Business Opportunities in Toronto

Predicting new locations for businesses to thrive is valuable

- Generally, people eat at places they recognize or are nearby. Therefore the location of an opening business is just as important as having a good business.
- Predicting location data can help build new franchises a foothold.
  - Look at expanding current franchises
  - Bring new franchises to Toronto
- People have preferences on where they like to shop. (keep current successful businesses in mind)

Data acquisition and cleaning

- Geographical data such as postal codes, boroughs, and neighbourhoods was taken from [List of postal codes of Canada: M - Wikipedia](#).
- Venue data was taken from Foursquare API
- Duplicates were dropped
- Cleaned data set had 103 features which we then assigned latitude and longitude coordinates.
- Created a merged dataset after pulling location data from Foursquare API

Onehot Encoding

Frequency that a type of place appears at is a good metric to look at.

- 5 rows is for visualization purposes (dataset has 38 total)
- 255 columns is for the 255 different venue types
- Numbers shown represent % of total venues in area the particular venue type makes up

	Neighbourhood	Adult Boutique	Airport	Airport Food Court	Airport Gate	Airport Lounge	Airport Service	Airport Terminal	American Restaurant
0	Berczy Park	0.0	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.011111
1	Brockton, Parkdale Village, Exhibition Place	0.0	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2	Business reply mail Processing Centre, South C...	0.0	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
3	CN Tower, King and Spadina, Railway Lands, Har...	0.0	0.055556	0.055556	0.055556	0.111111	0.166667	0.111111	0.000000
4	Central Bay Street	0.0	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

5 rows × 255 columns

Using Frequency of Venues as a popularity Metric

Pictured here are 3 different postal codes and their top 5 venue types.

```
---Davisville---
                venue  freq
0         Pizza Place  0.11
1     Sandwich Place   0.07
2        Dessert Shop  0.07
3   Italian Restaurant 0.07
4               Café   0.07

---Garden District, Ryerson---
                venue  freq
0          Coffee Shop 0.10
1       Clothing Store 0.06
2    Italian Restaurant 0.03
3      Bubble Tea Shop 0.03
4   Japanese Restaurant 0.03
```

```
---Business reply mail Processing Centre, South Central Letter Processing Plant Toronto---
            venue  freq
0      Yoga Studio 0.04
1             Spa  0.04
2    Burrito Place 0.04
3          Brewery 0.04
4      Pizza Place 0.04
```

Clustering by similarity in interest

While Important to look at all of toronto and its surrounding areas, the areas in red are similar to each other and cover the widest area with the most data available.

There is not enough data on the other 4 clusters to accurately make predictions therefore we will narrow down the focus to just the areas represented by a red cluster (cluster 0)

Cluster 0 Dataset

As we can see here Coffee shops/Cafes are incredibly popular however it is a heavily saturated market with lots of competition.

It would be wise to look at other popular choices that are not heavily saturated to not face such stiff competition.

