



The battle of the flavours. Optimum locations for craft-beer shops in Madrid downtown

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Overview

Craft Beer shops have emerged recently as free time places for young people to enjoy new taste and flavours, running away from industrial made beers.

This projects wants to identify the actual picture of such business in Madrid downtown, looking for opportunities to open such a shop, trying to offer new product lines differentiating from other similar shops.

The constraints to our problem will be driven by Real-State prices in a circle of 3km around Madrid city center, by neighbours young index and by the distance to other craft-made beer shops



Data Sources

- The data used for this business case has been got from Madrid city council statistical information office:

<https://www.madrid.es/portales/munimadrid/es/Inicio/El-Ayuntamiento/Estadistica/Areas-de-informacion-estadistica/Areas-de-informacion-estadistica/?vgnextfmt=default&vgnextoid=9023c9fa0b23a210VgnVCM2000000c205a0aRCRD&vgnextchannel=b65ef78526674210VgnVCM1000000b205a0aRCRD>

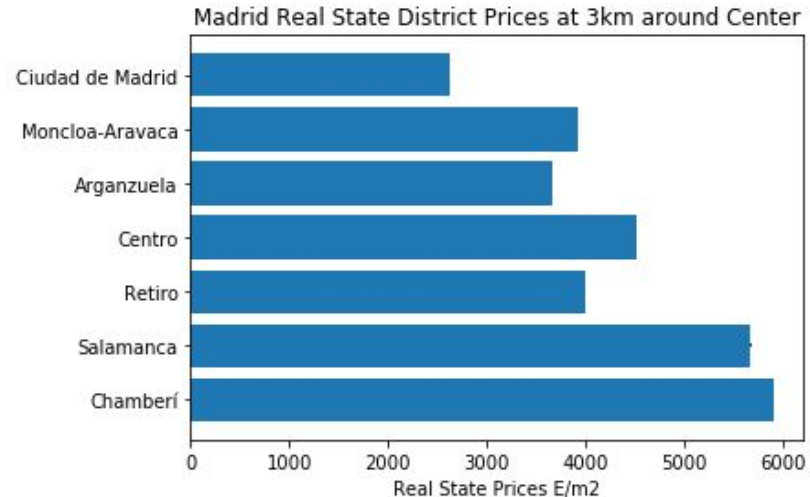
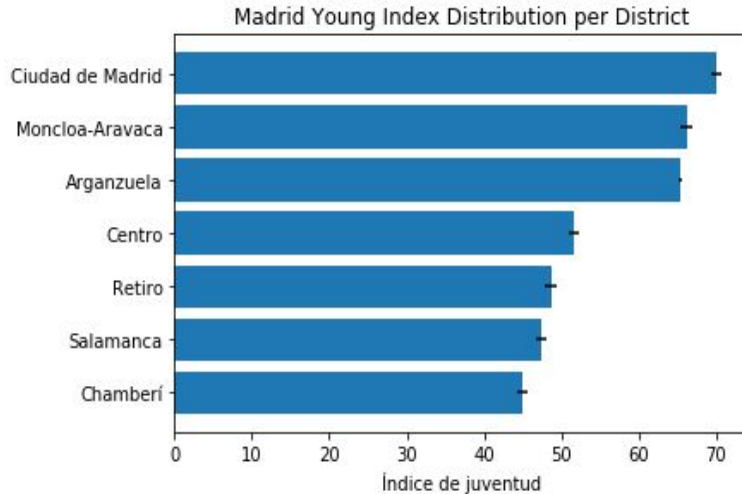
- And from Foursquare API



Methodology and Analysis (1)

