

# Optimal location Migros Supermarket

Group Data Challenge

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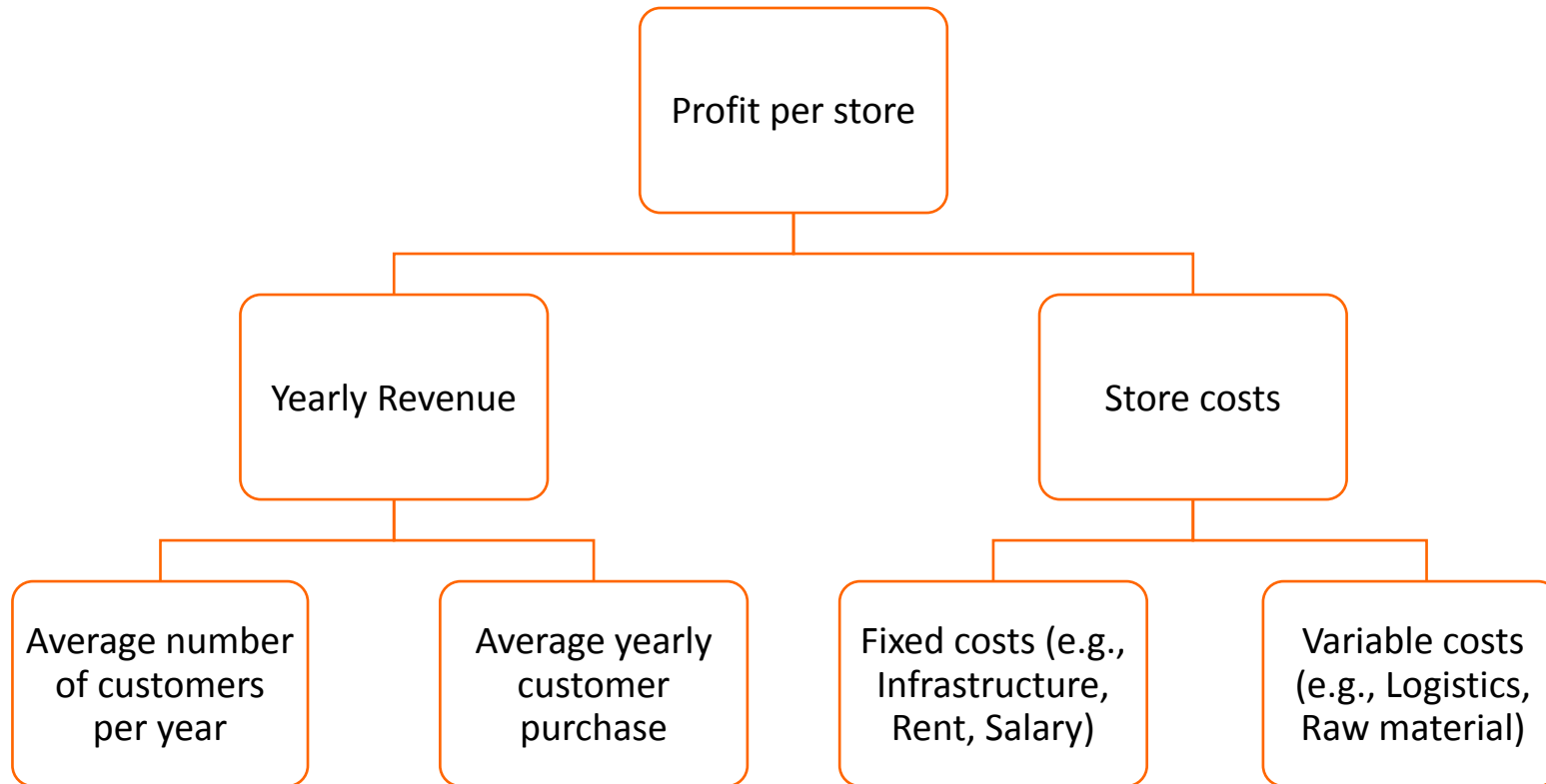
Pedro Pereira

# Structure

- Objective
- Data Gathering
- Data Understanding and Preparation
- Visualization
- Assumptions and Modelling
- Evaluation



# Objectives



Find the most profitable location for a new Migros supermarket in Zürich

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# Objectives

Find available data correlated to existing Migros store locations

Check for number and type of existing stores in the different locations

Identify most attractive location

Compile models and make evaluations

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# Data Gathering



- Density of households and people
- Public transportation data
  - Distance to next stop
  - Distance to railway station
- Building data
  - Footprint
  - Corner location



- Supermarket data
  - Location
  - Name
  - Occupancy rate
  - Type of supermarket

