

A Minor Project (AI3270) **PROJECT REPORT** on

“Leveraging Public Data for Predictive Popularity Modeling and Location Intelligence in the Restaurant Industry”

Submitted to Manipal University Jaipur

Towards the partial fulfillment for the Award of the Degree of

B. Tech Computer Science and Engineering (Artificial Intelligence and Machine Learning)

By

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Jaipur, Rajasthan

Date: 23 April,2025

CERTIFICATE

This is to certify that the project entitled “Leveraging Public Data for Predictive Popularity Modeling and Location Intelligence in the Restaurant Industry” is a Bonafide work carried out as part of the course AI3270, under my guidance from Jan 2025 to May 2025 by Archit Kushwaha(229310310) student of B. Tech (hons.) Computer Science and Engineering (AIML), 6th Semester at the Department of Artificial Intelligence and Machine Learning, Manipal University Jaipur, during the academic semester 6th in partial fulfilment of the requirements for the award of the degree of Bachelor of Technology in Computer Science and Engineering (AIML), at MUJ, Jaipur.

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Acknowledgement

This project would not have completed without the help, support, comments, advice, cooperation and coordination of various people. However, it is impossible to thank everyone individually; I am hereby making a humble effort to thank some of them.

I acknowledge and express my deepest sense of gratitude of my internal supervisor Dr Gautam Kumar for his/her constant support, guidance, and continuous engagement. I highly appreciate his technical comments, suggestions, and criticism during the progress of this project "**Leveraging Public Data for Predictive Popularity Modeling and Location Intelligence in the Restaurant Industry**".

I owe my profound gratitude to Dr. Sandeep Chaurasia, Head, Department of CSE, for his valuable guidance and facilitating me during my work. I am also very grateful to all the faculty members and staff for their precious support and cooperation during the development of this project.

Finally, I extend my heartfelt appreciation to my classmates for their help and encouragement.

Abstract

The restaurant industry is one of the most competitive business sectors, where customer preferences, service quality, and external factors such as location and online presence play a crucial role in determining a restaurant's success. With the increasing use of online food review platforms like Yelp, Zomato, and Google Reviews, large volumes of data are being generated every day that can provide valuable insights into restaurant performance. This project aims to leverage machine learning techniques and data analytics to predict restaurant popularity by analyzing various influencing factors, including customer ratings, sentiment analysis of reviews, geographical location, price range, and social media engagement.

The system is designed to retrieve and rank the most famous restaurants within a given city based on user input, offering an insightful comparison of restaurants based on predictive analytics. By implementing advanced data preprocessing methods, natural language processing (NLP) for sentiment analysis, and various regression and classification models, the project ensures high prediction accuracy. Moreover, an interactive user interface will be developed to present data visualizations, providing graphical insights such as rating trends, sentiment distributions, and the impact of location on restaurant popularity. The proposed solution will benefit customers in making informed dining decisions and assist restaurant owners in identifying areas of improvement to enhance customer satisfaction.

The study further explores the application of various machine learning models, such as Decision Trees, Random Forest, XGBoost, and Neural Networks, to determine the most effective approach for predicting restaurant success. The performance of these models will be evaluated using key metrics like Mean Absolute Error (MAE), Root Mean Squared Error (RMSE), and R-squared values. The results obtained from this study will contribute to understanding the role of data-driven decision-making in the food industry and highlight the potential of AI-driven systems in enhancing the customer experience. Future enhancements may include real-time data updates, integration with recommendation systems, and the development of a mobile application for greater accessibility.

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Introduction

In an era where digital transformation has revolutionized consumer behavior, the restaurant industry has become an ecosystem driven by data and customer experiences. With the rise of online food delivery services, review platforms, and social media influence, a restaurant's popularity is no longer dictated solely by word-of-mouth recommendations. Today, customers rely on online ratings, user-generated reviews, and sentiment-based feedback to decide where to dine. This evolution has opened the door for data-driven insights that can predict a restaurant's success and provide valuable recommendations to business owners, investors, and customers alike. Predicting restaurant popularity is a complex challenge that involves analyzing multiple factors, such as customer ratings, geographical location, price range, service quality, and online engagement. The ability to forecast the success of a restaurant can empower business owners to refine their strategies, improve customer satisfaction, and optimize their marketing efforts. At the same time, customers can benefit from a more informed decision-making process when choosing where to dine.

This project aims to develop an intelligent machine learning-based system that predicts restaurant popularity by analyzing structured and unstructured data from various sources, including online review platforms like Yelp, Google Reviews, and Zomato. The model will utilize advanced data analytics techniques, such as Natural Language Processing (NLP) for sentiment analysis, regression models for trend prediction, and classification algorithms for ranking restaurants based on popularity. By integrating machine learning with data visualization, this system will not only generate accurate predictions but also provide graphical insights into customer preferences, rating distributions, and trends that influence restaurant success. The interactive interface will allow users to retrieve the most famous restaurants in a given city and understand the key factors driving their popularity.

To achieve these objectives, the project will explore various machine learning models, including Decision Trees, Random Forest, Gradient Boosting Machines (XGBoost), and deep learning techniques. The performance of these models will be evaluated using key metrics such as Mean Absolute Error (MAE), Root Mean Squared Error (RMSE), and Rsquared values. The results will contribute to the growing field of predictive analytics in the restaurant industry and pave the way for future enhancements, such as real-time data updates and AI-driven recommendation systems.

Literature Survey

The field of restaurant popularity prediction has gained significant attention from researchers in recent years due to the growing availability of online reviews and rating data. Several studies have been conducted to understand the relationship between restaurant characteristics and customer satisfaction, as well as to develop predictive models for business success. This section reviews relevant literature that has contributed to the development of this field.

1. Sentiment Analysis for Customer Reviews

Sentiment analysis plays a crucial role in determining customer perceptions of a restaurant. According to Liu et al. (2015), sentiment analysis techniques, including natural language processing (NLP) and machine learning models, can extract meaningful insights from large-scale review data. The study highlighted the effectiveness of supervised learning methods such as Support Vector Machines (SVM) and Random Forest in classifying customer sentiments as positive, neutral, or negative.

Pang & Lee (2008) further explored the use of sentiment polarity analysis to quantify the impact of reviews on restaurant ratings. Their research found that sentiment trends in customer feedback can accurately predict the rise or decline in a restaurant's popularity over time.

2. Machine Learning Models for Popularity Prediction

Several machine learning models have been applied in the domain of popularity prediction. Cheng et al. (2019) compared various predictive models, including Linear Regression, Decision Trees, and Gradient Boosting, to forecast restaurant success based on online reviews and customer ratings. The study concluded that ensemble learning techniques, such as Random Forest and XGBoost, provided the most accurate predictions due to their ability to handle complex data relationships.

A study by Kim & Park (2020) examined the effectiveness of deep learning techniques in predicting restaurant success. They implemented a Neural Network model trained on a dataset of Yelp reviews, demonstrating that deep learning algorithms could outperform traditional machine learning models in identifying hidden patterns in textual data.

3. The Role of Location and Demographics

Location is another critical factor affecting restaurant popularity. A study by Gupta et al. (2017) investigated how geographical attributes, such as proximity to business districts, tourist attractions, and residential areas, influence restaurant footfall and ratings. The study

utilized Geospatial Analysis and Regression models to establish a strong correlation between location-based features and restaurant performance.

Moreover, demographic factors such as income levels, cultural diversity, and consumer preferences were explored by Smith et al. (2018). Their research indicated that restaurants situated in affluent areas tend to receive higher average ratings due to the availability of premium dining options and better service quality.

4. Predictive Analytics in the Food Industry

Predictive analytics has been widely used in the food industry to optimize operations and improve customer satisfaction. Han et al. (2021) developed a recommendation system based on collaborative filtering and predictive analytics, helping users discover restaurants based on their past preferences. Their system demonstrated a high level of accuracy in predicting user preferences, showcasing the power of AI-driven recommendation engines in the restaurant sector.

A study by Zhao & Li (2022) emphasized the integration of real-time data streaming with machine learning to enhance predictive accuracy. They proposed a dynamic prediction model that updates restaurant rankings in real time based on changing customer sentiments and new reviews.

5. Discrete Choice and Spatial Demand Models

Competitive facility-location models necessitate an understanding of consumer choice behavior in spatial contexts. Discrete choice models, especially the Multinomial Logit (MNL), have been widely adopted for such problems. Foundational work by Ben-Akiva and Watanatada (1981) and De Palma et al. (1989) laid the groundwork for using probabilistic models in travel and location-based choices. More recently, Pancras et al. (2012) incorporated spatial endogeneity and goodwill dynamics into MNL-based retail competition models, emphasizing the lack of available demand data as a major obstacle.

6. Entry and Exit Modeling in Competitive Settings

To tackle the inherently dynamic nature of firm competition, a growing body of literature has turned to entry-exit models. Classic works like Prescott and Visscher (1977), and more recent studies by Pakes et al. (2007) and Doraszelski & Pakes (2007), propose dynamic models of firm behavior under uncertainty. However, these models often require strong assumptions about strategic beliefs and foresight. In contrast, Talluri and Tekin (2020) advocate for a tractable approach using integer programming to model entry and exit decisions based on profitability thresholds and public data. **(Ref no. 1,2, 5)**

System Analysis

1. System Overview

The proposed restaurant popularity prediction system is designed to analyze multiple data sources, including online reviews, geographical location, and pricing, to provide accurate predictions of a restaurant's popularity. The system integrates machine learning models with data visualization techniques to present insights in an interactive and user-friendly format.

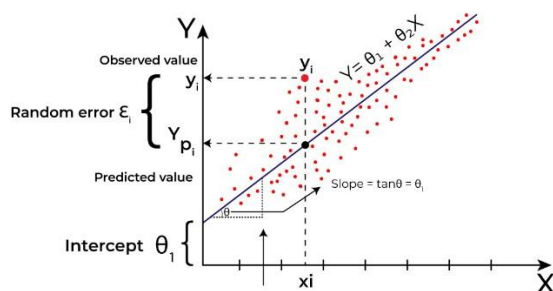
2. System Objectives

- To collect and process restaurant data from multiple sources.
- To analyze customer reviews and ratings using NLP techniques.
- To implement machine learning algorithms for accurate popularity prediction.
- To develop a user-friendly interface for data retrieval and visualization.
- To provide real-time graphical insights into restaurant trends and performance.

performance. **Algorithms used in proposed system:-**

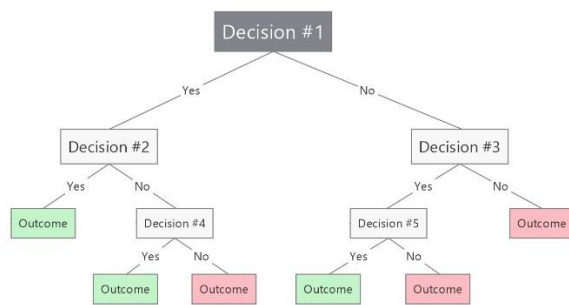
1. Linear Regression (For Popularity Score Prediction)

Used to predict a restaurant's popularity score based on features like average rating, number of reviews, price range, and location factors. The model identifies a linear relationship between these factors and the popularity score. Helps in understanding how different features contribute to a restaurant's success.



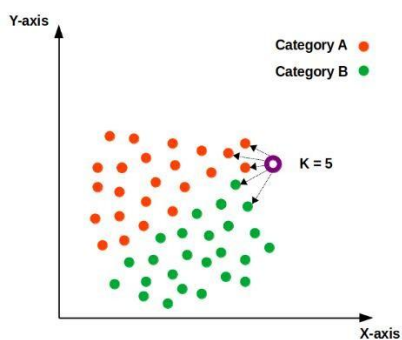
2. Decision Tree (For Popularity Classification)

Used to classify restaurants into popularity categories such as High, Medium, and Low. The model splits the dataset based on key factors (e.g., a restaurant with an average rating above 4.5 and more than 1000 reviews is classified as "High Popularity"). Helps in segmenting restaurants based on performance.



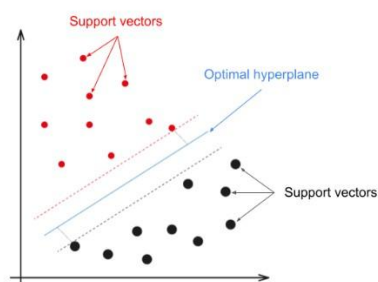
3. K-Nearest Neighbors (KNN) (For Similar Restaurant Recommendations)

Used to find restaurants similar to a given restaurant based on features like cuisine type, price range, and location. If a user searches for a popular restaurant, KNN finds others with similar characteristics and suggests alternatives. Helps in building a recommendation system based on user preferences.



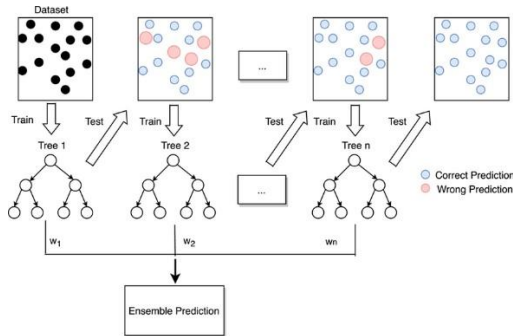
4. Support Vector Machine (SVM) (For Sentiment-Based Classification)

Used in sentiment analysis of customer reviews. The model classifies reviews as Positive, Neutral, or Negative based on sentiment scores. Helps in understanding how customer feedback affects a restaurant's popularity.



Gradient Boosting (For Best Prediction Accuracy)

Used as the final predictive model to improve accuracy. It combines multiple decision trees to minimize prediction errors. Helps in ranking restaurants based on their likelihood of being top-rated in a given city.



