

Introduction/Business Problem

The success or failure of a new restaurant is largely determined by the appropriateness of the restaurant location among other factors such as price and quality of food and service.

In this project, we will provide counsel on the disadvantages and advantages of specific locations for the branches of a new burger joint franchise in New York City.

Specifically, this report is targeted at stakeholders that have *already* decided to locate all branches of the new burger joint franchise within a walking distance to popular sightseeing attractions in the borough of Manhattan and did identify tourists as main customer target group for the new business.

This seems to be a compelling strategy for a new burger joint franchise since locations within close reach of sightseeing attractions are naturally busy places and can thus generate many walk-in customers. In fact, restaurants located off the beaten path cannot rely on walk-in customers and thus need to work a lot harder towards attracting the same number of customers.

Moreover, we expect many tourists near popular sights and primary targeting tourists as customers is admittedly a compelling strategy for a new burger joint franchise in New York City due to:

- The sheer number of tourists in New York City; it being a very popular destination for global tourism.
- Many tourists wanting an “all American” kind of burger eating experience when visiting New York City.
- Tourists arguably being willing to pay a higher price for food than locals on average and hence there being more upside revenue potential for the business

In this project, the approach we take to assist the owners of the new burger joint franchise in their decision on where to locate the different branches is threefold:

- 1) We will first evaluate the overall attractiveness of the areas around the different sights based on a competitor analysis. Wherever appropriate, we will also recommend different business strategies based on the existing restaurant landscape in each sight area.
- 2) Secondly, within each sights area, we will advise against locating the branch of the new burger joint at a specific location. This location will correspond to the location inside the sight area that minimizes the sum of weighted distances to all existing competitors (i.e. burger joints) in that area.
- 3) Thirdly, within each sights area, we will attempt to find the address of the best location for the branch of the new burger joint. This location will correspond to the location inside the sight area that maximizes the sum of weighted distances to all existing competitors in that area.

All recommendations/results provided will thus be derived from the analysis of existing burger joints near each sight.

This is because, we believe that knowledge of neighbouring restaurants is a major determinant for the selection of the right location and business strategy of a new restaurant. Competitor analysis represents a perfect use case as well to leverage modern location and user-generated content data.