	Neighbourhood	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
0	Regent Park, Harbourfront	Coffee Shop	Park	Theater	Pub	Bakery	Café	Breakfast Spot	Distribution Center	Mexican Restaurant	Mediterranean Restaurant
1	Queen's Park, Ontario Provincial Government	Coffee Shop	Sandwich Place	Park	Burrito Place	Sushi Restaurant	Café	Pharmacy	Portuguese Restaurant	Fried Chicken Joint	Ramen Restaurant
2	Garden District, Ryerson	Coffee Shop	Clothing Store	Japanese Restaurant	Tea Room	Bubble Tea Shop	Burger Joint	Italian Restaurant	Fast Food Restaurant	Café	Falafel Restaurant
3	St. James Town	Coffee Shop	Café	Seafood Restaurant	Bakery	American Restaurant	Breakfast Spot	Cocktail Bar	Cosmetics Shop	Italian Restaurant	Theater
4	The Beaches	Pub	Ramen Restaurant	Trail	French Restaurant	Indian Restaurant	Ice Cream Shop	Breakfast Spot	Thai Restaurant	Mexican Restaurant	Neighborhood
5	Berczy Park	Coffee Shop	Seafood Restaurant	Hotel	Japanese Restaurant	Café	Restaurant	Cocktail Bar	Beer Bar	Sporting Goods Shop	Farmers Market
6	Central Bay Street	Coffee Shop	Café	Bubble Tea Shop	Sandwich Place	Italian Restaurant	Burger Joint	Japanese Restaurant	Bar	Middle Eastern Restaurant	Thai Restaurant
7	Christie	Grocery Store	Café	Park	Playground	Italian Restaurant	Candy Store	Restaurant	Nightclub	Coffee Shop	Baby Store
8	Richmond, Adelaide, King	Café	Coffee Shop	Gym	Restaurant	Hotel	Theater	Clothing Store	Sushi Restaurant	Salad Place	Fast Food Restaurant
9	Dufferin, Dovercourt Village	Park	Pharmacy	Bakery	Café	Bar	Supermarket	Sporting Goods Shop	Convenience Store	Brewery	Liquor Store
10	Harbourfront East, Union Station, Toronto Islands	Coffee Shop	Hotel	Café	Sandwich Place	Brewery	Boat or Ferry	Park	Steakhouse	Chinese Restaurant	Music Venue
11	Little Portugal, Trinity	Bar	Restaurant	Men's Store	Café	Theater	Nightclub	Cocktail Bar	Asian Restaurant	Japanese Restaurant	Vegetarian / Vegan Restaurant
12	The Danforth West, Riverdale	Greek Restaurant	Coffee Shop	Pub	Restaurant	Café	Italian Restaurant	Ice Cream Shop	Furniture / Home Store	Gym	Grocery Store
13	Toronto Dominion Centre, Design Exchange	Coffee Shop	Hotel	Café	Restaurant	American Restaurant	Japanese Restaurant	Gym	Seafood Restaurant	Beer Bar	Plaza
14	Brockton, Parkdale Village, Exhibition Place	Coffee Shop	Café	Restaurant	Gift Shop	Breakfast Spot	Bakery	Sandwich Place	Burrito Place	Supermarket	Bar
15	India Bazaar, The Beaches West	Sandwich Place	Gym	Fast Food Restaurant	Restaurant	Farmers Market	Italian Restaurant	Ice Cream Shop	Diner	Intersection	Food & Drink Shop
16	Commerce Court, Victoria Hotel	Coffee Shop	Hotel	Restaurant	Café	Japanese Restaurant	Gym	American Restaurant	Seafood Restaurant	Cocktail Bar	Beer Bar
17	Studio District	American Restaurant	Café	Coffee Shop	Bar	Diner	Bakery	Gastropub	Italian Restaurant	Brewery	Vietnamese Restaurant
20	Davisville North	Pharmacy	Hotel	Café	Sushi Restaurant	Food & Drink Shop	Sandwich Place	Japanese Restaurant	Breakfast Spot	Dance Studio	Brewery
22	High Park, The Junction South	Café	Antique Shop	Mexican Restaurant	Italian Restaurant	Thai Restaurant	Grocery Store	Flea Market	Yoga Studio	Fried Chicken Joint	Spa
23	North Toronto West, Lawrence Park	Sporting Goods Shop	Clothing Store	Café	Coffee Shop	Pet Store	Spa	Salon / Barbershop	Restaurant	Chinese Restaurant	Yoga Studio
24	The Annex, North Midtown, Yorkville	Coffee Shop	Sandwich Place	Café	Park	Pub	Donut Shop	Indian Restaurant	Jewish Restaurant	Liquor Store	Burger Joint
25	Parkdale, Roncesvalles	Bookstore	Gift Shop	Breakfast Spot	Café	Dog Run	Sushi Restaurant	Italian Restaurant	Fish Market	Sports Bar	Butcher
26	Davisville	Pizza Place	Café	Italian Restaurant	Dessert Shop	Sandwich Place	Indian Restaurant	Sushi Restaurant	Gym	Coffee Shop	Supermarket
27	University of Toronto, Harbord	Café	Pub	Bubble Tea Shop	Bar	Bookstore	Bakery	Pizza Place	Falafel Restaurant	Japanese Restaurant	Coffee Shop
28	Runnymede, Swansea	Café	Italian Restaurant	Pizza Place	Restaurant	Coffee Shop	Pub	Sushi Restaurant	Electronics Store	Falafel Restaurant	Yoga Studio
30	Kensington Market, Chinatown, Grange Park	Café	Bar	Vegetarian / Vegan Restaurant	Coffee Shop	Mexican Restaurant	Bank	Yoga Studio	Arts & Crafts Store	Grocery Store	Farmers Market	Dessert Shop
31	Summerhill West, Rathnelly, South Hill, Forest...	Coffee Shop	Italian Restaurant	Sushi Restaurant	Grocery Store	Gym	Pizza Place	Coffee Shop	Rental Car Location	Bagel Shop	Yoga Studio
32	CN Tower, King and Spadina, Railway Lands, Har...	Airport Service	Boat or Ferry	Airport Lounge	Airport Terminal	Harbor / Marina	Plane	Coffee Shop	Rental Car Location	Sculpture Garden	Boutique
34	Stn A PO Boxes	Coffee Shop	Café	Restaurant	Seafood Restaurant	Hotel	Japanese Restaurant	Beer Bar	Gym	Cocktail Bar	Italian Restaurant
35	St. James Town, Cabbagetown	Coffee Shop	Pizza Place	Café	Restaurant	Japanese Restaurant	Bakery	Gastropub	Italian Restaurant	Park	Pub
36	First Canadian Place, Underground city	Coffee Shop	Hotel	Café	Restaurant	Japanese Restaurant	Gym	Asian Restaurant	Seafood Restaurant	American Restaurant	Theater
37	Church and Wellesley	Coffee Shop	Japanese Restaurant	Sushi Restaurant	Restaurant	Café	Liquor Store	Gay Bar	Salad Place	Hotel	Thai Restaurant

