Business Location Explore in Toronto

This is Peer-graded Assignment for Course <u>Applied Data Science Capstone</u> (https://www.coursera.org/learn/applied-data-science-capstone/home/welcome), Week 4/5

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1. Introduction

1.1 Business Requests

The location problem has been the challenge for many businesses starts for a long time. Many academic and industrial approaches focus on this problem. In this project we're trying to answer the question, where is the realistic location to start a new business based on existing data. We use Chinese restaurant as the business category to apply machine learning to help investors to make a better decision of location choice in downtown Toronto.

We assume that an investor wants to start a new business to serve Chinese food in downtown Toronto due to its density of population, higher average income, as well as the diversity of culture.

1.2 Analytic Approach

A good location should satisfy the two criteria at the same time:

- (1) Sufficient demand
- (2) Insufficient support

To address the first criteria, we could assume that if in some locations exists many restaurants business, there should have a good demand for foodservice in that location.

As per the second criteria, if we could hardly find a Chinese restaurant in the area, then we could say that the support is insufficient.

In summary, we need to gain the data of the food services venue information in the area, as well as their categories.

More specifically, we want to know how many restaurants in specific areas, how many of them provide Chinese food or Asian food. Based on this information we want to find out the most interesting area which has sufficient demand and insufficient support for Chinese food.

2. Data Collection

Majority we will use data provided by FourSqare (https://foursquare.com/) to perform our analysis.

FourSquare is a location technology platform to allow developers to fetch the location data, as well as venues information. With the free account one can make 100K calls per day to access their 105M+ points of interest data.

Aiming to the business request described above, we will collect all restrants information in downtown Toronto, and find out their distribution and rating, etc.

2.1 Scrape location info in Toronto

We use pandas function read html to get postal code list in Toronto, as well as the neibourhoods.

```
In [3]: import pandas as pd
import numpy as np
import requests
import pickle
import folium
import re
import uuid
```

Step(1) Fetch postal code in Toronto

DataFrame[2]:(2, 18)

We get the list of postal codes in Toronto from the Wiki page: <u>List of postal codes of Canada</u> (https://en.wikipedia.org/wiki/List of postal codes of Canada: M), and perform some simple data cleaning job.

```
In [2]: url = 'https://en.wikipedia.org/wiki/List_of_postal_codes_of_Canada:_M'
    dfs = pd.read_html(url)
    for idx, df in enumerate(dfs):
        print('DataFrame[{}]:{}'.format(idx, df.shape))

    dfs[0].head()

DataFrame[0]:(180, 3)
DataFrame[1]:(4, 18)
```

Out[2]:

Neighborhood	Borough	Postal code	
NaN	Not assigned	M1A	0
NaN	Not assigned	M2A	1
Parkwoods	North York	МЗА	2
Victoria Village	North York	M4A	3
Regent Park / Harbourfront	Downtown Toronto	M5A	4

Oberviously the first data frame is what we need.

Lets remove those 'Not assigned' rows as per column Borough, and check the duplications for Postal Code.

We are good there's no duplication in column Postal Code.

Borough

Chose Postal code as index.

```
In [4]: df.set_index('Postal code', inplace=True)
    df.head()
```

Neighborhood

Out[4]:

	J	· ·
Postal code		
МЗА	North York	Parkwoods
M4A	North York	Victoria Village
M5A	Downtown Toronto	Regent Park / Harbourfront
M6A	North York	Lawrence Manor / Lawrence Heights
М7А	Downtown Toronto	Queen's Park / Ontario Provincial Government

Step(2) Attaching geo info for each postal code

We could get geospatial information for each postal code via the online csv file: <u>Geospatial_data</u> (http://cocl.us/Geospatial_data), then attach it to existing data set.

```
In [5]: url = 'http://cocl.us/Geospatial_data'
geo_info = pd.read_csv(url)
geo_info.set_index('Postal Code', inplace=True)
print(geo_info.shape)
geo_info.head()
(103, 2)
```

Out[5]:

Postal Code M1B 43.806686 -79.194353 M1C 43.784535 -79.160497 M1E 43.763573 -79.188711 M1G 43.770992 -79.216917 M1H 43.773136 -79.239476

Now we can merge these two data set into one.