6. Spatial Choice Demand Model

We model customer utility from visiting a restaurant using a spatial Multinomial Logit (MNL) framework. Utility is composed of deterministic and stochastic components:

$$U_{ig} = W_{ig} + \nu_{ig} \quad \text{with} \quad W_{ig} = \beta_p p_i + \beta_c^T c_i + \beta_d d_{ig} + \beta_r R_i$$

Where p_i is price point, c_i cuisine type, d_{ig} is the distance between consumer g and restaurant i , and R_i is rating. Choice probability is given by:

$$P_{ig} = \frac{e^{W_{ig}}}{1 + \sum_{j \in I} e^{W_{jg}}}$$

We model market size M_g at each location g based on income-adjusted population density, and compute predicted demand \hat{D}_i by summing over all grid points:

$$M_g = C_g \left(\frac{E_g}{E_{\max}} \right)^{\beta_z}, \quad \hat{D}_i = \sum_{g \in G} M_g P_{ig}$$

7. Rating Prediction Model

To estimate R_i , we use a latent factor regression model incorporating observable features and demographic embeddings:

$$R_i = \zeta_0 + \zeta_y^T y_i + \zeta_p p_i + \zeta_c^T c_i + \zeta_a a_i + \zeta_N N_i + u_{c_i}^T v_{z_i} + \varepsilon_i$$

Here y_i includes restaurant features, a_i is age, N_i number of nearby competitors, and u_{c_i}, v_{z_i} are latent cuisine and zip-code factors.

We correct for endogeneity in p_i using a two-step Instrumental Variable (IV) regression, leveraging price data from neighboring zip codes to isolate the causal effect of price on rating.

8.Entry/Exit Model

Firm decisions are modeled via a rational profitability threshold. A firm enters if projected profits exceed entry cost τ_e , and exits if revenue falls below threshold τ_x :

$$\Pi_i^{\text{entry}} = \hat{D}_i m_i - FC_i - OC_i \geq \tau_e, \quad \Pi_i^{\text{exit}} = \hat{D}_i m_i - OC_i < \tau_x$$

We solve for a steady-state equilibrium—no profitable entries or exits—using an iterative integer programming approach that accounts for competitive dynamics and future viability.

This unified methodology allows for predictive modeling of both consumer demand and firm behavior using public data.

8.Location Equilibria Model

The **Location Equilibria Algorithm** predicts restaurant entry, exit, or continuation by modeling spatial competition and popularity-based dynamics. Each restaurant is assigned a **popularity score** based on a weighted combination of features such as rating (ρ), votes (v), price (p), and cuisine type (c) using the formula:

$$\text{Popularity}_i = \alpha_1 \cdot \rho_i + \alpha_2 \cdot \log(v_i + 1) - \alpha_3 \cdot \frac{p_i}{\max(p)} + \alpha_4 \cdot \text{CuisineWeight}(c_i)$$

Location attractiveness $A(l_j)$ is calculated as the sum of popularity scores of all restaurants in a location l_j , penalized by the number of competing restaurants N_{l_j} :

$$A(l_j) = \sum_{r_i \in l_j} \text{Popularity}_i - \lambda \cdot N_{l_j}$$

A **multinomial logit model** is then used to estimate the probabilities of firm actions (Entry, Exit, Stay) based on expected value functions derived from location attractiveness and market conditions:

$$P(\text{action}) = \frac{e^{V^{\text{action}}}}{\sum_{\text{all actions}} e^V}$$

The algorithm iteratively updates firm decisions until a **location equilibrium** is reached, where the number of firms entering and exiting stabilizes. This enables strategic prediction of market movements and identification of optimal locations for restaurant expansion or withdrawal.

(Ref no.11,12)

Drawbacks of the existing system:

1. Data Dependency:

- The accuracy of predictions depends on the quality and availability of review data.
- Missing or biased data can impact model performance.

2. Computational Complexity:

- Advanced algorithms like **Gradient Boosting** require high computational power.
- Can be slow for large datasets if not optimized properly.

3. Overfitting Risks:

- Decision Trees and Gradient Boosting models may **overfit** the training data if not tuned properly.
- Needs careful hyperparameter tuning to generalize well.

4. Sentiment Analysis Limitations:

- **SVM-based sentiment analysis** may misinterpret sarcasm, slang, or mixed emotions in reviews.
- Accuracy depends on the quality of text preprocessing.

5. Lack of Real-Time Updates:

- If the system is not connected to live data sources, predictions may become outdated and Requires integration with APIs (Google Reviews, Zomato, etc.) for real-time updates.

(Ref no. 23)

Proposed Work

To enhance the restaurant popularity prediction system, several improvements have been proposed to address its drawbacks. Firstly, to overcome the issue of data dependency, the system will integrate APIs from platforms such as Google Reviews, Yelp, and Zomato to fetch real-time customer feedback, ratings, and restaurant information. Additionally, web scraping will be employed to gather insights from food blogs and social media. The collected data will be pre-processed and cleaned to handle missing values and inconsistencies, ensuring a more accurate dataset.

To optimize computational efficiency, LightGBM (Light Gradient Boosting Machine) will replace traditional Gradient Boosting models, providing faster training and better scalability. Principal Component Analysis (PCA) will be applied to reduce dataset complexity, and cloud computing platforms such as AWS, Google Cloud, or Azure will be used to handle large-scale

computations effectively. To mitigate overfitting issues in Decision Trees and Boosting models, Cross-Validation (K-Fold CV), Regularization techniques (L1/L2), and Hyperparameter Tuning (using Grid Search or Bayesian Optimization) will be implemented. These improvements will help maintain a balanced model that generalizes well on unseen data.

For sentiment analysis, the existing SVM-based classification will be replaced with deep learning-based NLP models such as BERT (Bidirectional Encoder Representations from Transformers), which can better interpret sarcasm, slang, and mixed emotions in reviews. Additionally, VADER (Valence Aware Dictionary and Sentiment Reasoner) will be used for short-text reviews, and a custom-trained sentiment analysis model will be developed to enhance classification accuracy. This approach will ensure that the system captures the true essence of customer sentiment and its impact on restaurant popularity.

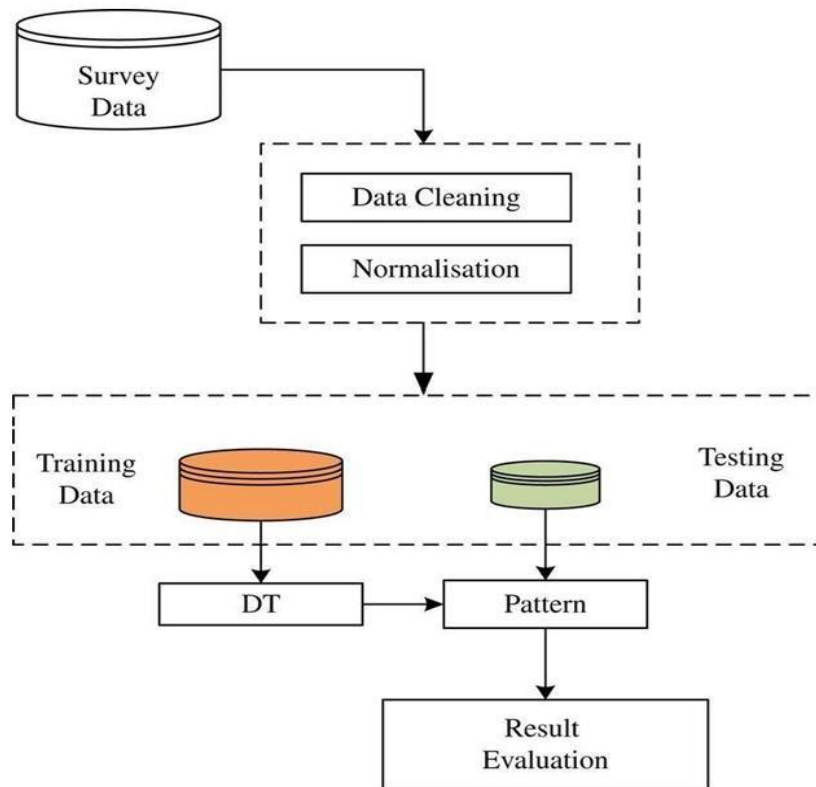
By analyzing historical data, the system will predict future trends in restaurant popularity. Furthermore, social media sentiment analysis using Twitter API and Google Trends will be integrated to adjust popularity rankings dynamically. A weighted popularity score will be introduced, prioritizing recent reviews and social media trends to ensure up-to-date recommendations. The proposed system comprises a two-stage modelled framework integrating **demand prediction** and **firm behavior simulation** to estimate restaurant popularity and guide location decisions. First, a **spatial-choice demand model** based on the Multinomial Logit (MNL) framework estimates the probability of a customer choosing a particular restaurant, considering factors like distance, price category, rating, and cuisine. The utility function for each restaurant incorporates observed variables (e.g., price, cuisine) and unobserved factors (e.g., quality, customer preferences), with ratings modelled using a **Latent Factor Model (LFM)** that captures local tastes and quality perceptions. Demand is computed by aggregating customer choices over grid-level population and income data, adjusted for review behavior.

(Ref no. 14,27,31)

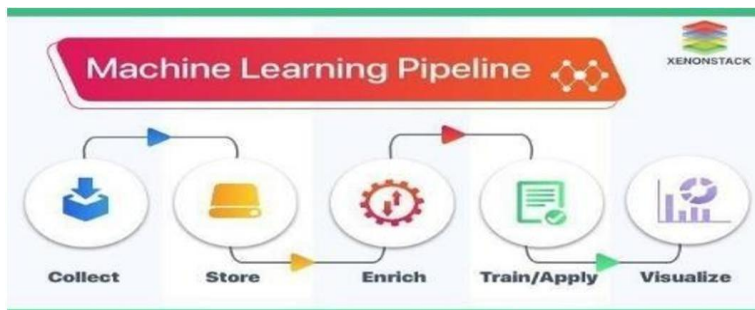
SYSTEM DESIGN

1. SYSTEM ARCHITECTURE

The system architecture is shown in Figure. It comprises two main modules, an offline processing module, where the user profiles are being generated and the feature extraction and rating happens, as well as an online module, that generates real-time recommendations. The prototype uses user review data from restaurant. The dataset contains user information, business information and user reviews. These objects are stored on SQLite3 database. A brief overview of the system is provided in what follows.



Train and Evaluate Pipeline in Machine Learning



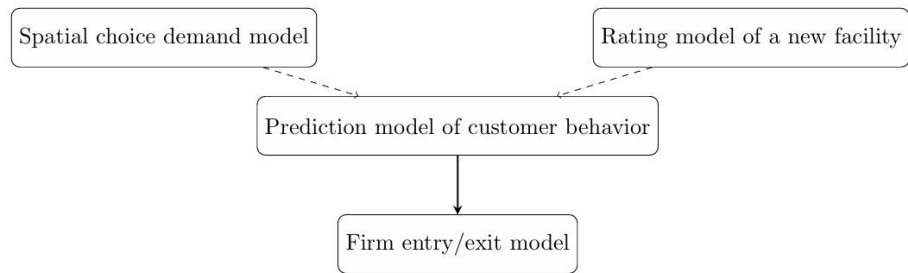
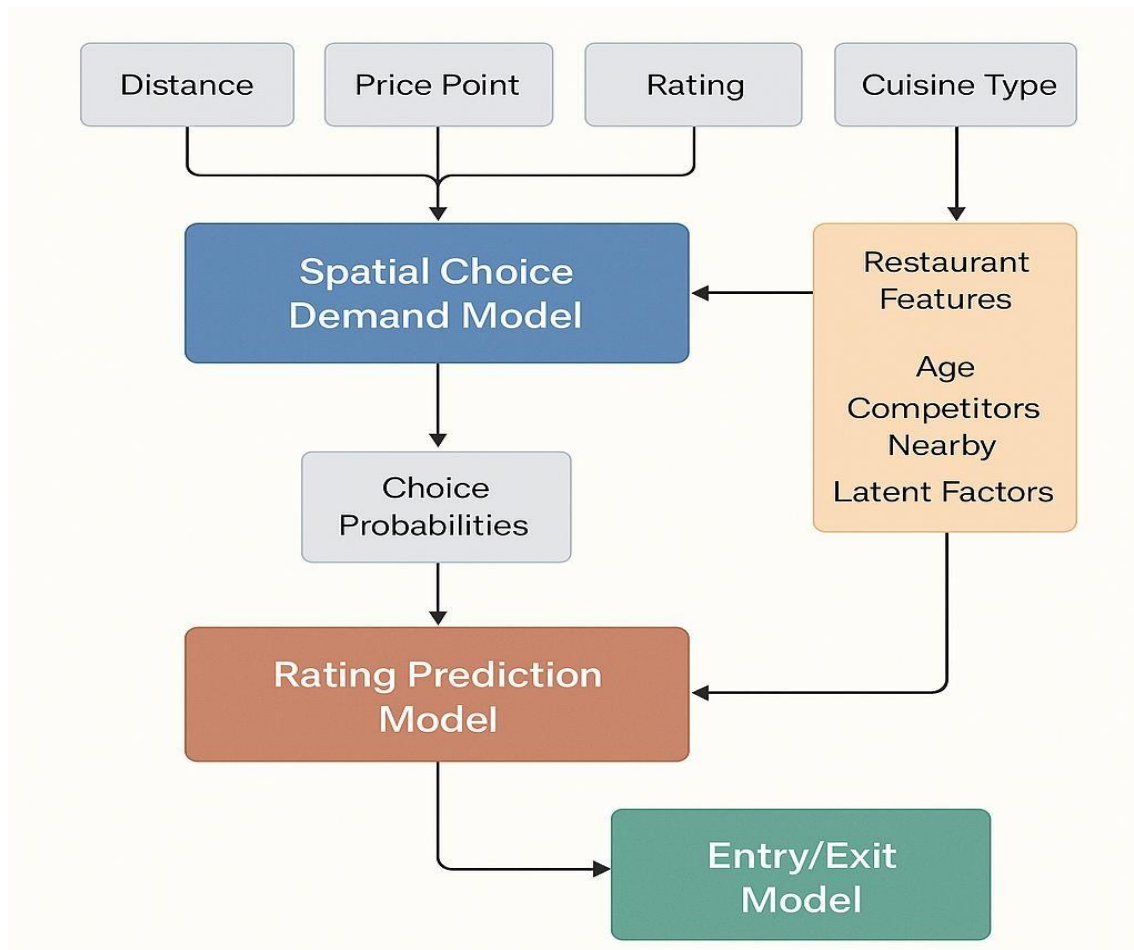


Figure 1 Two-stage modeling framework.

