

# Contribution title

Julian Ruppel, Johannes Weber, Tobias Rasbold, Hannes Quade, and Joshua Braun

<sup>1</sup> SRH Fachhochschule, Heidelberg, Germany

<https://www.hochschule-heidelberg.de>

<sup>2</sup> @uni-heidelberg.de

**Abstract.** By that time many people have the ambition to be self-employed and want to start a restaurant business. But to run a restaurant can be risky due to lots of different requirements. A well-conceived idea for a restaurant is necessary to be successful and competitive. The purpose of the thesis is to find a suitable location for opening a restaurant in Germany based on significant aspects as well as reaching the mentioned financial specifications of investment. Therefore it was necessary to collect data from different data sources. For restaurants the restaurant review online platform yelp was used. The data included key figures such as restaurant name, food category, rating and location. Furthermore some data sources with key figures like the population, the buying power and the rent average for industrial buildings were collected for all cities of Germany. The aim was to fit a statistical model for the mentioned key figures to find the best cities for starting a restaurant business in Germany. For the financial aspects it was used a benchmark of Germany's catering industry to get reference values for the investors restaurant.

**Keywords:** First keyword · Second keyword · Another keyword.

## 1 Introduction

Nowadays lots of people want to realize their dream to start an own business - mostly its associated with a own restaurant. But a own restaurant business is not for everyone because you have to deal with a lot of different requirements. First of all, a well-conceived concept is absolutely necessary. Therefore you have to ask yourself several types of questions: What kind of food should you offer? What kind of people should address the restaurant? How should the restaurant look like? Where should it be located? All these factors should be well-matched to have a unique feature as a restaurant and to be competitive. The purpose of the thesis is to create a good and clear concept for a new restaurant business, especially to find a good location for opening a restaurant in Germany based on different facts as well as reaching the mentioned financial specifications of the investors. The first step for answering these questions was to collect some data from a restaurant online platform. A very popular one is obviously yelp. The yelp website offers an API which was connected with python scripts to collect the restaurant data, e.g. name, rating, location and so on. There were some other important key figures that help to find an appropriate location, especially the dataset with all of Germany's cities and its population as well as the datasets including the buying power and the rent average for industrial buildings. All the collected data were stored in the Google Cloud Platform with the help of python scripts, more precisely in it's Datastore which is a NoSQL document database. From there it was possible to create a postgresSQL instance with the fully-managed relational database service, the so called Google Cloud SQL. For a significant analysis of the raw datasets it was necessary to clean it thoroughly. This was made with the help of python scripts and different database queries. The idea was to fit a statistical model for the mentioned key figures to find out the best cities for starting a restaurant business in Germany. For the financial aspects it was used a benchmark of Germany's catering industry which included lots of different key figures like the number of guests per day or the average consumption per guest as well as the revenues and expenses in detail. to be continued...

## 2 Literature Synthesis

Essentially there are lots of different papers in the world wide web which are running in that restaurant business direction but most of them do have entirely different points of view. The focus of other papers was only on a specific partition of it like siting of a restaurant or the impact of online ratings.

Last-named aspect belongs to the paper from Havard Unversity[4]. In this the author writes about the significant influence of yelp user ratings on the revenue of restaurants from data of Washington's State Department of Revenue and proves it with statistical models. This is definitely a good insight but focusses as mentioned on just one specific partition of the restaurant business. Further it was not possible to use restaurants revenues as a key figure for this thesis because there are no profits and losses published for independent restaurants in Germany. Only restaurant chains with a huge number of restaurant branches and a yearly turnover were available. Due to too vague estimate this was renounced for statistical purposes in this paper.

In other bachelor thesis [3] it's all about the market analysis of existing restaurants based on various research methods to discover new possible restaurant businesses. This approach relates to the evaluation of surveys for a part of Imatra's population with single questions and does not focus on online review platforms like yelp and its variety of attributes. In addition to that this paper it was not neccessary to find a suitable location because there already is one with Imatra, Finland.