Latitude Longitude

```
In [6]: df = df.merge( geo_info, left_index= True, right_index = True)

df.index.name='Postal Code'
df.head()
```

Out[6]:

Borough		Neighborhood	Latitude	Longitude	
Postal Code					
МЗА	North York	Parkwoods	43.753259	-79.329656	
M4A	North York	Victoria Village	43.725882	-79.315572	
M5A	Downtown Toronto	Regent Park / Harbourfront	43.654260	-79.360636	
M6A	North York	Lawrence Manor / Lawrence Heights	43.718518	-79.464763	
M7A	Downtown Toronto	Queen's Park / Ontario Provincial Government	43.662301	-79.389494	

Step (3) Visualization areas on map

We can have a general idea of the area by visulize these data on map.

First we get the center point of the map:

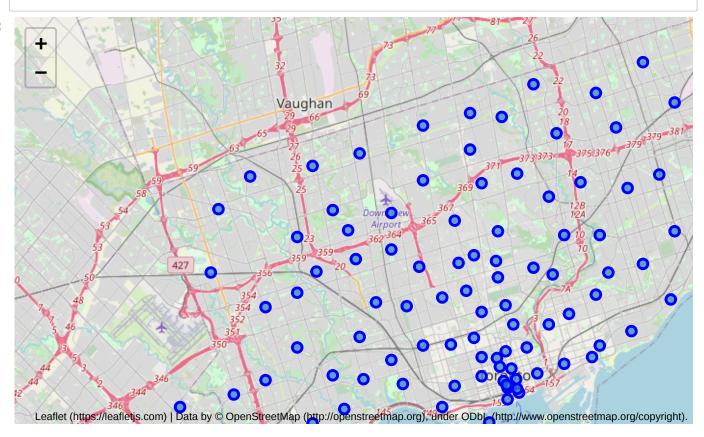
```
In [7]: lat, lng = df[['Latitude','Longitude']].max() + df[['Latitude','Longitude']].min()
lat, lng = lat /2, lng /2
lat, lng
```

Out[7]: (43.71926920000001, -79.38815804999999)

Then we can illustrate them on the map:

```
In [8]: # create map of Toronto using latitude and longitude values
        map toronto = folium.Map(location=[lat, lng], zoom start=11)
        # add markers to map
        for idx, r in df.iterrows():
            lat, lng, bor, postalcode = r['Latitude'], r['Longitude'],r['Borough'], r.name
            label = '{}, {}'.format(bor, postalcode)
            label = folium.Popup(label, parse html=True)
            folium.CircleMarker(
                [lat, lng],
                radius=5,
                popup=label,
                color='blue',
                fill=True,
                fill_color='#3186cc',
                fill_opacity=0.7,
                parse html=False).add to(map toronto)
        map_toronto
```

Out[8]:



This map clearly shows our research geo scope.

2.2 Fetch all 'FOOD' venues in Toronto

In this step we will employee FourSquare API to fetch all venues under category 'FOOD' in Toronto.

Step(1) First we set API credentials

'CLIENT SECRET': 'Q4I1XUTLLTDWF10WT5S0W2H0MZAS3QRJBM1XRA10EH5E1GVW',

Step(2) Fetch data via FourSquare API

'VERSION': '20180605'}

From FourSquare API doc <u>Venue Categories (https://developer.foursquare.com/docs/build-with-foursquare/categories/)</u>, we can tell the following Foursquare Venue Category Hierarchy, as well as their ID.

