The Battle of the Neighborhoods - Week 1

Introduction & Business Problem :

Problem Background:
Hong Kong is one of the most populous cities in Asia. It is diverse and is the financial capital of China. It is multicultural with business opportunities provided and business friendly environment. It has attracted many different players into the market as a global hub of business and commerce. The city is a major center for banking and finance, retailing, world trade, transportation, tourism, real estate, new media, traditional media, advertising, legal services, accountancy, insurance in Asia.

This also means that the market is highly competitive. As it is highly developed city so cost of doing business is also one of the highest. Thus, any new business venture or expansion needs to be analysed carefully. The insights derived from analysis will give a good understanding of the business environment which help in strategically targeting the market. This will help in reduction of risk. And the Return on Investment will be reasonable.

Problem Description:
A restaurant is a business which prepares and serves food and beverages to customers in return for money, either paid before the meal, after the meal, or with an open account. Hong Kong is famous for its excellent cuisine. It's food culture includes an array of international cuisines influenced by the city's colonial and immigrant history.

1. Chinese immigrants - different types of authentic Chinese cuisines can be found in Hong Kong
2. British immigrants - as a former colony there are a lot of western cuisine
3. South East Asian - relocated in Hong Kong for a few generations and there are a lot of local community here
4. Expats community who works and relocate to Hong Kong - some open restaurants here to provide authentic food choices
5. Hotel or fine dining Michelin starred restaurants
6. Famous local street food

So it is evident that to survive in such a competitive market it is very important to have a strategic plan. Various factors need to be studied in order to decide on the Location such as :

1. Hong Kong Population
2. Hong Kong Demographics

3. The average income of the areas
4. The rental cost of shop in different district
5. Who are the competitors in that location?
6. Cuisine served / Menu of the competitors
7. Segmentation of the district
8. Untapped markets
9. Saturated markets etc

The list can go on...

ABC Company Ltd., as a traditional Jewish chained restaurant management group with mid to high price range, need to choose the correct location to start its first venture.If this is successful they can replicate the same in other locations. First move is very important, thereby choice of location is very important.

Target Audience:

To recommend the correct location, ABC Company Ltd has appointed me to lead of the Data Science team. The objective is to locate and recommend to the management which neighborhood of Hong Kong will be the best choice to start a restaurant. The Management also expects to understand the rationale of the recommendations made.

They are interested in building in an area that meets the following criteria:

- A neighborhood with an average to above average income to the total population
- Above average populations of 25–40-year-old male and female professionals
- Average to above average median net household incomes

With these criteria given by the investing group, based on previous success in other markets, the objective is to locate and recommend to the investors, the target audience, which neighborhood(s) of Hong Kong will be the best choice to start their international growth plan. The information gained will assist in choosing the right location by providing data about the population of each neighborhood, in addition to other established venues present in these areas.

Additionally, this information could be of interest to other potential investors looking to open a new restaurant or entertainment venue in Toronto.

Success Criteria:

The success criteria of the project will be a good recommendation of Neighborhood choice to ABC Company Ltd based on Lack of such restaurants in that location and the suitable target customer basis who has the purchasing power.