## 3 Material and Methods

### 3.1 Usecase Description

Investors called SCHULPS are holding different restaurants all over the world and now they want to start a restaurant business somewhere in Germany with a budget of €650,000. As the existing restaurant types of the investors do not have a determined idea due to the different countries and cultures they are open minded for a random concept in Germany. This implies, that criterias like the location, the size or the menu of the restaurant can be chosen freely. The only requirement which is specified is that the monthly sales should be around €40,000.

### 3.2 Data Processing Pipeline

In the following its about the data processing pipeline.

*Data sources* As mentioned previously, a lot of various key figures were collected for the following data analysis relating to the restaurant business. The main data source with helpful key figures should be at least from one restaurant online review website. In this case the on-line platform of yelp was chosen. yelp is a popular community site that allows restraurants to present themselves, give visitors a star scale rating of one to five, or give visitors the opportunity to leave comments. For example, the interface Yelp Fusion provides the name of the restaurant, the type of food or the coordinates of the restaurant with latitude and longitude.

In addition to this some other datasets relating to Germany's cities were used for the data analysis:

- CSV file with the population and the area

Purchasing power is an important factor in the catering industry. It makes little sense to open a three-star restaurant in a social focus area or vice versa. A fast food business will not last long between high-end haute cuisine restaurants. In 2016, public television broadcast a

study on the quality of life in Germany. These studies included different population, city, and quality reports, with reference to external sources. One of the studies contained information on purchasing power in the cities of Germany. The report led to an external provider who had published this survey [5]. This evaluation was publicly available in the download portal of the website in portable document format and was very well suited to adapting this with a python converter in the postgres database. This attribute complements the model to determine the price level for a restaurant.

For our use case and in general, it is absolutely necessary to know how much rent you can pay in the month or year or whether you can afford a property. In search of a rent index in Germany, we first came across an open-source evaluation in .json format [1]. Unfortunately, this was only the average land prices. Thereupon the possibility opened by an interface to real estate platforms [2] to get more accurate and more up-to-date rental and land prices.

*Data ingestion* For collecting the yelp data we used the yelp API. Therefor we wrote a script with python. In the following you can some code:

*Data storage* As a storage for the datasets the Google Cloud Platform was used. Before that, it is necessary to configure it first. You have to create a GCP-Project and then put the collected data in the Google Cloud Datastore which is a NoSQL document database. From there, it was possible to create a postgresSQL instance with Cloud SQL, the fully-managed relational database service of Google Cloud. For setting up a connection a proxy or current ip address is required.

*Data cleaning* The collected datasets in the Datastore were not messy, but there was still a lot of cleaning activities to do. The yelp data itself had some inconsistencies. Especially the columns price\_range and review\_count had a lot of empty values. The price\_range was filled with the average value of €. For the column review\_count ...

Moreover the data from yelp obviously did not match exactly with the other datasets. The buying power dataset did not include all the cities, that were listed in yelp. To solve this problem the empty values were filled with the average value of Germany. The same problem occurred with the rent average dataset which was solved the same way.

*Data analysis*

## 4 Results

### 4.1 Analysis

### 4.2 Visualizations

## 5 section name

Discussion

15-20 Zeilen

Vergleich zu bisherigen Algorithmen Gab es Ausreißer, die nicht untersucht wurden?

Offene Probleme?

Ausblick



## References

1. F+B, I.d.d.W.K.: Wohnen in deutschland 2017 (2016), <http://www.sparda-wohnen2017.de/was-kostet-eine-eigene-immobilie/uebersicht-deutschland/>
2. GmbH, I.S.: Immobilienscout24 api (2018), <https://api.immobilienscout24.de/>
3. Hasan, S.F.: Market analysis to discover new restaurant business opportunities in imatra region (2015), <https://www.theseus.fi/handle/10024/95430>
4. Luca, M.: Reviews, reputation, and revenue: The case of yelp.com (2016), <https://www.hbs.edu/faculty/Pages/item.aspx?num=41233>
5. MB-Research: Mb-research kaufkraft für deutschland (2018), <http://www.mb-research.de/>