- Category: Food: 4d4b7105d754a06374d81259
 - Asian Restaurant: 4bf58dd8d48988d142941735
 - Chinese Restaurant: 4bf58dd8d48988d145941735

```
In [63]: CATEGORYID = '4d4b7105d754a06374d81259'
```

Due to restriction of max API calls to FourSquares, we save data for future usage.

```
In [21]: def dump2file( obj , name = None
             if name is None:
                 try:
                     name = obj. name
                 except:
                     name = str(uuid.uuid4())
             valid chars_in_filename = '-_.() abcdefghijklmnopqrstuvwxyzABCDEFGHIJKLMNOPQRSTU\
             fn = ''.join(x if x in valid chars in filename else ' ' for x in name )
             with open(fn, 'wb') as f:
                 pickle.dump(obj, f)
         def loadFromFile( name ):
             valid_chars_in_filename = '-_.() abcdefghijklmnopqrstuvwxyzABCDEFGHIJKLMNOPQRSTU\
             fn = ''.join(x if x in valid chars in filename else ' ' for x in name )
             with open(fn, 'rb') as f:
                 obj = pickle.load(f)
             return obj
```

```
In [220]: # search venues at specific location
                        # Fire API call only when it's not in local files
                        def venuesbyarea(df = df, radius = 1200 ):
                                  ret = pd.DataFrame()
                                  for idx, area in df.iterrows():
                                            area id, name, lng, lat = area['AREA ID'], area['NAME'], area['LONGITUDE'], area['LONGITUDE'], area['NAME'], area['LONGITUDE'], area['NAME'], 
                                            d = loadFromFile(name)
                                            if not d.empty:
                                                      ret = ret.append( d, ignore index=True)
                                                      continue
                                            url = '{}{}{}'.format('https://api.foursquare.com/v2/venues/search?',
                                                           '&client id={id}&client secret={pw}&v={v}'.format(id = api credentials
                                                                                                                                                                                    pw = api_credentials
                                                                                                                                                                                    v = api credentials
                                                                '&ll={},{}&radius={}'.format(lat, lng, radius),
                                                                '&categoryId={}'.format(CATEGORYID)
                                            print(url)
                                            try:
                                                      results = requests.get(url).json()
                                                      results = results['response']['venues']
                                            except Exception as ex:
                                                      print('Exception on ID:{},lat:{},lng:{}, name:{}, Err:{}'.format(area_id)
                                                      print('>>>results:\n{}\n<<<<'.format(results))</pre>
                                                      continue
                                            d = pd.json normalize(results)
                                            d['AREA ID'] = area_id
                                            for idx, row in d.iterrows():
                                                      for catidx, cat in enumerate(row['categories']):
                                                               if cat['primary']:
                                                                         d.loc[idx, 'PrimaryCategory'] = cat['name']
                                                                else:
                                                                         d.loc[idx, 'Category-{}'.format(catidx)] = cat['name']
                                            d.drop(['categories', 'referralId', 'hasPerk', 'location.cc', 'location.cros
                                                                  'location.labeledLatLngs',
                                                                  'location.city', 'location.state',
                                                                'location.formattedAddress',
                                                             ], axis =1, errors = 'ignore', inplace=True)
                                            dump2file(d, name)
                                            ret = ret.append( d, ignore index=True)
                                  return ret
```

```
In [23]: venues.drop_duplicates('id', inplace=True)
with open('Venues', 'wb') as f:
    pickle.dump(venues, f)
print(venues.shape)
(2073, 11)
```

Step(3) Review venues contains Restaurant in their Name

count

Lets' foucs on those Restaurants in the venues list, since the stackholder/investor's purpose is to open a restaurnat.

Out[25]:

PrimaryCategory Coffee Shop 317 Pizza Place 130 **Fast Food Restaurant** 111 Bakery 97 Café 91 Restaurant 88 **Chinese Restaurant** 81 **Grocery Store** 65 Sandwich Place 60 Caribbean Restaurant 59

There are lots of categories under **FOOD**, most of them are caffee shop, Pizza Place, even many Grocery Stores are included in the search result.