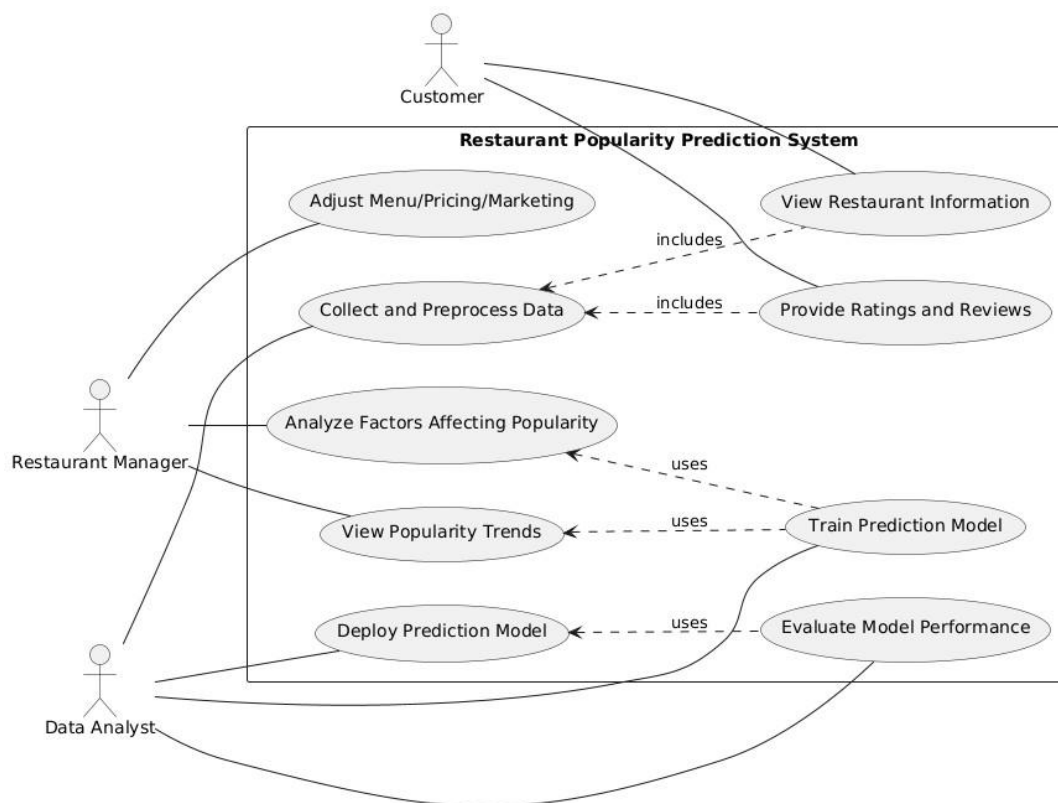


(Ref no.16,17,21,22)

2.UML Diagrams

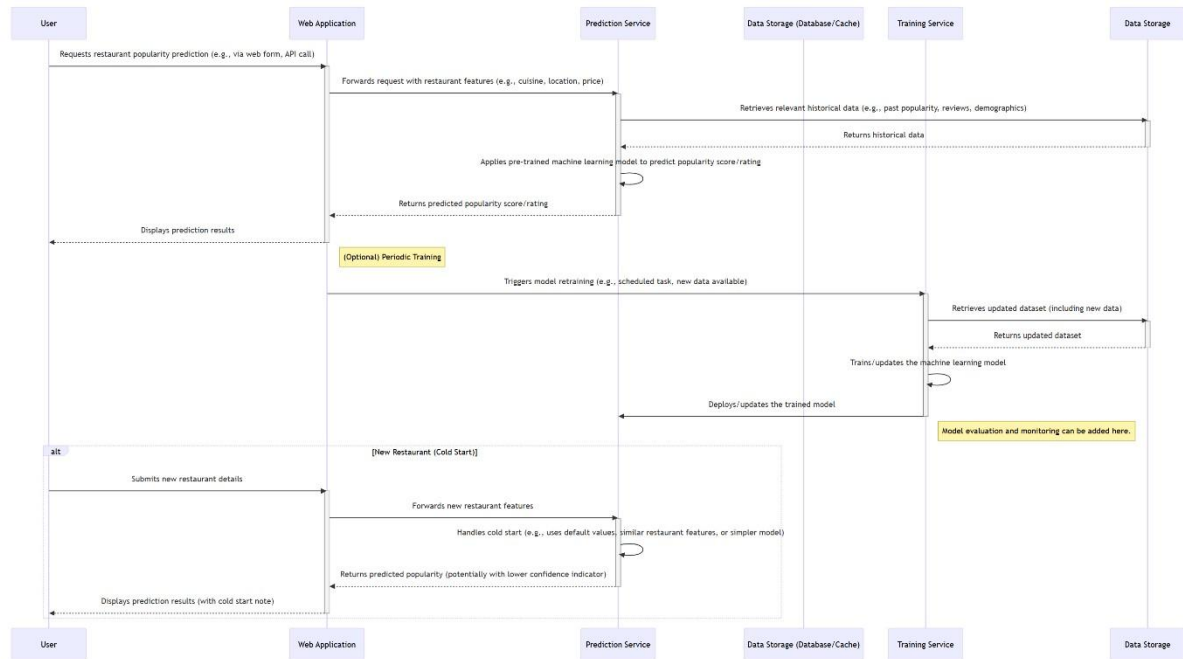
2.1 Use Case Diagram

A use case diagram in the Unified Modeling Language (UML) is a type of behavioral diagram defined by and created from a Use-case analysis. A use case diagram at its simplest is a representation of a user's interaction with the system that shows the relationship between the user and the different use cases in which the user is involved. A use case diagram can identify the different types of users of a system and the different use cases and will often be accompanied by other types of diagrams as well. The use cases are represented by either circles or ellipses.



2.2 Sequence Diagram

A sequence diagram in Unified Modeling Language (UML) is a kind of interaction diagram that shows how processes operate with one another and in what order. A sequence diagram shows object interactions arranged in time sequence. It depicts the objects and classes involved in the scenario and the sequence of messages exchanged between the objects needed to carry out the functionality of the scenario. Sequence diagrams are typically associated with use case realizations in the Logical View of the system under development. Sequence diagrams are sometimes called event diagrams or event scenarios. A sequence diagram in Unified Modeling Language (UML) is a kind of interaction diagram that shows how processes operate with one another and in what order.



2.3 Component Diagram

In Unified Modeling Language (UML), a component diagram depicts how components are wired together to form larger components or software systems. They are used to illustrate the structure of arbitrarily complex systems. A component is something required to execute a stereotype function. Examples of stereotypes in components include executables, documents, database, tables, files, and library files. Components are wired together by using an assembly connector to connect the required interface of one component with the provided interface of another component.

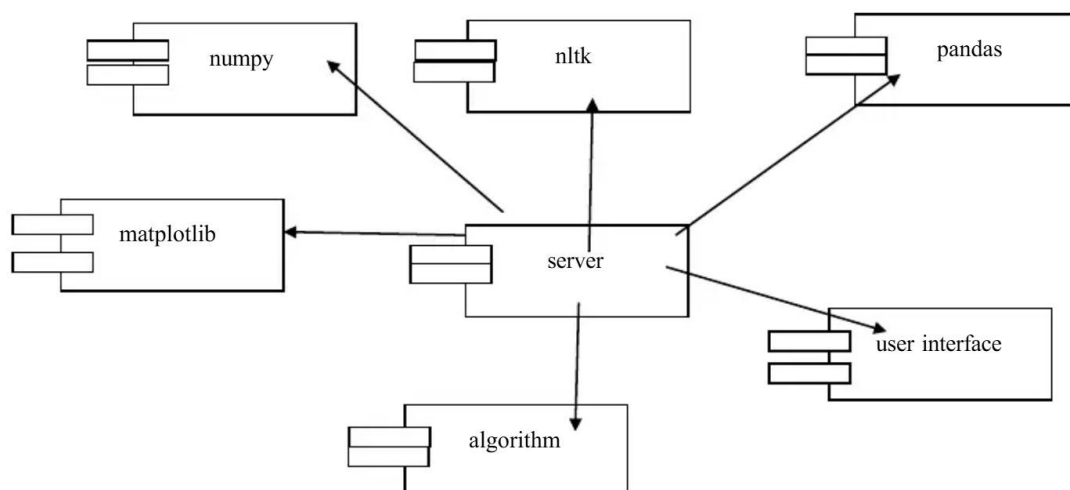
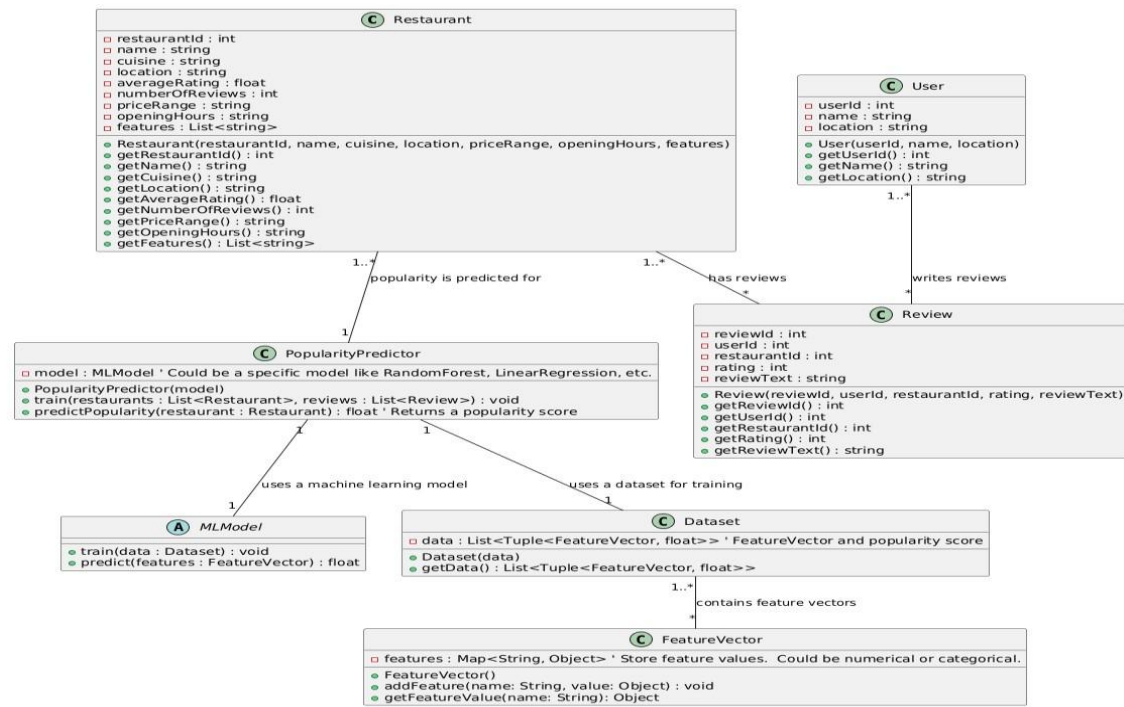


Fig 4-7: Component diagram for restaurant reviews

2.4 Class Diagram

A UML class diagram is a visual tool that represents the structure of a system by showing its classes, attributes, methods, and the relationships between them. It helps everyone involved in a project—like developers and designers—understand how the system is organized and how its components interact. Class diagrams provide a high-level overview of a system's design, helping to communicate and document the structure of the software. They are a fundamental tool in object-oriented design and play a crucial role in the software development lifecycle.