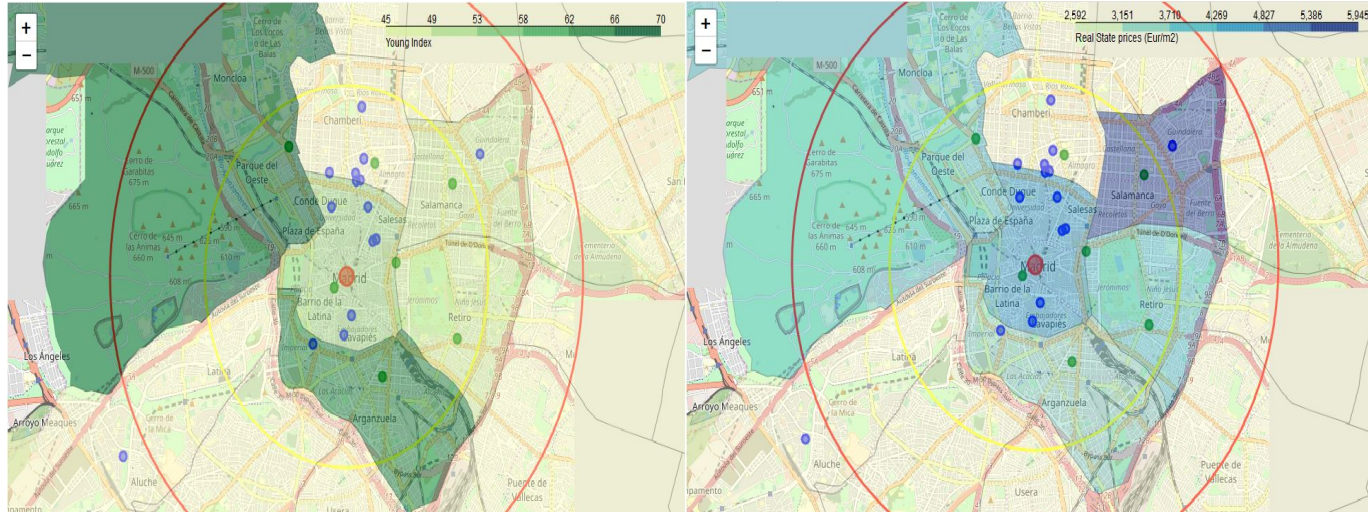
- ❖ The steps followed have been:
 1. Clean and tidy Madrid City Council data
 2. Calculate statistical information from this dataset
 3. Get queries information from Foursquare, order by categories and calculate distances information.
 4. Merged all together to get how problem constraints overlap
 5. Extract zone candidates
 6. To obtain addresses from those potential zones.

Methodology and Analysis (2)



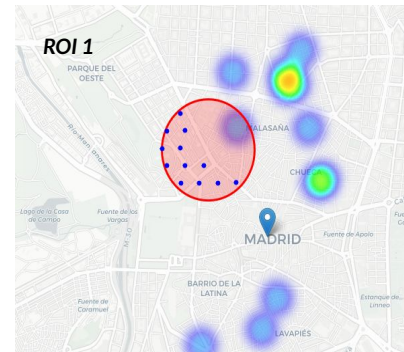
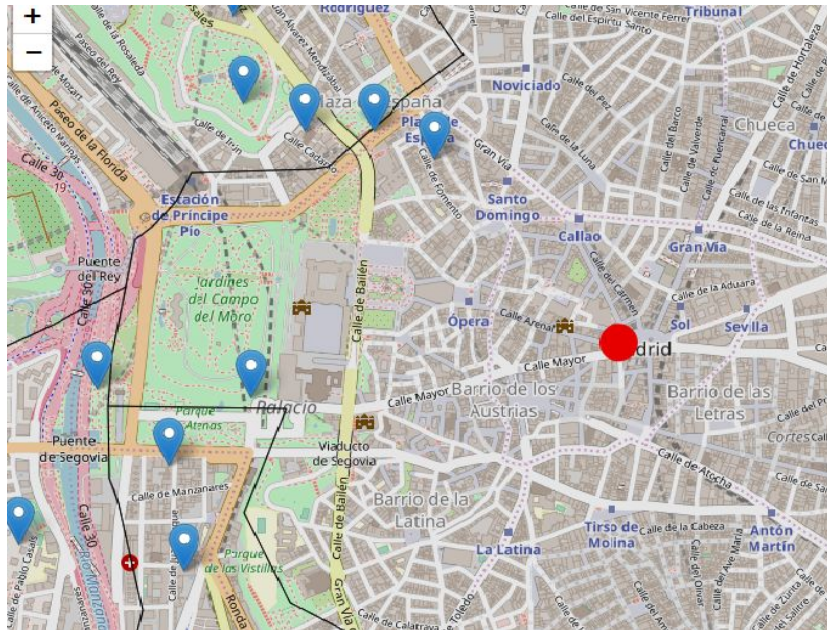
The statistical information shows that there is room for opportunities in Moncloa and Arganzuela Districts

Methodology and Analysis (3)



Craft-beer positions related to Young Index and Real -State prices.

Methodology and Analysis (4)



After restricting the zones to two regions of interest around Princesa Street and Calle Manzanares, several potential addresses have been obtained restricted to those districts and with a minimum distance of 500m to other similar shops.



Conclusions

Purpose of this project was to identify Madrid areas with low density of craft beer shops. Surprisingly, the market is not saturated like bars or restaurants, so there exists a high potential for a profitable business of such characteristics.

If we put our attention on districts close to the center with high rate of tourists and whose real-state prices are down the mean, the opportunities to be profitable increase. Also a mid to high value for the Young Index population distribution will be a good indicator to open a shop in those districts as young people tend to drink more beer than old people.



Thank you.