Let's focust on those real Restaurants.

```
In [26]: restaurants = venues[venues['PrimaryCategory'].str.contains('Restaurant')]
    restaurants.shape
```

Out[26]: (884, 11)

Now lets see how many Asian/Chinese Restaurant here:

```
In [28]: categories_counts.loc[['Restaurant','Asian Restaurant','Chinese Restaurant']]
```

Out[28]:

Count
PrimaryCategory

Restaurant 88

Asian Restaurant 34

Chinese Restaurant 81

Seems like the category Hierarchy is not well defined.

count

```
In [29]: restaurants_counts = restaurants.groupby('PrimaryCategory').count().sort_values('id'
    restaurants_counts.rename({'id':'count'}, axis =1, inplace=True)
    restaurants_counts.head(10)
```

Out[29]:

PrimaryCategory Fast Food Restaurant 111 Restaurant 88 **Chinese Restaurant** 81 Caribbean Restaurant 59 54 **Italian Restaurant** Middle Eastern Restaurant 41 **Indian Restaurant** 38 **Asian Restaurant** 34 Sushi Restaurant 34 Vietnamese Restaurant 32

By reviewing the whole list, we setup a mapping on top of the current category hierarchy. We will use the mapping for further analysis.

2.3 Show venues on map

Step (1) Find the center of the map

```
In [31]: lat, lng = restaurants[['location.lat','location.lng']].max() + restaurants[['location.lng']].max() + restaurants[['location.lng']].
```

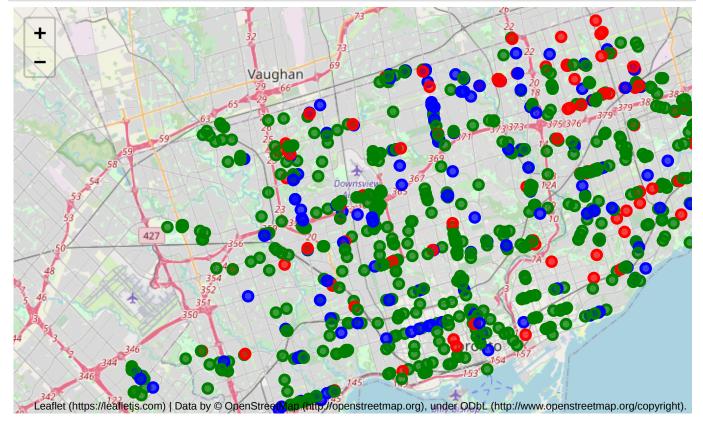
Step (2) Mark the venues on maps

We use three colors in the visulization:

- Red: Chinese Restaurants
- Blue: Asian Restaurants, excluding Chinese Restaurants
- · Green: All other restaurants

```
In [32]: # create map of New York using latitude and longitude values
         map all venues = folium.Map(location=[lat, lng], zoom start=11)
         # add markers to map
         for idx, r in restaurants.iterrows():
             lat, lng, name, category = r['location.lat'], r['location.lng'],r['name'], r['Pr
             if category in ChineseRestaurants:
                 color = 'red'
             elif category in AsianRestaurants:
                 color = 'blue'
             else:
                 color = 'green'
             label = '{}, {}'.format(name, category)
             label = folium.Popup(label, parse_html=True)
             folium.CircleMarker(
                 [lat, lng],
                 radius=5,
                 popup=label,
                 color=color,
                 fill=True,
                 fill_color= color, #'#3186cc',
                 fill_opacity=0.7,
                 parse html=False).add to(map all venues)
         map_all_venues
```

Out[32]:



3. Methodology

In this part we will employee *** to analysis the data, to find out the area which satisfies:

- (1) Sufficient demand
- (2) Insufficient support

We define a 'Sufficient Demand' as a bigger average restaurant provider over the neighborhood area, and 'Insufficient Support' as a smaller average restaurant business over the area.

Since most business opportunities arise in system edge, like optimization value is always on the boundary of the scope, we employed **Anomaly** Detection model using **Isolation Forest** in Python library scikit-learn.

3.1 Definition of Sufficiency and InSufficiency

Step(1) Get Area info

From City of Toronto <u>Open Data Portol (https://www.toronto.ca/city-government/data-research-maps/open-data/)</u> we can get all neibourhood boundary, area we can calculate the average food service provider over area.

```
In [68]: url='https://ckan0.cf.opendata.inter.prod-toronto.ca/download_resource/a083c865-6d60
r = requests.get(url).json()
pd.json_normalize(r['features']).head()

cols = ['properties._id', 'properties.AREA_SHORT_CODE', 'properties.AREA_NAME', 'properties.LATITUDE', 'properties.LONGITUDE', ]
df = pd.json_normalize(r['features'])[cols]
df.columns = ['AREA_ID', 'CODE', 'NAME', 'AREA', 'LATITUDE', 'LONGITUDE']
print(df.shape)
df.head()
```