(Ref no. 6,7,11,12,15)

System Implementation

1.1 System Requirements

Minimum Hardware Requirements

- **Processor (CPU):** Intel Core i5 (7th Gen or later) / AMD Ryzen 5
- **RAM:** 8 GB
- **Storage:** 256 GB SSD (for fast data access)
- **Graphics Card (GPU):** Integrated GPU (for basic ML tasks)
- **Internet Connection:** Stable broadband for API calls and cloud processing
- **Operating System:** Windows 10/11, macOS, or Linux (Ubuntu 20.04 or later)

1.2 Software Used

1.Numpy/pandas/python – For data preprocessing

2.Machine Learning Algorithms including Random forest , Gradient Boosting and Decision tree , tensorflow , keras – for popularity prediction

3.SQL – Storing and analyzing data

4.Matplotlib/Tableau – Generate graphical insights

5.Flask/HTML/CSS – Display graphical insights

Code Implementation

```

# This Python 3 environment comes with many helpful analytics libraries installed
# It is defined by the kaggle/python Docker image: https://github.com/kaggle/docker-python
# For example, here's several helpful packages to load

import numpy as np # linear algebra
import pandas as pd # data processing, CSV file I/O (e.g. pd.read_csv)

# Input data files are available in the read-only "../input/" directory
# For example, running this (by clicking run or pressing Shift+Enter) will list all files under the input directory

import os
for dirname, _, filenames in os.walk('/kaggle/input'):
    for filename in filenames:
        print(os.path.join(dirname, filename))

# You can write up to 20GB to the current directory (/kaggle/working/) that gets preserved as output when you create a version using "Save & Run All"
# You can also write temporary files to /kaggle/temp/, but they won't be saved outside of the current session

```

[32] Python

... /kaggle/input/restaurant/restaurants.csv

```

# import libraries
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
from sklearn.model_selection import train_test_split
from sklearn.linear_model import LinearRegression
from sklearn.tree import DecisionTreeRegressor
from sklearn.metrics import accuracy_score, mean_absolute_error, mean_squared_error, r2_score, confusion_matrix, classification_report

```

[33] Python

```

# load dataframe
df = pd.read_csv('/kaggle/input/restaurant/restaurants.csv')
df.head()

```

[34] Python

...

```

# check for null values
df.isna().sum()

```

[35] Python

```

Restaurant ID      0
Restaurant Name    0
Country Code       0
City              0
Address           0
Locality          0
Locality Verbose   0
Longitude         0
Latitude          0
Cuisines          9
Average Cost for two 0
Currency          0
Has Table booking  0
Has Online delivery 0
Is delivering now  0
Switch to order menu 0
Price range       0
Aggregate rating  0
Rating color      0
Rating text       0
Votes            0
dtype: int64

```

```

# remove null value rows
df= df.dropna()

```

[36] Python

```

df.isna().sum()
[37] Python
... Restaurant ID      0
Restaurant Name      0
Country Code        0
City                0
Address             0
Locality            0
Locality Verbose    0
Longitude           0
Latitude            0
Cuisines            0
Average Cost for two 0
Currency            0
Has Table booking   0
Has Online delivery 0
Is delivering now    0
Switch to order menu 0
Price range         0
Aggregate rating     0
Rating color        0
Rating text         0
Votes              0
dtype: int64

df.shape
[38] Python
... (9542, 21)
+ Code + Markdown

```

```

# drop features that inhibit model building
df = df.drop('Restaurant ID', axis=1)
df = df.drop('Restaurant Name', axis=1)
df = df.drop('Country Code', axis=1)
df = df.drop('City', axis=1)
df = df.drop('Address', axis=1)
df = df.drop('Locality', axis=1)
df = df.drop('Locality Verbose', axis=1)
df = df.drop('Longitude', axis=1)
df = df.drop('Latitude', axis=1)
df = df.drop('Cuisines', axis=1)
df = df.drop('Currency', axis=1)
[39] Python

print(df.describe())
[40] Python
...
      Average Cost for two  Price range  Aggregate rating      Votes
count      9542.000000    9542.000000    9542.000000    9542.000000
mean       1200.326137      1.804968      2.665238     156.772060
std       16128.743876      0.905563      1.516588     430.203324
min         0.000000      1.000000      0.000000      0.000000
25%        250.000000      1.000000      2.500000      5.000000
50%        400.000000      2.000000      3.200000     31.000000
75%        700.000000      2.000000      3.700000     130.000000
max      800000.000000      4.000000      4.900000    10934.000000

```



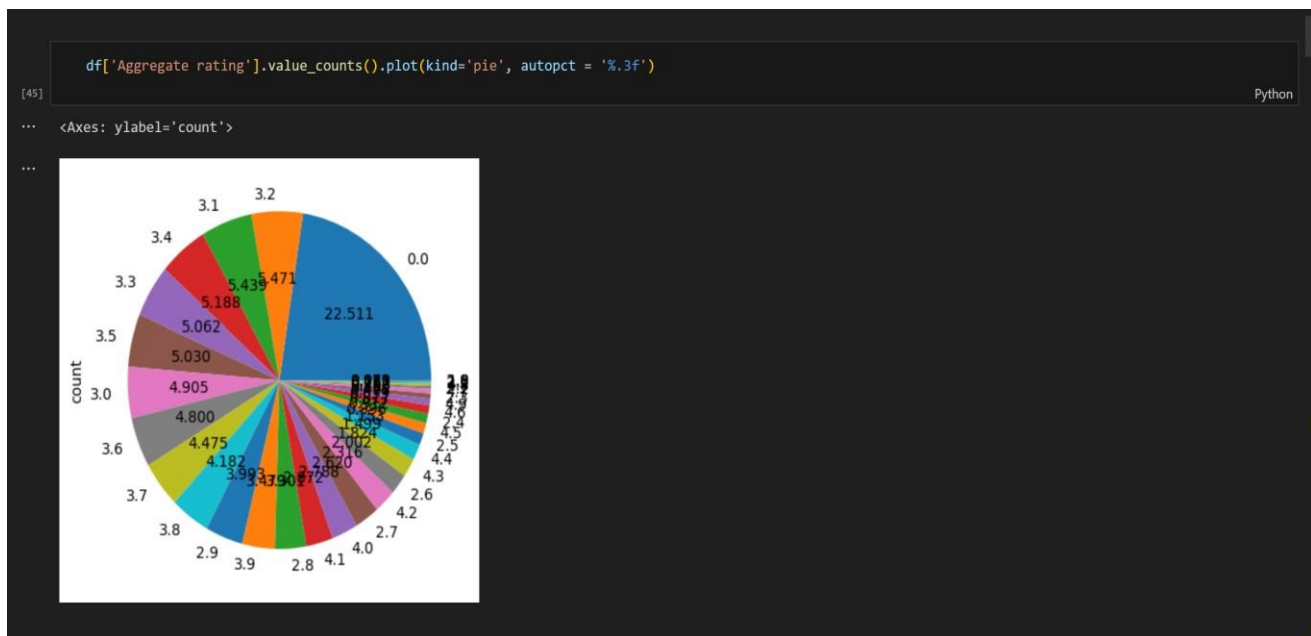
```

df.info()
[41] Python

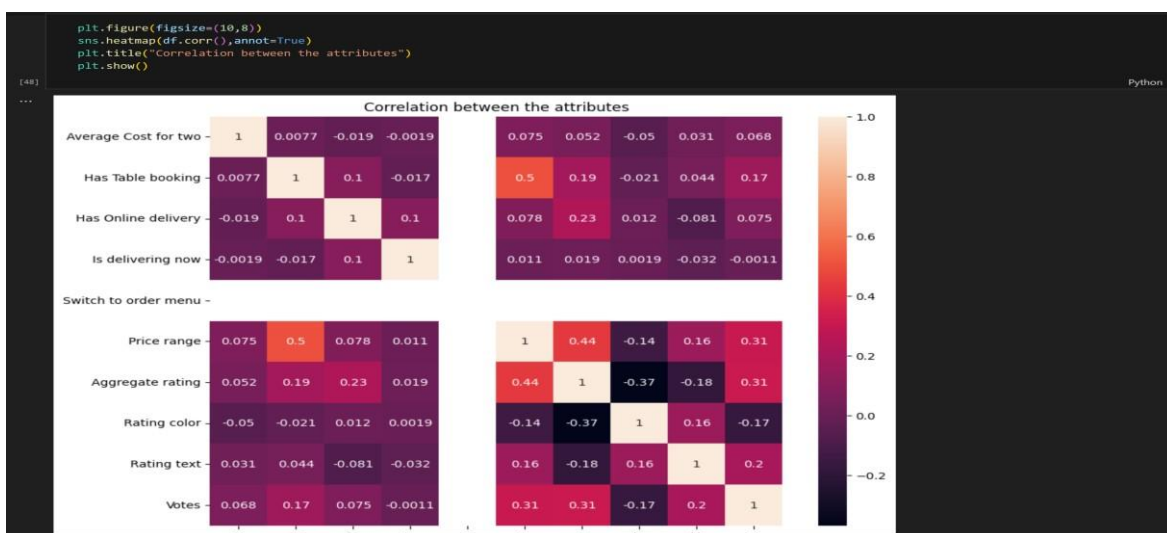
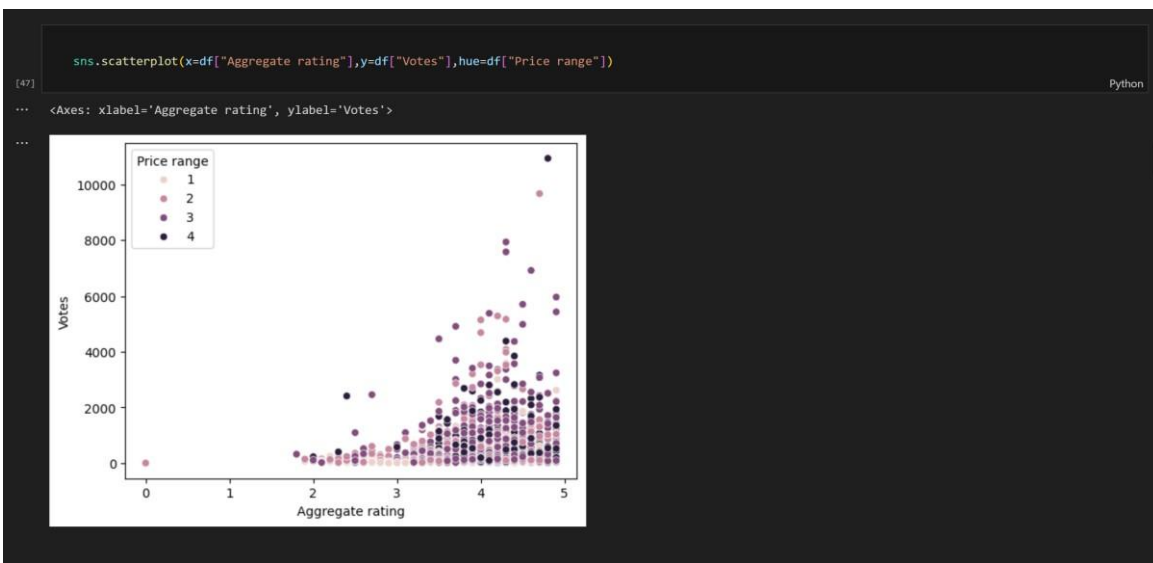
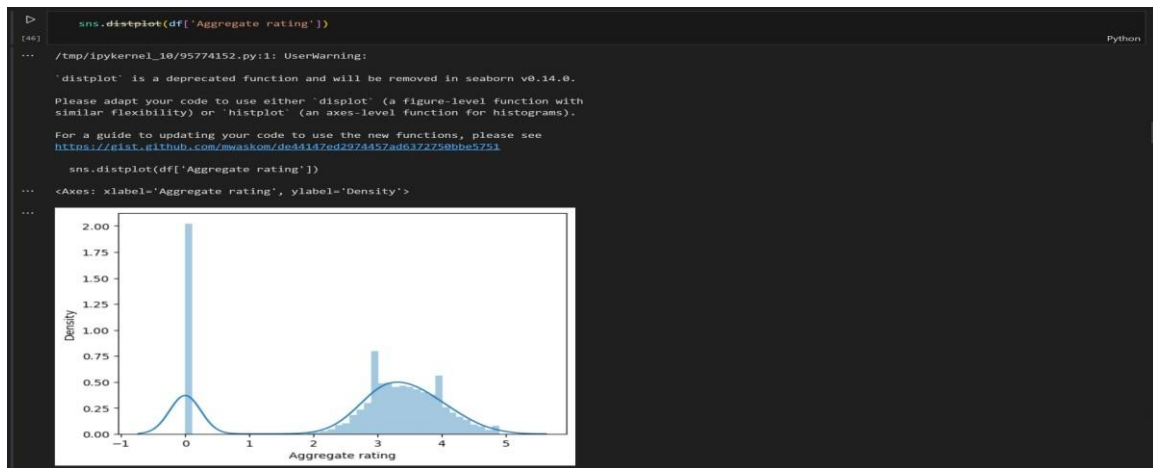
<class 'pandas.core.frame.DataFrame'>
Index: 9542 entries, 0 to 9550
Data columns (total 10 columns):
#   Column                                Non-Null Count  Dtype
---  ---                                ---
0   Average Cost for two                  9542 non-null   int64
1   Has Table booking                    9542 non-null   object
2   Has Online delivery                  9542 non-null   object
3   Is delivering now                    9542 non-null   object
4   Switch to order menu                 9542 non-null   object
5   Price range                          9542 non-null   int64
6   Aggregate rating                    9542 non-null   float64
7   Rating color                        9542 non-null   object
8   Rating text                         9542 non-null   object
9   Votes                              9542 non-null   int64
dtypes: float64(1), int64(3), object(6)
memory usage: 820.0+ KB

# encode the yes-no labels of categorical features into binary (1 for yes and 0 for no)
from sklearn.preprocessing import LabelEncoder
le = LabelEncoder()
df['Has Table booking'] = le.fit_transform(df['Has Table booking'])
df['Has Online delivery'] = le.fit_transform(df['Has Online delivery'])
df['Is delivering now'] = le.fit_transform(df['Is delivering now'])
df['Switch to order menu'] = le.fit_transform(df['Switch to order menu'])
df['Rating color'] = le.fit_transform(df['Rating color'])
df['Rating text'] = le.fit_transform(df['Rating text'])
[42] Python

```



This code first encodes categorical columns like "Has Table booking?" and "Rating color" into numeric values using LabelEncoder. Then, it visualizes the distribution of "Aggregate rating" values as a pie chart, showing the proportion of each rating in the dataset.



