# Introduction

According to statistics, 40% of new business ventures fail within their first year [1]. One of the reasons that have been linked to these failures is inadequate market research by the new venture, which relates to the business understanding their potential clients that they will be serving, the potential competition and gaps in the market where they are trying to enter.

Understanding the market can help evaluate the decision of whether to go ahead with a business or not as well as the best way to take advantage of market gaps.

# Business Problem

A client has approached us to help them identify the best location for a burger restaurant in the Northern suburbs of Johannesburg, South Africa.

From research and discussions with the client, it is apparent that two important factors have to be met in order for a location to be considered suitable for a burger restaurant:

1. *Youth driven Demographics:*

Areas where there are teenagers and young adults would be suitable locations. This could be identified by high schools, colleges and clubs.

1. Middle to high income households

Middle to high income households neighborhoods are the most desirable as they are where the residents will afford to have or buy restaurant meals on a regular basis.

1. *Low number of competitors in the area*

There must be a low number of burger restaurants in the area. A high number of restaurants in general may give an indication that the restaurant scene in the area is vibrant, but low number of burger restaurants is what is desired (i.e., areas where the least common restaurants are burger restaurants).

The problem statement is then to determine the areas with the best demographics (high schools, colleges and clubs, as well as middle to high income households) that have the lowest number of burger restaurants.

**References**

1. Bowler, A., Dawood, M.S. & Page, S. (2007). Entrepreneurship and Small business Management. Pretoria: Juta & Co. Ltd