Out[68]:

	AREA_ID	CODE	NAME	AREA	LATITUDE	LONGITUDE
0	4621	94	Wychwood (94)	3.217960e+06	43.676919	-79.425515
1	4622	100	Yonge-Eglinton (100)	3.160334e+06	43.704689	-79.403590
2	4623	97	Yonge-St.Clair (97)	2.222464e+06	43.687859	-79.397871
3	4624	27	York University Heights (27)	2.541821e+07	43.765736	-79.488883
4	4625	31	Yorkdale-Glen Park (31)	1.156669e+07	43.714672	-79.457108

Step (2) Aggregation restaurants

Now we count the restaurants in each area, as per pre defined categories.

restaurnatsByArea = venuesByArea[venuesByArea['PrimaryCategory'].str.contains('RestaurnatsByArea In [222]: restaurnatsByArea.shape AsianR ExCN = restaurnatsByArea.apply(lambda x: 1 if x['PrimaryCategory'] in AsianResChineseR = restaurnatsByArea.apply(lambda x: 1 if x['PrimaryCategory'] in ChineseRest OtherR = restaurnatsByArea.apply(lambda x: 0 if x['PrimaryCategory'] in ChineseRestau x['PrimaryCategory'] in AsianRestaura df_grp = pd.DataFrame({'AREA_ID':restaurnatsByArea['AREA_ID'], 'ChineseR':ChineseR, 'AsianR ExCN': AsianR ExCN, 'OtherR': OtherR, 'AnyR': 1}) df grp.shape df_grp = df_grp.groupby('AREA_ID').sum().merge(df, left_index=True, right_on ='AREA_I df grp.fillna(0, inplace=True) print(df_grp.shape) df_grp.head()

(140, 10)

Out[222]:

	ChineseR	AsianR_ExCN	OtherR	AnyR	AREA_ID	CODE	NAME	AREA	LATITUDE	LONGITUDE
0	0.0	1.0	5.0	6.0	4621	94	Wychwood (94)	3.217960e+06	43.676919	-79.425515
1	0.0	0.0	3.0	3.0	4622	100	Yonge- Eglinton (100)	3.160334e+06	43.704689	-79.403590
2	0.0	1.0	11.0	12.0	4623	97	Yonge- St.Clair (97)	2.222464e+06	43.687859	-79.397871
3	1.0	3.0	7.0	11.0	4624	27	York University Heights (27)	2.541821e+07	43.765736	-79.488883
4	0.0	4.0	11.0	15.0	4625	31	Yorkdale- Glen Park (31)	1.156669e+07	43.714672	-79.457108

Step (3) Calculating the Average value

Now we have count of restaurants, and size of the area, we can calculate the density of existing business.

To enlarge the distribution, we apply log to the mean value.

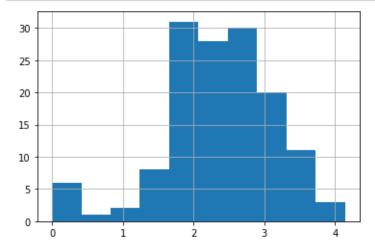
Out[223]:

(140, 5)

	AREA_ID	Avg_ChineseR	Avg_AsianR	Avg_OtherR	Avg_AnyR
0	4621	0.00000	1.412829	2.805648	2.977841
1	4622	0.00000	0.000000	2.350676	2.350676
2	4623	0.00000	1.704659	3.921866	4.007226
3	4624	0.33176	0.779442	1.322804	1.672902
4	4625	0.00000	1.494747	2.352334	2.636789

Step (4) distribution of the mean values





3.2 Isolation Forest Anomaly Detection

As you might expect from the name, Isolation Forest instead works by isolating anomalies explicitly isolating anomalous points in the dataset.

Most business opportunities exist in those edge points, which drove us to apply the Isolation Forest Anomaly Detection model to find those specific opportunities.

