Introduction and Business Problem

An investor is keen on setting up a modern mid-priced Chinese restaurant within the downtown area in Toronto, and would like to know which neighbourhood is most suitable.

The target customers of this planned restaurant are the people who work in the area (which will form the primary target segment for weekday lunch and to some extent weekday dinners), and people who live within the vicinity (which will be the target segment for weekends and weekday dinners).

However, the investor is most concerned about competition, both in terms of the choice of Chinese restaurants in the vicinity, and also the quality of those restaurants. Additionally, as the restaurant will be opened throughout the day (from 11:30am till 9:30pm), the neighbourhood should ideally have a reasonable number and good mix of venues and establishments that will ensure that there are potential customers all day.

Data

In order to narrow down the list of neighbourhoods to set up the Chinese restaurant, we need to understand the venues and establishments within the vicinity. Hence, we can use Foursquare location data for this purpose.

Specifically, we can use Foursquare API to: (a) find the top venues in each neighbourhood to determine their mix and characteristics as well as the presence of Chinese restaurants; and (b) perform search queries to get the overall rating for specific Chinese restaurants to determine competition strength.

Through the extraction and analysis of Foursquare data, we hope to be able to recommend a neighbourhood most suitable for the investor to set up the Chinese restaurant based on the criteria set.

This analysis can be supplemented by on-site visits to the neighbourhood to locate potential premises to rent as well as further in-depth due diligence, which will be outside of scope of this exercise.