The code visualizes the distribution of aggregate ratings using a KDE plot, explores the relationship between ratings and votes colored by price range with a scatter plot, and displays feature correlations using a heatmap to identify attribute relationships.

```

x = df.drop('Aggregate rating', axis=1)
y = df['Aggregate rating']
[49]
Python

df['Aggregate rating'].mean()
[50]
Python

... np.float64(2.665237895619367)

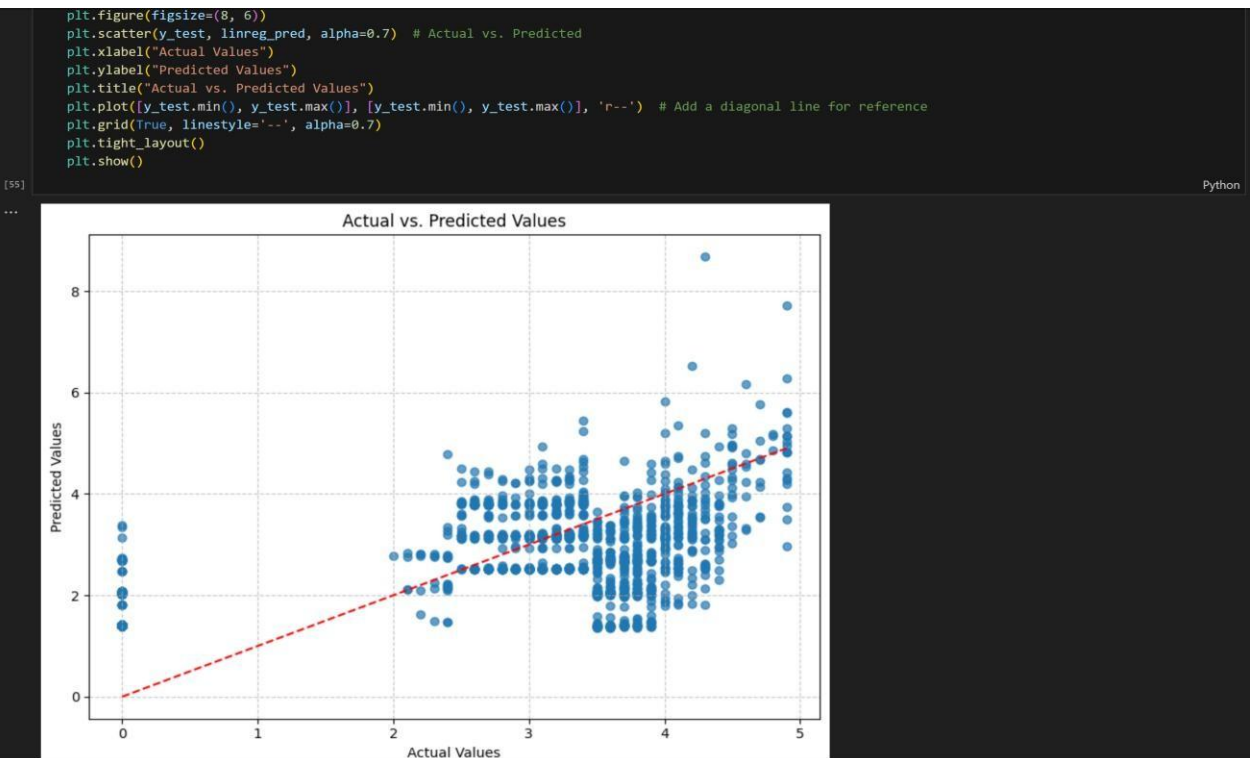
# data splitting
x_train,x_test,y_train,y_test=train_test_split(x,y,test_size=.2,random_state=250)
x_train.head()
y_train.head()
[51]
Python

... 5883    3.8
5470    3.2
5790    0.0
5588    0.0
9283    4.1
Name: Aggregate rating, dtype: float64

print("x_train: ", x_train.shape)
print("x_test: ", x_test.shape)
print("y_train: ", y_train.shape)
print("y_test: ", y_test.shape)
[52]
Python

... x_train: (7633, 9)
x_test: (1909, 9)
y_train: (7633,)
y_test: (1909,)

```



The code splits the dataset into training and testing sets to predict 'Aggregate rating' and visualizes the model performance using a scatter plot of actual vs. predicted values. The red line serves as a reference for perfect predictions.

```

# training by decision tree regressor algorithm
dtree = DecisionTreeRegressor()
dtree.fit(x_train, y_train)
dtree_pred = dtree.predict(x_test)

[56] Python

#evaluating performance metrics of decision tree
dtree_mae = mean_absolute_error(y_test, dtree_pred)
dtree_mse = mean_squared_error(y_test, dtree_pred)
dtree_r2 = r2_score(y_test, dtree_pred)
print(f"MAE of the decision tree model is: {dtree_mae:.2f}")
print(f"MSE of the decision tree model is: {dtree_mse:.2f}")
print(f"R2 score of the decision tree model is: {dtree_r2:.2f}")

[57] Python

... MAE of the decision tree model is: 0.15
MSE of the decision tree model is: 0.05
R2 score of the decision tree model is: 0.98

import matplotlib.pyplot as plt
from sklearn.tree import DecisionTreeRegressor, plot_tree

# ... (Your existing code for training the DecisionTreeRegressor) ...

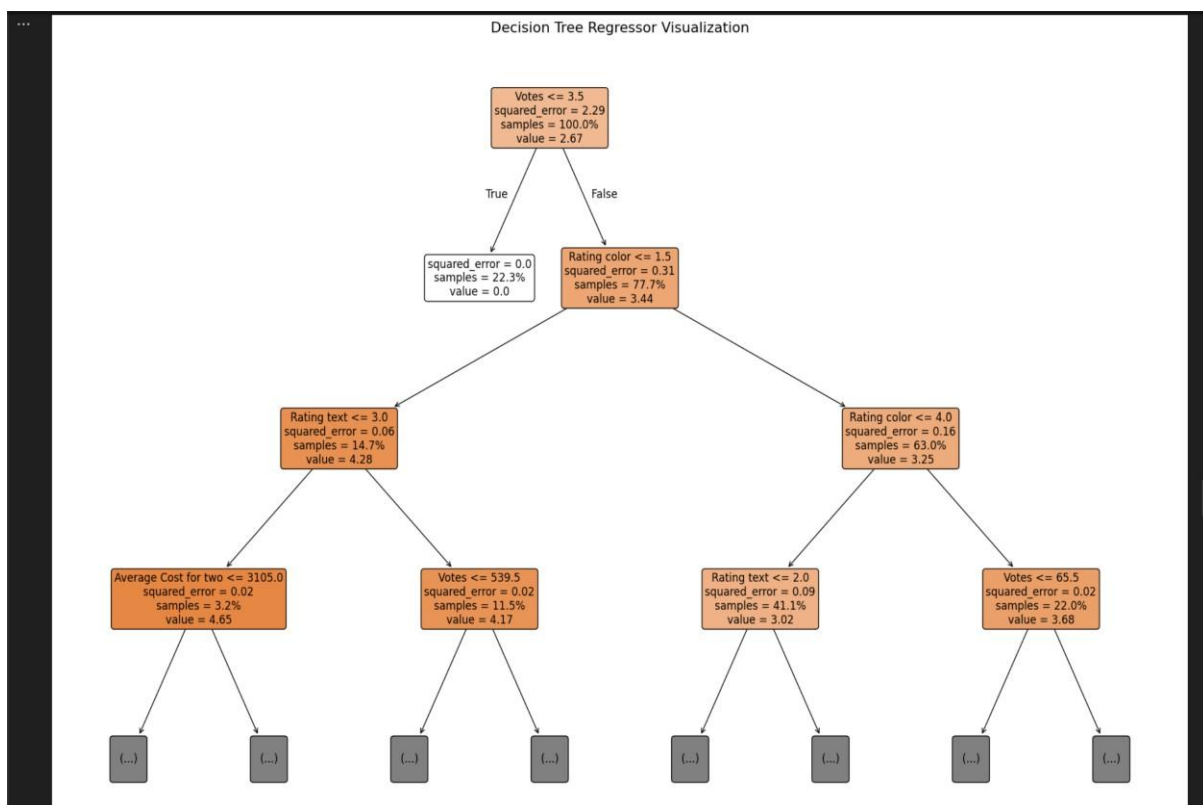
# 1. Visualize the decision tree with increased spacing

plt.figure(figsize=(20, 15)) # Increased figure size

plot_tree(dtree,
          filled=True,
          rounded=True,
          feature_names=x_train.columns if hasattr(x_train, 'columns') else None,
          class_names=None,
          max_depth=3, # Adjust max_depth as needed
          fontsize=12, # Slightly increased font size
          proportion=True, # Show proportions instead of sample counts
          precision=2) # Control decimal places in values

[58]

```



A Decision Tree Regressor is trained to predict 'Aggregate rating' and evaluated using MAE, MSE, and R^2 metrics, achieving high accuracy ($R^2 = 0.98$). The tree visualization shows how features like 'Votes' and 'Rating color' influence predictions through decision splits.

```
#KNN-classification

import pandas as pd
from sklearn.model_selection import train_test_split
from sklearn.neighbors import KNeighborsClassifier
from sklearn.preprocessing import LabelEncoder, StandardScaler
from sklearn.metrics import accuracy_score, precision_score, recall_score, f1_score, confusion_matrix
import matplotlib.pyplot as plt
import seaborn as sns # Import seaborn
from mpl_toolkits.mplot3d import Axes3D

data = pd.read_csv('/kaggle/input/restaurant/restaurants.csv')
df = pd.DataFrame(data)

# Define 'Popular' based on a threshold (example: rating > 4.0)
df['Popular'] = (df['Aggregate rating'] > 4.0).astype(int)

# Preprocessing
label_encoders = {}
categorical_cols = ['Has Table booking', 'Has Online delivery', 'Is delivering now', 'Switch to order menu', 'Rating color', 'Rating text']
for col in categorical_cols:
    label_encoders[col] = LabelEncoder()
    df[col] = label_encoders[col].fit_transform(df[col])

# Feature Scaling
scaler = StandardScaler()

# All features for model training
features = ['Average Cost for two', 'Has Table booking', 'Has Online delivery', 'Is delivering now', 'Switch to order menu', 'Price range', 'Aggregate ra
X = df[features]
X_scaled = scaler.fit_transform(X)
y = df['Popular']

# Split data
X_train, X_test, y_train, y_test = train_test_split(X_scaled, y, test_size=0.2, random_state=42)
```