Step (1) Define and Fit the model

We only consider the mean values in our model.

```
In [167]: IF_cols = ['Avg_ChineseR','Avg_AsianR','Avg_OtherR','Avg_AnyR']
In [166]: model=IsolationForest( n_estimators=50, max_samples='auto', contamination=float(0.1) model.fit( df_avg[])
Out[166]: IsolationForest(behaviour='deprecated', bootstrap=False, contamination=0.1, max_features=4, max_samples='auto', n_estimators=50,
```

Now we have the model tained successfully.

Step (2) Attached Scores and Anomaly Column

Let's find the scores and anomaly status for each sample. We can get this information by calling **decision_function()** of the above model and passing the four mean values as parameters.

Also, we can get the values of anomaly status by calling the **predict()** function of the above model and using the four mean values as parameters.

n jobs=None, random state=None, verbose=0, warm start=False)

```
In [179]: result_cols = ['AREA_ID', 'scores', 'anomaly', 'NAME', 'LATITUDE', 'LONGITUDE']
    df_avg['scores'] = model.decision_function(df_avg[IF_cols])
    df_avg['anomaly']=model.predict(df_avg[IF_cols])
    df_result = df_avg.merge( df )[result_cols]
    df_result.sort_values('scores', inplace=True)
```

In [180]: df result

Out[180]:

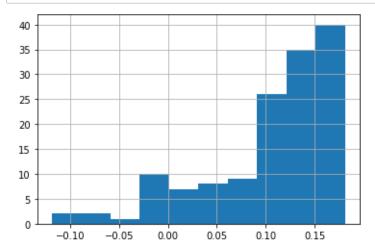
	AREA_ID	scores	anomaly	NAME	LATITUDE	LONGITUDE
27	4649	-0.118717	-1	North St.James Town (74)	43.669623	-79.375247
37	4660	-0.115751	-1	Regent Park (72)	43.659992	-79.360509
2	4623	-0.079746	-1	Yonge-St.Clair (97)	43.687859	-79.397871
42	4665	-0.065879	-1	Rouge (131)	43.821201	-79.186343
40	4663	-0.055065	-1	Roncesvalles (86)	43.646123	-79.442992
24	4646	0.173633	1	Newtonbrook West (36)	43.785830	-79.431422
113	4739	0.174701	1	Forest Hill South (101)	43.694526	-79.414318
39	4662	0.177534	1	Rockcliffe-Smythe (111)	43.674790	-79.494420
41	4664	0.180706	1	Rosedale-Moore Park (98)	43.682820	-79.379669
9	4630	0.181015	1	Leaside-Bennington (56)	43.703797	-79.366072

140 rows × 6 columns

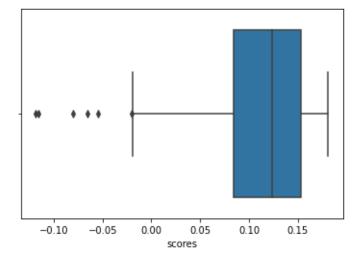
Step (3) Visulization the result

We can use the hist char to visulize the scores of model result.

In [225]: df_result['scores'].hist();



In [236]: sns.boxplot(df_result['scores']);



We can tell that the anomaly exists on the very left side.

Step (4) Visualization on map

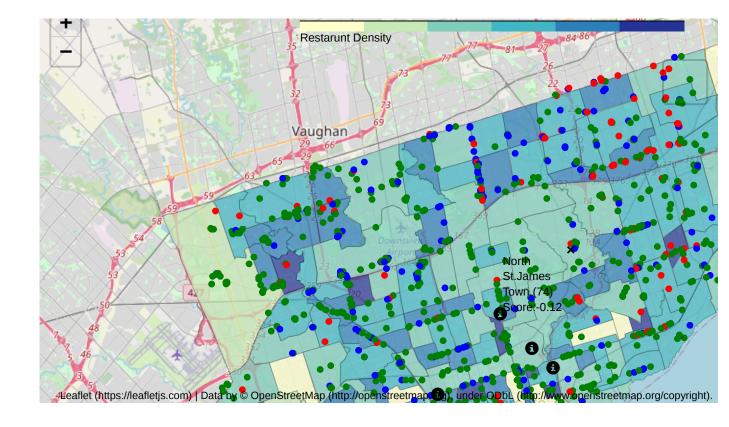
For better impact, we put the model result on the map, which will give our stakeholders a better understanding of the **data-driven** approach.

