee shop. A simple analysis of some of the other neighborhoods in the Toronto area shows a variety of different types of establishments.

This study was commissioned for the purpose of qualifying the Berczy neighborhood from a competitive perspective. Other factors, like property rental prices, zoning restrictions, etc. were not taken into consideration, and should be evaluated prior to any agreements.

**Conclusion:**

The Berczy Park neighborhood is a trendy area of Toronto with various food and beverage options. The proximity of these establishments means that there is a lot of foot traffic, which was one of the initial requests from the client. Additionally, analysis of the data indicates healthy competition in the coffee shop and café business, as only one of the top ten venues in the area has such a classification.

Taking this information into consideration, and not withstanding other considerations, it is the recommendation of this report that a coffee shop and café in the Berczy Park neighborhood of Toronto will be a good location for this flagship shop.