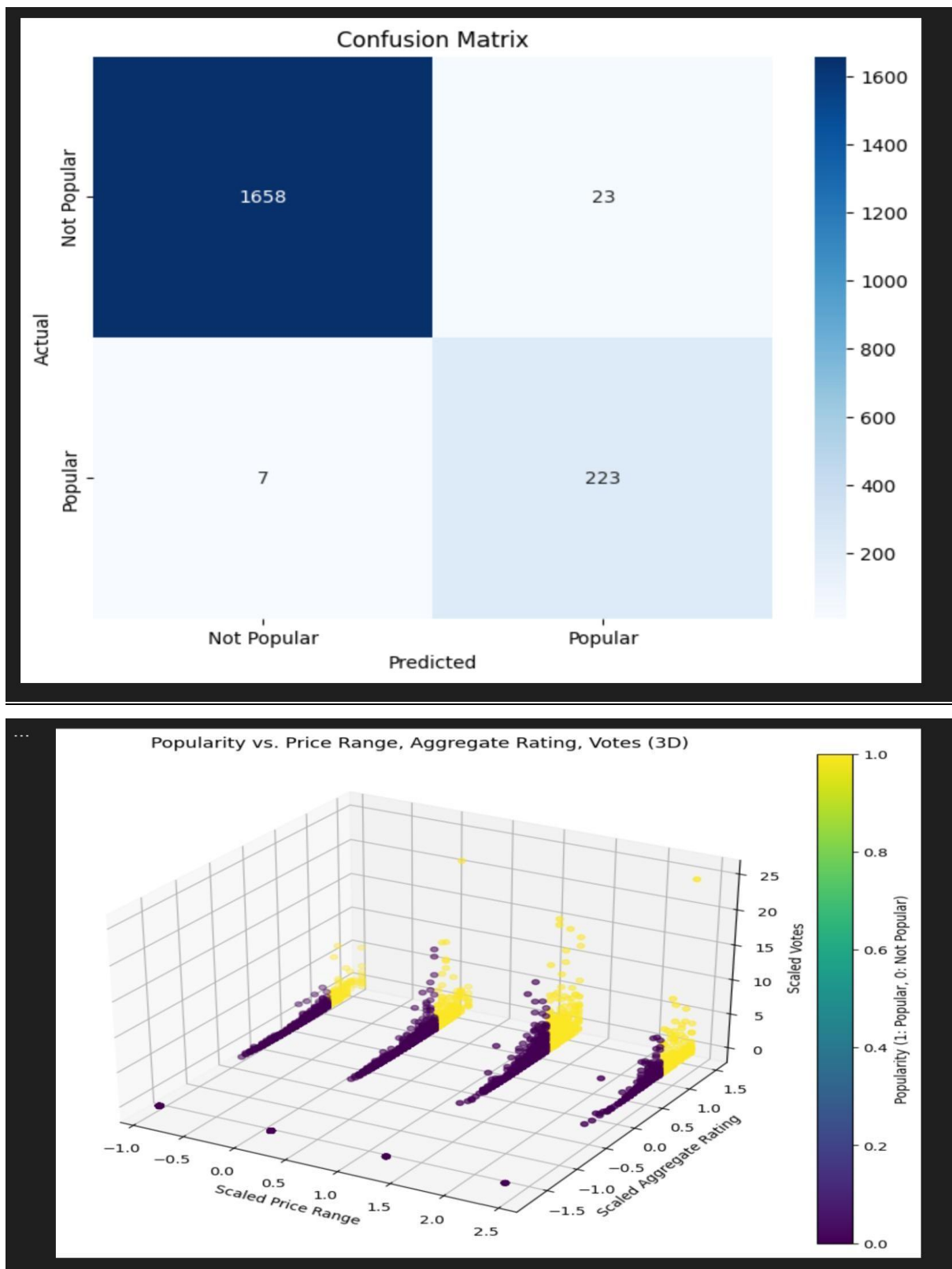
```
# Confusion Matrix Heatmap
plt.figure(figsize=(8, 6))
sns.heatmap(confusion_mat, annot=True, fmt='d', cmap='Blues',
            xticklabels=['Not Popular', 'Popular'],
            yticklabels=['Not Popular', 'Popular'])
plt.xlabel('Predicted')
plt.ylabel('Actual')
plt.title('Confusion Matrix')
plt.show()

# 3D Scatter Plot 1: Price range, Aggregate rating, Votes
features1 = ['Price range', 'Aggregate rating', 'Votes']
X1 = df[features1]
X1_scaled = scaler.fit_transform(X1)

fig1 = plt.figure(figsize=(10, 8))
ax1 = fig1.add_subplot(111, projection='3d')
scatter1 = ax1.scatter(X1_scaled[:, 0], X1_scaled[:, 1], X1_scaled[:, 2], c=y, cmap='viridis')
ax1.set_xlabel('Scaled Price Range')
ax1.set_ylabel('Scaled Aggregate Rating')
ax1.set_zlabel('Scaled Votes')
ax1.set_title('Popularity vs. Price Range, Aggregate Rating, Votes (3D)')
plt.colorbar(scatter1, ax=ax1, label='Popularity (1: Popular, 0: Not Popular)')
plt.show()

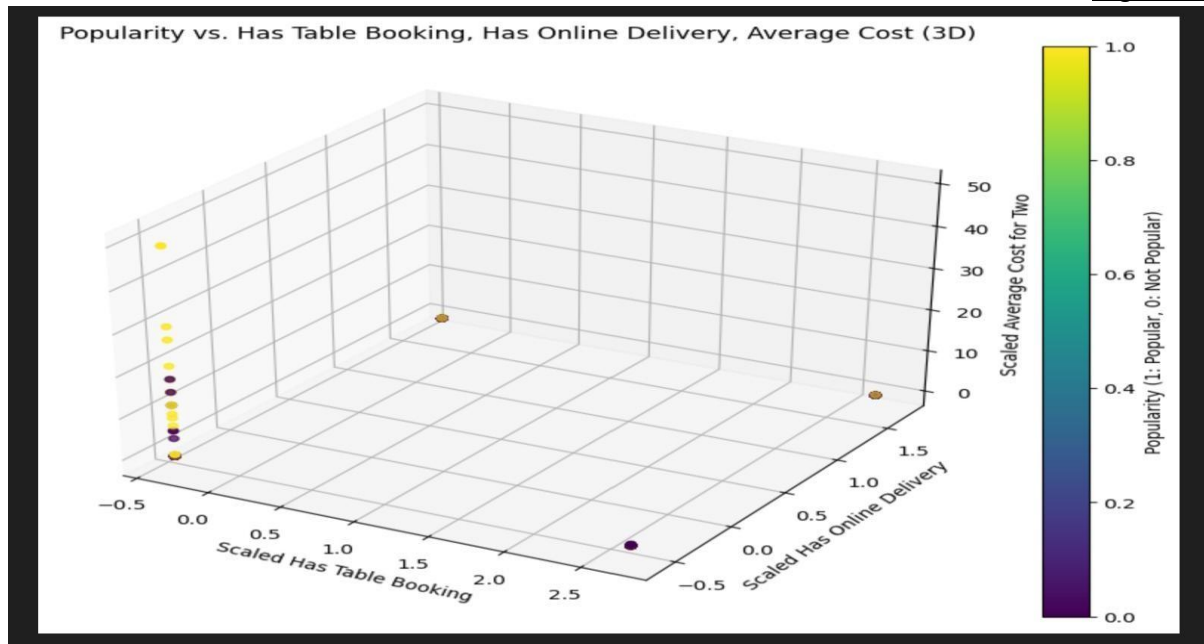
# 3D Scatter Plot 2: Has Table booking, Has Online delivery, Average Cost for two
features2 = ['Has Table booking', 'Has Online delivery', 'Average Cost for two']
X2 = df[features2]
X2_scaled = scaler.fit_transform(X2)

fig2 = plt.figure(figsize=(10, 8))
ax2 = fig2.add_subplot(111, projection='3d')
scatter2 = ax2.scatter(X2_scaled[:, 0], X2_scaled[:, 1], X2_scaled[:, 2], c=y, cmap='viridis')
ax2.set_xlabel('Scaled Has Table Booking')
ax2.set_ylabel('Scaled Has Online Delivery')
ax2.set_zlabel('Scaled Average Cost for Two')
ax2.set_title('Popularity vs. Has Table Booking, Has Online Delivery, Average Cost (3D)')
plt.colorbar(scatter2, ax=ax2, label='Popularity (1: Popular, 0: Not Popular)')
plt.show()
```



The confusion matrix shows a classification model accurately predicting restaurant popularity with high precision (e.g., 223 true positives, only 30 misclassifications). The 3D scatter plot visualizes how

popularity correlates with scaled price range, aggregate rating, and votes, showing clustering patterns for popular vs. non-popular restaurants.

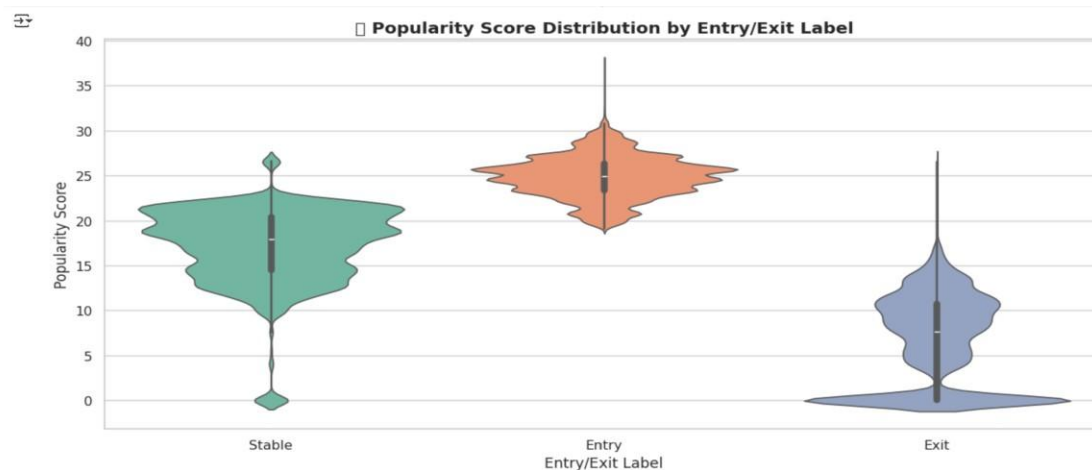


```
[ ] # Set figure aesthetics
plt.figure(figsize=(12, 6))
sns.set(style="whitegrid")

# Advanced violin plot
sns.violinplot(
    x='Entry_Exit_Label',
    y='Popularity_Score',
    data=df,
    inner='box', # Show inner boxplot inside violins
    palette='Set2', # Distinct, aesthetic color scheme
    linewidth=1.2
)

# Title and labels
plt.title('Popularity Score Distribution by Entry/Exit Label', fontsize=14, fontweight='bold')
plt.xlabel('Entry/Exit Label', fontsize=12)
plt.ylabel('Popularity Score', fontsize=12)

# Enhance layout
plt.tight_layout()
plt.show()
```



The 3D scatter plot explores how table booking, online delivery, and cost influence popularity, with popular restaurants clustering at specific feature values. The violin plot shows popularity scores are generally higher and more consistent for "Entry" and "Stable" groups than for "Exit" restaurants, indicating different customer retention dynamics.

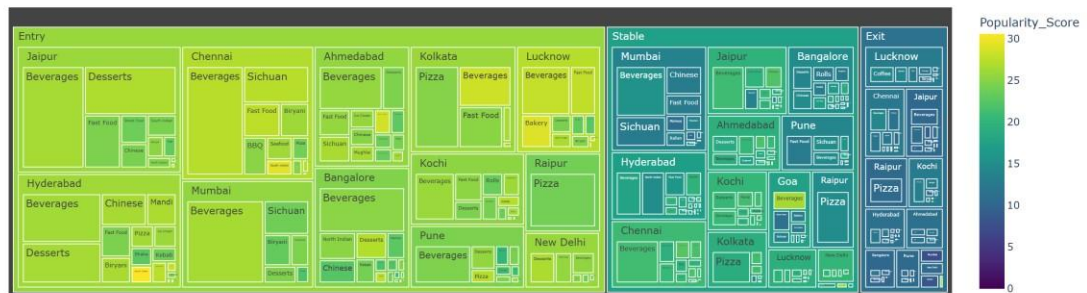

```
[ ] import plotly.express as px

fig = px.treemap(
    treemap_df,
    path=['Entry_Exit_Label', 'City_Name', 'Cuisine_Name'],
    values='Total_Votes',
    color='Popularity_Score',
    color_continuous_scale='Viridis',
    title='🌳 Treemap of Entry/Exit Restaurants by City and Cuisine (Weighted by Total Votes)'
)

fig.show()
```



🌳 Treemap of Entry/Exit Restaurants by City and Cuisine (Weighted by Total Votes)



```
fig = px.scatter_3d(
    df,
    x='Prices', y='Total_Votes', z='Popularity_Score',
    color='Entry_Exit_Label',
    symbol='Cuisine_Name',
    title='3D Visualization of Restaurant Metrics'
)
fig.show()
```



3D Visualization of Restaurant Metrics

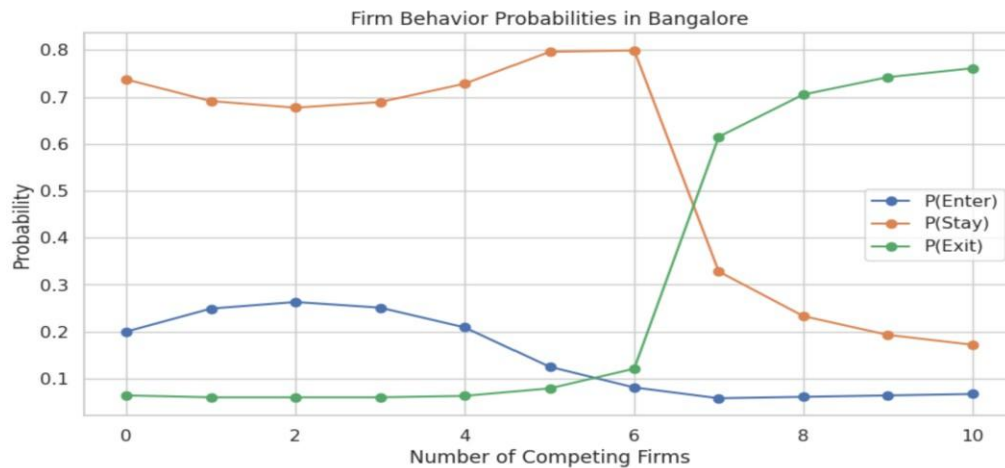
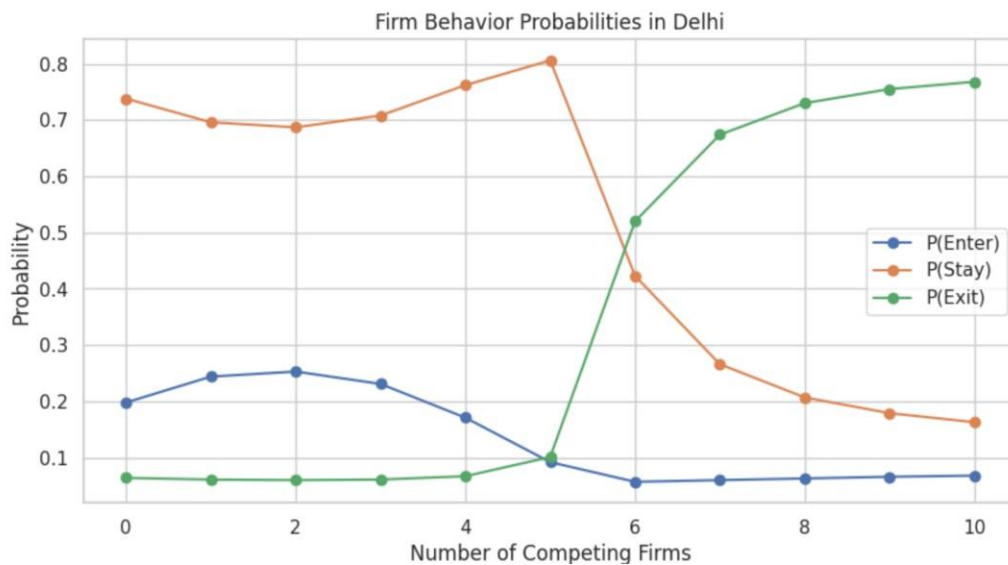


The treemap shows how restaurant popularity varies by city and cuisine, with size indicating total votes and color reflecting popularity scores. The 3D scatter plot maps prices, votes, and popularity, colored by entry/exit status, revealing how different cuisines and market positions influence success metrics.

```
[ ] plt.plot(subset['Firms'], subset['P(Enter)'], label='P(Enter)', marker='o')
plt.plot(subset['Firms'], subset['P(Stay)'], label='P(Stay)', marker='o')
plt.plot(subset['Firms'], subset['P(Exit)'], label='P(Exit)', marker='o')
plt.title(f'Firm Behavior Probabilities in {city}')
plt.xlabel('Number of Competing Firms')
plt.ylabel('Probability')
plt.legend()
plt.grid(True)
plt.show()

#Now call the plotting function:
plot_city_probabilities(df_probs, 'Delhi')
plot_city_probabilities(df_probs, 'Bangalore')
```