We added **Three** Layers on top of the geo map:

- Choropleth maps, to tell the density of restaurants
- Circle Markers, to plot all restaurants plus categories
- · Leaflet Markers, to flag the two anomalies location

```
In [240]: lat, lng = venuesByArea[['location.lat','location.lng']].min() + venuesByArea[['location.lng']].min() + venuesByArea[['l
                        lat, lng = lat/2, lng/2
                        m = folium.Map( location = [lat, lng], zoom_start = 11)
                        # Choropleth maps, to tell the density of resterauants
                        folium.Choropleth(
                                  geo data = url,
                                  name='choropleth',
                                  data= df avg,
                                                                       columns=('AREA_ID', 'Avg_AnyR'),
                                  key_on='feature.properties._id',
                                  fill color= 'YlGnBu', #'YlGn',
                                  fill opacity=0.7,
                                  line opacity=0.2,
                                  legend name='Restarunt Density'
                         ).add_to(m)
                        #Circle Markers, to plot all restaurants plus categories
                         for idx, r in restaurnatsByArea.iterrows():
                                  lat, lng, name, category = r['location.lat'], r['location.lng'],r['name'], r['Pr
                                  if category in ChineseRestaurants:
                                            color = 'red'
                                  elif category in AsianRestaurants:
                                            color = 'blue'
                                  else:
                                            color = 'green'
                                  label = '{}, {}'.format(name, category)
                                  label = folium.Popup(label, parse_html=True)
                                  folium.CircleMarker(
                                            [lat, lng],
                                            radius=2,
                                            popup=label,
                                            color=color,
                                            fill=True,
                                            fill color= color,
                                            fill opacity=0.7,
                                            parse html=False).add to(m)
                        # Leaflet Markers, to flag the two anomalies location
                        for idx, r in df result[df result['scores'] <= -0.05].iterrows():</pre>
                                  lat, lng, name, score, = r['LATITUDE'], r['LONGITUDE'], r['NAME'], r['scores']
                                  label = '{}\nScore:{:.2f}'.format(name, score)
                                  color = 'red' if score <= -0.1 else 'orange'</pre>
                                  folium.Marker(
                                            [lat, lng],
                                            radius=5,
                                            popup=label,
                                            icon=folium.Icon(color=color, icon='info-sign')
                                            ).add to(m)
                        folium.LayerControl().add to(m)
```

Out [240]:



4. Result

To open a new Chinese restaurant, we have two locations with potentially highest opportunites, marked as Red on above map:

- · North St.James Town
- · Regent Park

Plus the other three locations may also have moderate oppertunites, marked as Orange on above map:

- · Yonge-St.Clair
- Rouge
- Roncesvalles

Out[245]:

	NAME	AREA	ChineseR	AsianR_ExCN	OtherR	AnyR
2	Yonge-St.Clair (97)	2.222464e+06	0.0	1.0	11.0	12.0
28	North St.James Town (74)	8.113039e+05	1.0	1.0	3.0	5.0
39	Regent Park (72)	1.243326e+06	1.0	0.0	6.0	7.0
42	Roncesvalles (86)	2.875399e+06	0.0	1.0	0.0	1.0
44	Rouge (131)	7.214402e+07	0.0	1.0	5.0	6.0

5. Discussion

We could add more features into the model, such as the rating of the venues, size of the business, etc.

Also, it would be better if we could fetch more data from different data sources, along with FourQuares, it may help us to build a more accurate model.

Plus, We could introduce other dimensional data like population, Demographics, income, etc., for this information also has an impact on the consuming market.

6. Conclusion

Since many believe that business opportunities most-likely happen in an abnormal scenario, we employed the Isolation Forest model to find outliers in the restaurant business, and find out location-based significantly different from those majority of the other locations.