Conclusion 1 and future directions

Built a dataset that shows cluster 0 while dominated by coffee shops and cafes, have business opportunities including but not limited to

- Pubs/Bars
- Gyms/Yoga
- Fried chicken, Indian, and Mexican style restaurants

(Would recommend the above venue types to an entrepreneur or investor looking to establish a business in the area.)

Improvements Include

- Google maps data over Foursquare
- Financial Data (Profit margins on the popular places)
- Further understanding of different parts of the city and nearby cities that have people commute in for work
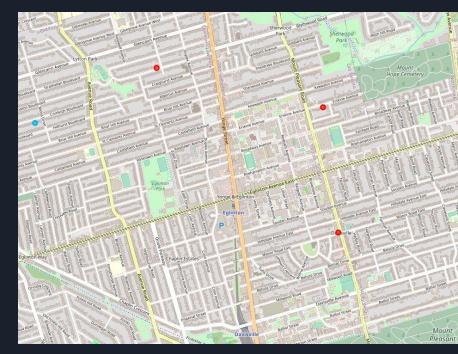
Further Research

While the previous slides provided a conclusion from the data, I wanted to be really specific on a recommendation. In September of 2019 Toronto's 1st Chic-Fila opened. This mixed with the fact that my previous conclusion recommended fried chicken establishments meant that I wanted to look for the best spots to open a Chic-Fila.

Transportation and Location

If we look at the yellow line above Eglinton that is a new major public transport railway in construction. It is going to connect to line 1 (Main line) as well meaning it should be one of the busiest spots.

This line would be in between three red cluster dots showing that we should look at our cluster 0 dataset.

Competition on Eglinton line's Terminal

As we look at competitors/saturation of market in the direct area only 2 restaurants stand out as real competition. Tim Hortons is going to be a competitor though not directly just with foot traffic in the morning. In the evenings there is currently a KFC but with it going to become a major terminal people will be easily able to support a second chicken place.

Final Verdict/Conclusion Part 2

Chic-Fila has opened its 1st location and it has been a success. The Eglinton Terminal will become an area for major foot traffic in 2023. This allows a 2 year time period to gather funds and get ready to put money into what should be a very successful business.

If this isn't what an investor wants to do again see 1st conclusion for other options.

References not utilized in creation of dataset that still influenced results.

- [cw20Q3.pdf (trreb.ca)](#)
- [2016TTS_Summaries_Toronto_Wards.pdf (utoronto.ca)](#)
- [Eglinton Crosstown & Proposed Extensions – City of Toronto](#)