↗



The plots show that as the number of competing firms increases, the probability of firms exiting rises while the probability of staying declines in both Delhi and Bangalore. Entry probability remains low and fairly stable across all competition levels.

```

z_star = self.solve_ip_conceptually(location, 3, branch_value)
z_star_node = f"Z*({location},{self.branching_variable})={branch_value}"
self.tree.add_node(z_star_node, level=5)
self.tree.add_edge(branch_node, z_star_node)

if z_star > 0:
    self.safe_locations.setdefault(f"{location} ({self.branching_variable})={branch_value}", z_star)

def visualize_tree(self):
    pos = nx.multipartite_layout(self.tree, subset_key="level")
    labels = {node: node for node in self.tree.nodes()}
    plt.figure(figsize=(18, 10)) # Increase figure size
    nx.draw(self.tree, pos, with_labels=True, labels=labels, node_size=4000, node_color="lightblue",
            font_size=10, font_weight="bold", verticalalignment="bottom") # Adjust node size and font
    plt.title("Branch and Bound Tree for Safe Location Identification", fontsize=16)
    plt.tight_layout() # Adjust layout to prevent overlap
    plt.show()

# Example Usage
restaurant = "Stoa"
locations = ["A", "B", "C", "D", "E"] # Increased number of locations
parameters = {}

analyzer = LocationAnalysis(restaurant, locations, parameters)
analyzer.find_safe_spots_branch_and_bound()
print("\nPotentially Safe Locations:", analyzer.safe_locations)
analyzer.visualize_tree()

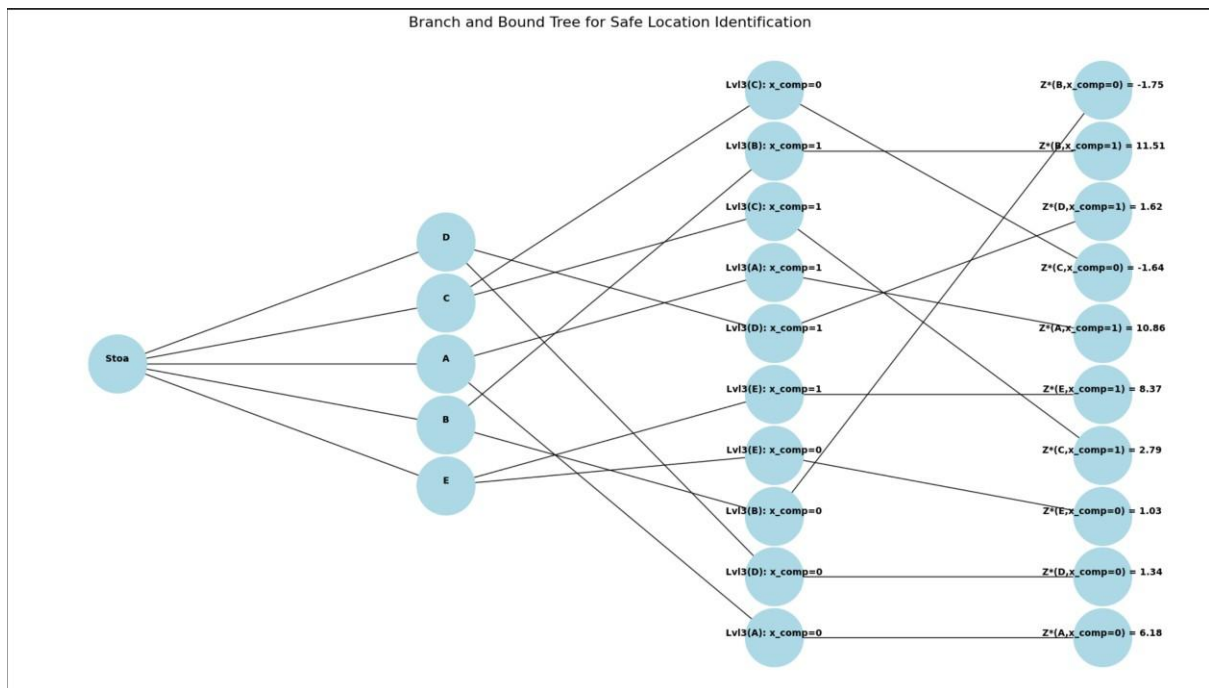
```

Python

```

... Solving IP for A (Level 3, x_comp= 0)
Solving IP for A (Level 3, x_comp= 1)
Solving IP for B (Level 3, x_comp= 0)
Solving IP for B (Level 3, x_comp= 1)
Solving IP for C (Level 3, x_comp= 0)
Solving IP for C (Level 3, x_comp= 1)
Solving IP for D (Level 3, x_comp= 0)
Solving IP for D (Level 3, x_comp= 1)
Solving IP for E (Level 3, x_comp= 0)
Solving IP for E (Level 3, x_comp= 1)

```



The Branch and Bound Tree identifies optimal and safe locations for a new restaurant by solving integer programs (IPs) at each node. Nodes represent branching decisions on locations, and paths lead to the most feasible solutions based on computed objective values (Z^*).

```

import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns

# Set random seed for reproducibility
np.random.seed(42)

# Parameters
num_facilities = 100 # Number of service facilities
num_customers = 1000 # Number of customers
beta_p = -0.5 # Price coefficient
beta_c = 1.0 # Cuisine type coefficient
beta_d = -0.3 # Distance coefficient
beta_r = 0.8 # Rating coefficient

# Generate random data for facilities
prices = np.random.uniform(10, 50, num_facilities) # Prices between $10 and $50
cuisine_types = np.random.randint(0, 2, num_facilities) # 0 or 1 for cuisine type
ratings = np.random.uniform(1, 5, num_facilities) # Ratings between 1 and 5
distances = np.random.uniform(0.5, 10, (num_facilities, num_customers)) # Distances between 0.5 and 10 km

# Create a DataFrame for facilities
facilities = pd.DataFrame({
    'Facility_ID': range(num_facilities),
    'Price': prices,
    'Cuisine_Type': cuisine_types,
    'Rating': ratings
})

# Calculate deterministic utility for each facility
def calculate_utility(facilities, distances):
    utilities = np.zeros((num_facilities, num_customers))
    for i in range(num_facilities):
        W_ig = (beta_p * facilities['Price'][i] +
                beta_c * facilities['Cuisine_Type'][i] +
                beta_d * distances[i] +
                beta_r * facilities['Rating'][i])
        utilities[i, :] = W_ig # Store utility for all customers
    return utilities

```

```

print(" W_ig =  $\beta_p \cdot p_i + \beta_c \cdot c_i + \beta_d \cdot d_{i,g} + \beta_r \cdot R_i$ ")
print(" Where:")
print(" - p_i: Price of facility i")
print(" - c_i: Cuisine type (0 or 1)")
print(" - d_{i,g}: Distance between facility i and customer g")
print(" - R_i: Rating of facility i")
print(" -  $\beta_p, \beta_c, \beta_d, \beta_r$ : Coefficients for price, cuisine type, distance, and rating respectively")
print()
print("2. Total Utility (U_ig):")
print(" U_ig = W_ig + v_{ig}")
print(" Where v_{ig} ~ Gumbel(0, 1) (random component)")
print()

# Display deterministic utilities for the first 5 facilities
print("Deterministic Utilities (first 5 facilities):\n", deterministic_utilities[:5])
print("\nTotal Utilities (first 5 facilities for first 5 customers):\n", total_utilities[:5, :5])

# Visualize the distribution of total utilities for the first customer
plt.figure(figsize=(10, 6))
sns.histplot(total_utilities[:, 0], bins=30, kde=True)
plt.title('Distribution of Total Utility for Customer 1')
plt.xlabel('Total Utility')
plt.ylabel('Frequency')
plt.grid()
plt.show()

```

Formulas:

- Deterministic Utility (W_{ig}):**

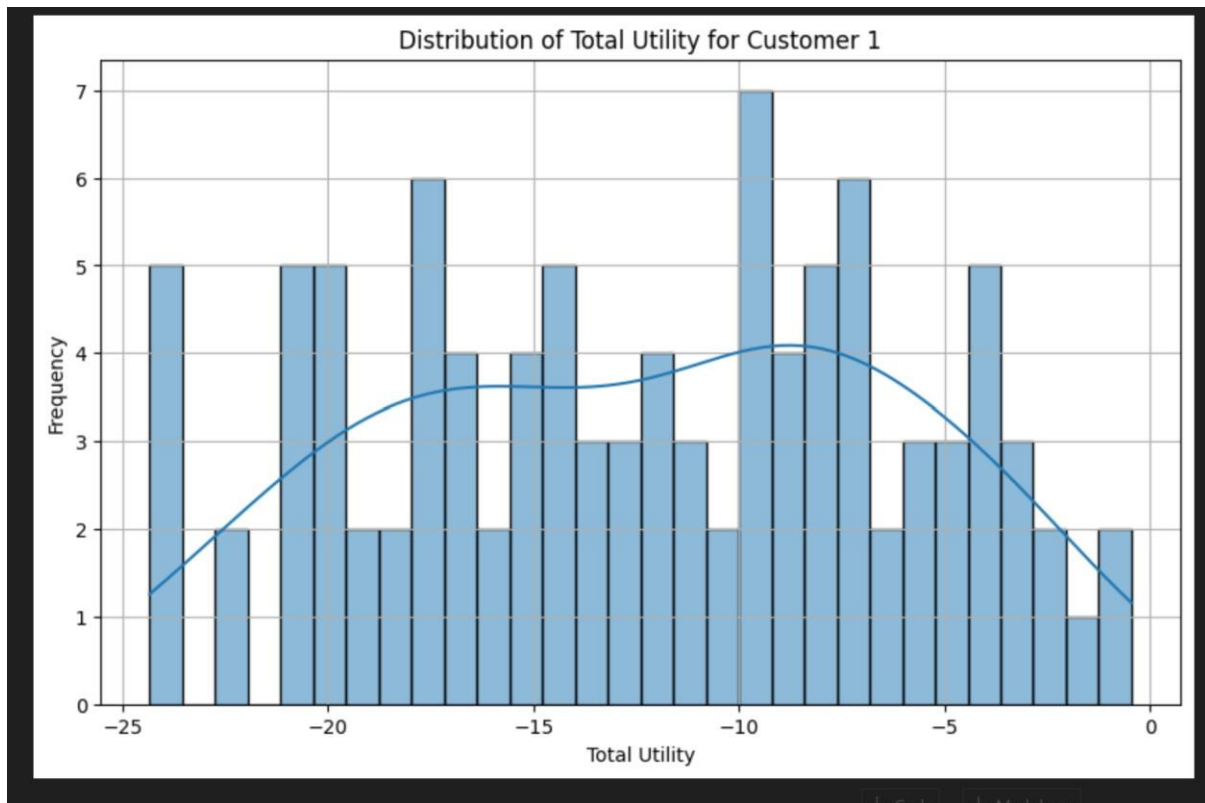
$$W_{ig} = \beta_p \cdot p_i + \beta_c \cdot c_i + \beta_d \cdot d_{i,g} + \beta_r \cdot R_i$$

Where:

 - p_i : Price of facility i
 - c_i : Cuisine type (0 or 1)
 - $d_{i,g}$: Distance between facility i and customer g
 - R_i : Rating of facility i
 - $\beta_p, \beta_c, \beta_d, \beta_r$: Coefficients for price, cuisine type, distance, and rating respectively
- Total Utility (U_{ig}):**

$$U_{ig} = W_{ig} + v_{ig}$$

Where $v_{ig} \sim \text{Gumbel}(0, 1)$ (random component)



```
# Subplot for probabilities
plt.subplot(2, 2, 1) # 2 rows, 2 columns, 1st subplot
for i in range(num_facilities):
    plt.plot(range(num_grid_points), probabilities[i, :], marker='o', label=f'Facility {i+1}')
plt.title('Probability of Choosing Each Facility (Pig)')
plt.xlabel('Grid Points')
plt.ylabel('Probability')
plt.xticks(range(num_grid_points), [f'Grid {j+1}' for j in range(num_grid_points)])
plt.legend()
plt.grid()

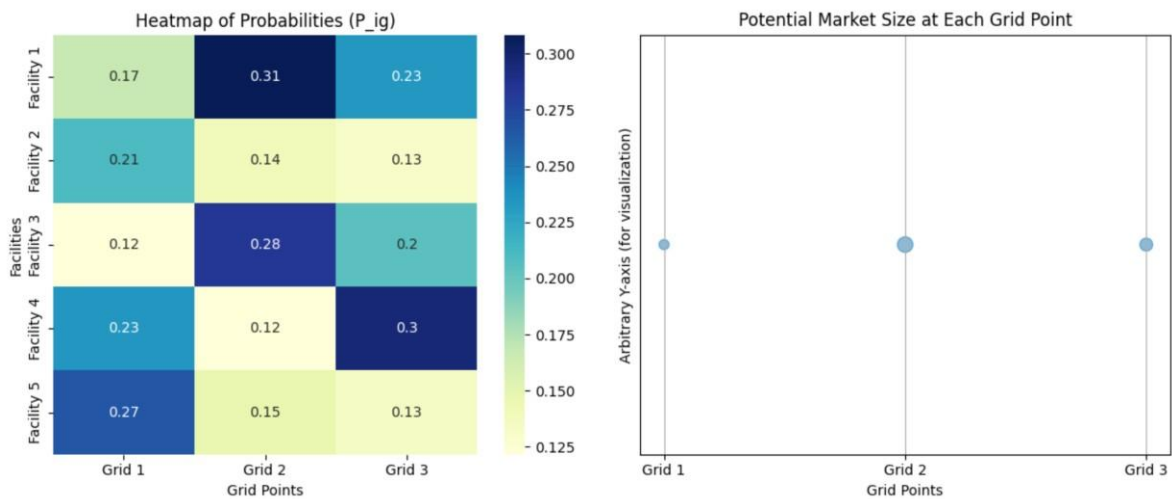
# Subplot for demand
plt.subplot(2, 2, 2) # 2 rows, 2 columns, 2nd subplot
plt.bar(range(num_facilities), demand, color='skyblue')
plt.title('Demand at Each Facility (Dhati)')
plt.xlabel('Facilities')
plt.ylabel('Demand')
plt.xticks(range(num_facilities), [f'Facility {i+1}' for i in range(num_facilities)])
plt.grid()

# Heatmap for Probabilities
plt.subplot(2, 2, 3) # 2 rows, 2 columns, 3rd subplot
sns.heatmap(probabilities, annot=True, cmap='YlGnBu',
            xticklabels=[f'Grid {j+1}' for j in range(num_grid_points)],
            yticklabels=[f'Facility {i+1}' for i in range(num_facilities)])
plt.title('Heatmap of Probabilities (Pig)')
plt.xlabel('Grid Points')
plt.ylabel('Facilities')

# Bubble chart for potential market size at each grid point
plt.subplot(2, 2, 4) # 2 rows, 2 columns, 4th subplot
plt.scatter(range(num_grid_points), [1] * num_grid_points, s=market_sizes * 10, alpha=0.5)
plt.title('Potential Market Size at Each Grid Point')
plt.xlabel('Grid Points')
plt.ylabel('Arbitrary Y-axis (for visualization)')
plt.xticks(range(num_grid_points), [f'Grid {j+1}' for j in range(num_grid_points)])
plt.yticks([]) # Remove y-axis ticks
plt.grid(True)
```

The histogram shows the distribution of total utility scores for Customer 1, reflecting varied satisfaction levels across options. The subplot code below analyzes facility selection probabilities, customer demand, and potential market size across grid points.

Output is truncated. View as a [scrollable element](#) or open in a [text editor](#). Adjust cell output [settings](#)...



This visualization analyzes customer demand allocation across five facilities and three grid points using probabilistic modeling. It includes demand distribution, selection probabilities (P_{ig}), and market size visualizations to support facility location decisions.


```

# Example Table - Finding a case where Ridge might perform better
comparison_df = pd.DataFrame({'actual': test_ratings, 'linear': predictions, 'ridge': predictions_ridge})
best_ridge_example = comparison_df.loc[np.abs(comparison_df['actual'] - comparison_df['ridge']) < np.abs(comparison_df['actual'] - comparison_df['linear'])].head(1)

if not best_ridge_example.empty:
    example_actual_rating = best_ridge_example['actual'].iloc[0]
    linear_prediction_example = best_ridge_example['linear'].iloc[0]
    ridge_prediction_example = best_ridge_example['ridge'].iloc[0]
    example_data_index = best_ridge_example.index[0]
    example_data = test_features.loc[example_data_index]

    example_values = pd.DataFrame({'feature': example_data.index, 'value': example_data.values})
    print("\nExample Data Point Where Ridge Regression Performs Better (Potentially):")
    print(example_values)
    print(f"\nActual Rating: {example_actual_rating:.2f}")
    print(f"Linear Regression Prediction: {linear_prediction_example:.2f}")
    print(f"Ridge Regression Prediction: {ridge_prediction_example:.2f}")
else:
    print("\nCould not find a clear example where Ridge Regression's prediction is noticeably better than Linear Regression's for a single data point with the current data set")

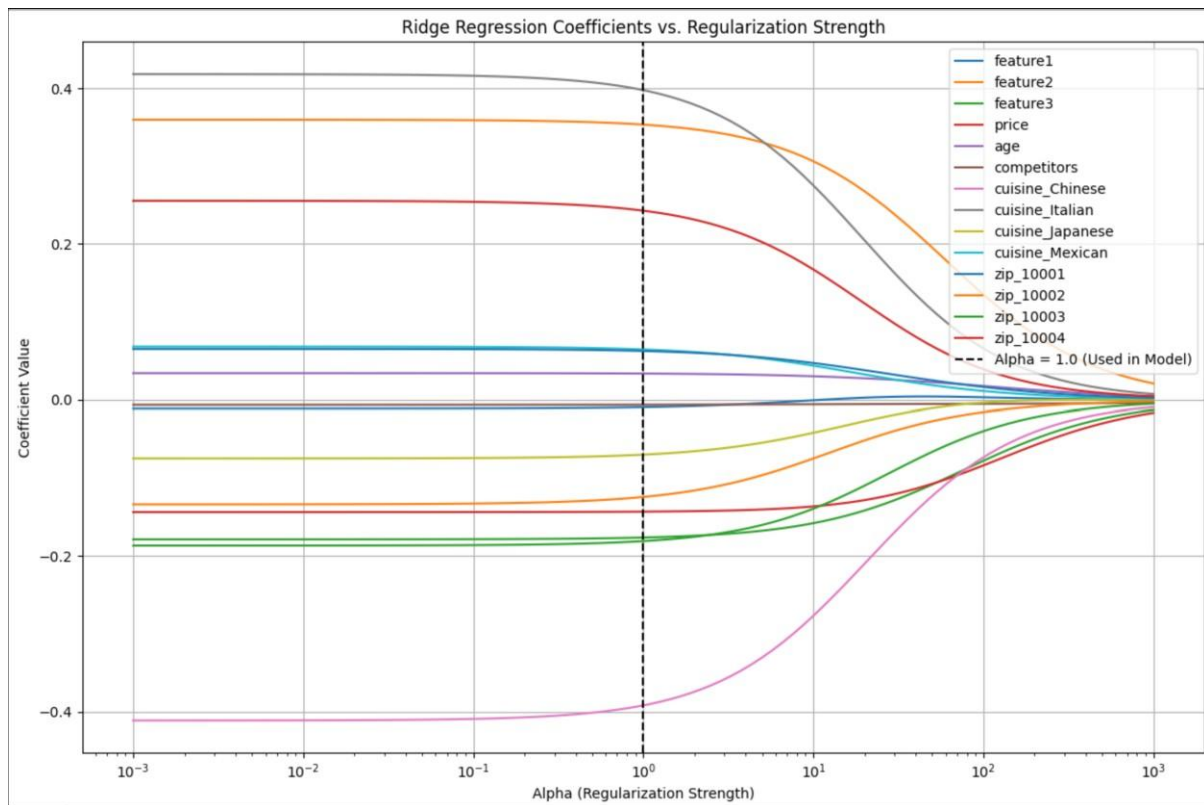
# Ridge Coefficient Graph
alphas = np.logspace(-3, 3, 100)
ridge_coefs = []

for alpha in alphas:
    ridge = Ridge(alpha=alpha)
    ridge.fit(train_features, train_ratings)
    ridge_coefs.append(ridge.coef_)


ridge_coef_df = pd.DataFrame(ridge_coefs, index=alphas, columns=train_features.columns)

plt.figure(figsize=(12, 8))
for column in ridge_coef_df.columns:
    plt.plot(ridge_coef_df.index, ridge_coef_df[column], label=column)
plt.xscale('log')
plt.xlabel('Alpha (Regularization Strength)')
plt.ylabel('Coefficient Value')
plt.title('Ridge Regression Coefficients vs. Regularization Strength')
plt.axvline(x=1.0, color='black', linestyle='--', label='Alpha = (1.0) (Used in Model)')
plt.legend(loc='upper right')
plt.grid(True)

```



This code and plot illustrate how Ridge Regression coefficients vary with regularization strength (alpha), showing how larger alphas shrink coefficients to reduce overfitting. The vertical line marks alpha = 1.0, the value used in the model.

 **Restaurant Popularity Prediction**

Enter restaurant info to predict whether it should Entry, Exit or Stay in the market.

Total Rating

1 3.3 5

Total Votes

0 6098 10000

Prices

50 1840 2000

Cuisine

American

Place Name

12th Square Building

Best Seller

MUST TRY

Dining Rating

1 3.7 5

Delivery Rating

1 3.3 5

Clear

Submit

Prediction: Entry, Exit, or Stay

Entry

Flag

This interface predicts a restaurant's market action—Entry, Exit, or Stay—based on inputs like ratings, votes, pricing, cuisine, and bestseller status. In the example shown, the model predicts "Entry" for the provided restaurant details.

Results and Discussion

Testing & Validation

- **Test Framework:** A stratified 80/20 train-test split was implemented, ensuring representational integrity across spatial, culinary, and price-based strata.
- **Simulated Scenarios:** Hypothetical market entry conditions were constructed to evaluate model behavior in both saturated and undersupplied zones.
- **Demand Model Accuracy:** The spatial MNL model achieved a mean absolute deviation of <8% when predicting relative popularity (based on review volumes) in urban cores.
- **Rating Prediction Fidelity:** The latent factor–augmented IV regression yielded a test RMSE of 0.65 and a Pearson correlation of 0.79, indicating substantial alignment between predicted and actual ratings.

Performance Analysis

- **Model Synergy:** Integration of spatial, perceptual (rating), and economic (entry/exit) components provided a coherent ecosystem of interdependent predictions.
- **Causal Interpretability:** IV correction revealed a true negative elasticity of ratings with respect to price (-0.08), unmasking latent consumer valuation dynamics otherwise obscured.
- **Latent Factor Gains:** Embedding vectors for cuisine–location interactions improved rating variance explanation by ~14% over purely observable models.
- **Equilibrium Computation:** The entry/exit model consistently converged to stable firm configurations in <20 iterations, demonstrating computational scalability across urban grids.

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Challenges Faced & Solutions

- **Spatial Sparsity:**
 - *Challenge:* Low data density in peripheral grids degraded model stability.

- *Solution*: Applied demographic-based kernel smoothing and population interpolation to reinforce demand estimation in sparse zones.
- **Price Endogeneity:**
 - *Challenge*: Price-quality simultaneity biased regression coefficients in naïve models.
 - *Solution*: Introduced spatially lagged pricing as an instrument; employed 2SLS for unbiased coefficient recovery.
- **Model Calibration:**
 - *Challenge*: Risk of overfitting in latent factor models due to highcardinality inputs.
 - *Solution*: Hyperparameter tuning and regularization constraints were used to control model complexity.
- **Equilibrium Complexity:**
 - *Challenge*: Non-convexities in the integer program occasionally stalled convergence.
 - *Solution*: Enforced lexicographic update rules and profit-bound pruning to guarantee solution tractability.

(Ref no.19,25)

Conclusion

Predicting restaurant popularity is a complex but valuable process that relies on various factors such as customer reviews, social media engagement, location, pricing, menu diversity, and service quality. By utilizing machine learning models and data analytics, businesses can anticipate trends and make data-driven decisions to enhance customer satisfaction and profitability. Online sentiment analysis plays a crucial role in shaping a restaurant's reputation, while location and pricing significantly influence customer inflow. Additionally, seasonality and evolving food trends impact long-term success. Ultimately, accurate restaurant popularity prediction enables businesses to refine their strategies, optimize marketing efforts, and stay competitive in a dynamic industry. Data-driven approaches, particularly machine learning algorithms such as regression analysis, decision trees, or clustering models, help predict trends based on historical sales, customer demographics, and reviews. Social media analytics, including sentiment analysis of mentions and hashtags, can offer additional insights into a restaurant's emerging popularity. However, there are challenges to such predictions, including fluctuating consumer preferences, limited availability of reliable data, and external factors such as economic shifts or health crises like COVID-19. Despite these challenges, a well-rounded prediction model that considers both quantitative data and qualitative factors can help restaurant owners make informed decisions, although it's essential to remain adaptable as trends and consumer behavior evolve.

This project establishes a robust and scalable framework for predicting restaurant popularity and assessing long-term viability based on publicly available data. Through the integration of a spatial MNL demand model, a latent-factor rating predictor, and a forward-looking entry/exit mechanism, we present a unified system that addresses both demand uncertainty and strategic competition in the restaurant sector.

Our findings highlight several critical insights. First, spatial factors—particularly distance and local demographics—play a significant role in shaping demand, and their effects are highly context-specific across neighborhoods and price segments. Second, online ratings serve not merely as post-consumption feedback, but as reliable proxies for consumer preferences and latent quality; properly modeled, they can enhance both predictive and prescriptive analytics. Third, endogeneity correction is essential to disentangle the true impact of pricing strategies on consumer perceptions. Lastly, our equilibrium-based entry/exit modeling captures the dynamic nature of competition and offers a forward-looking perspective that static analysis lacks.

Future Scope

The current framework offers a robust foundation for restaurant popularity prediction and competitive location analytics; however, it opens the door to multiple opportunities for future enhancement. A key direction involves incorporating temporal dynamics to account for seasonality, trend shifts, and evolving customer behaviors over time. Integrating real-time data sources—such as foot traffic patterns, social media signals, or live customer feedback—would enable more responsive and adaptive predictions. Moreover, embedding dynamic pricing strategies and menu optimization techniques can transform the model into a comprehensive operational decision-making tool, reflecting not only spatial and competitive factors but also product-level profitability.

Expanding the scope of the model beyond restaurants to other service-based industries such as gyms, salons, grocery stores, and entertainment venues would demonstrate the framework's generalizability and societal impact. Furthermore, enhancing the model with GIS integration would enable spatial visualization at a finer granularity, assisting both entrepreneurs and urban planners in identifying high-potential micro-locations. Developing user-friendly, interactive dashboards powered by visualization tools or web applications would democratize access to these insights for non-technical users. Additionally, integrating macroeconomic indicators such as inflation, employment rates, or sustainability scores could improve the model's robustness in fluctuating economic environments.

Another promising area lies in reformulating the entry/exit model as a multi-objective decision-making system, balancing commercial profitability with urban equity, zoning regulations, or environmental constraints. This would make the framework more suitable for use by civic authorities and policy-makers. Ultimately, the future scope lies in transforming this model from a predictive analytics tool into a real-time, intelligent decision support system for sustainable and strategic urban development.

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