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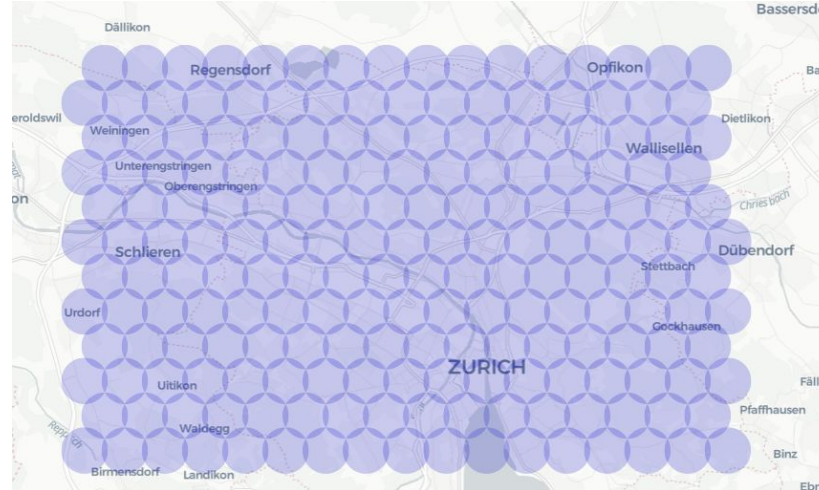
# Data Gathering



## Challenge API

Limited 60 search points

-> solution creation of evenly spaced coordinates



## Challenge Occupancy rate

Not possible with Google API

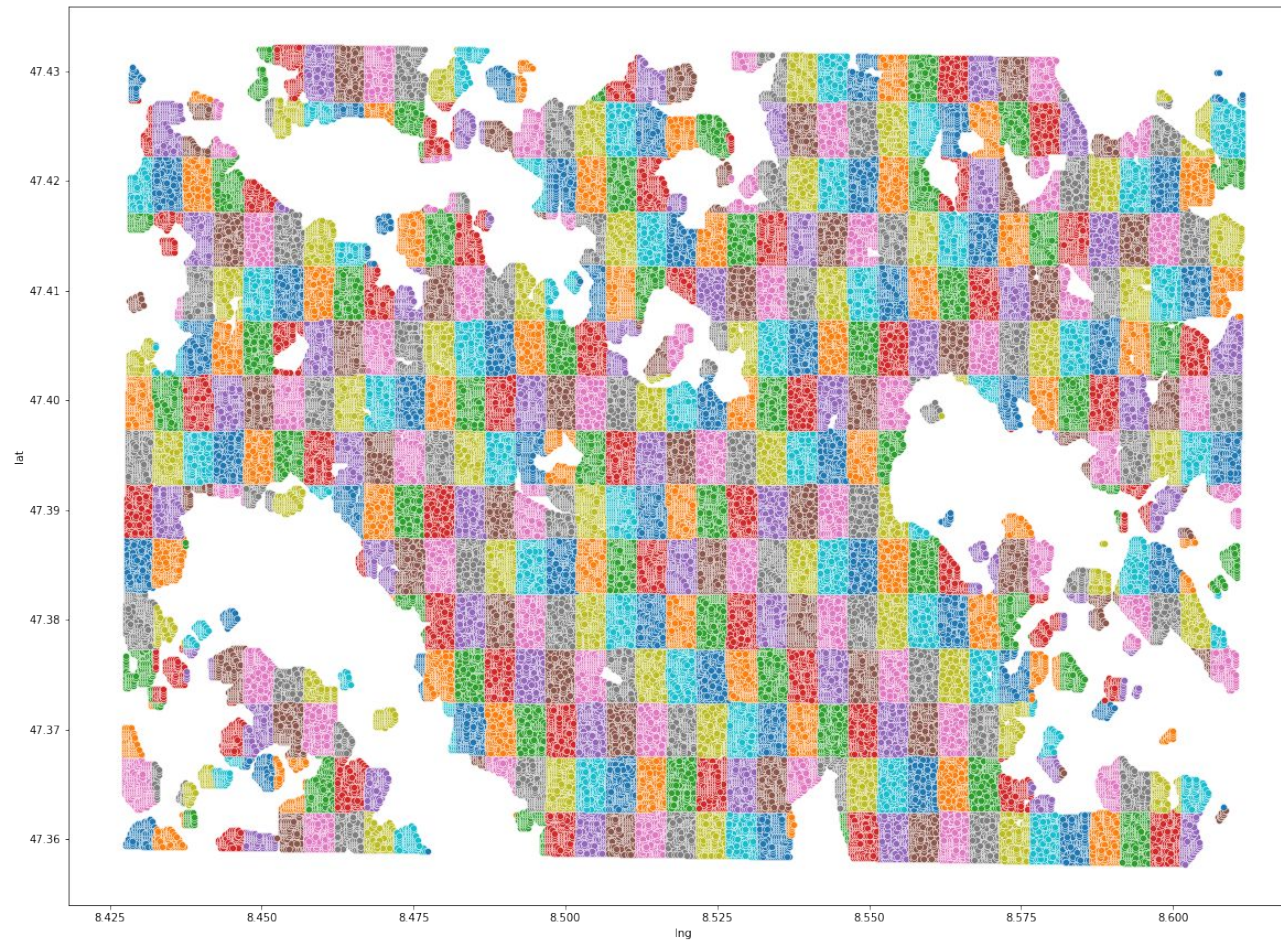
-> solution Selenium scraping



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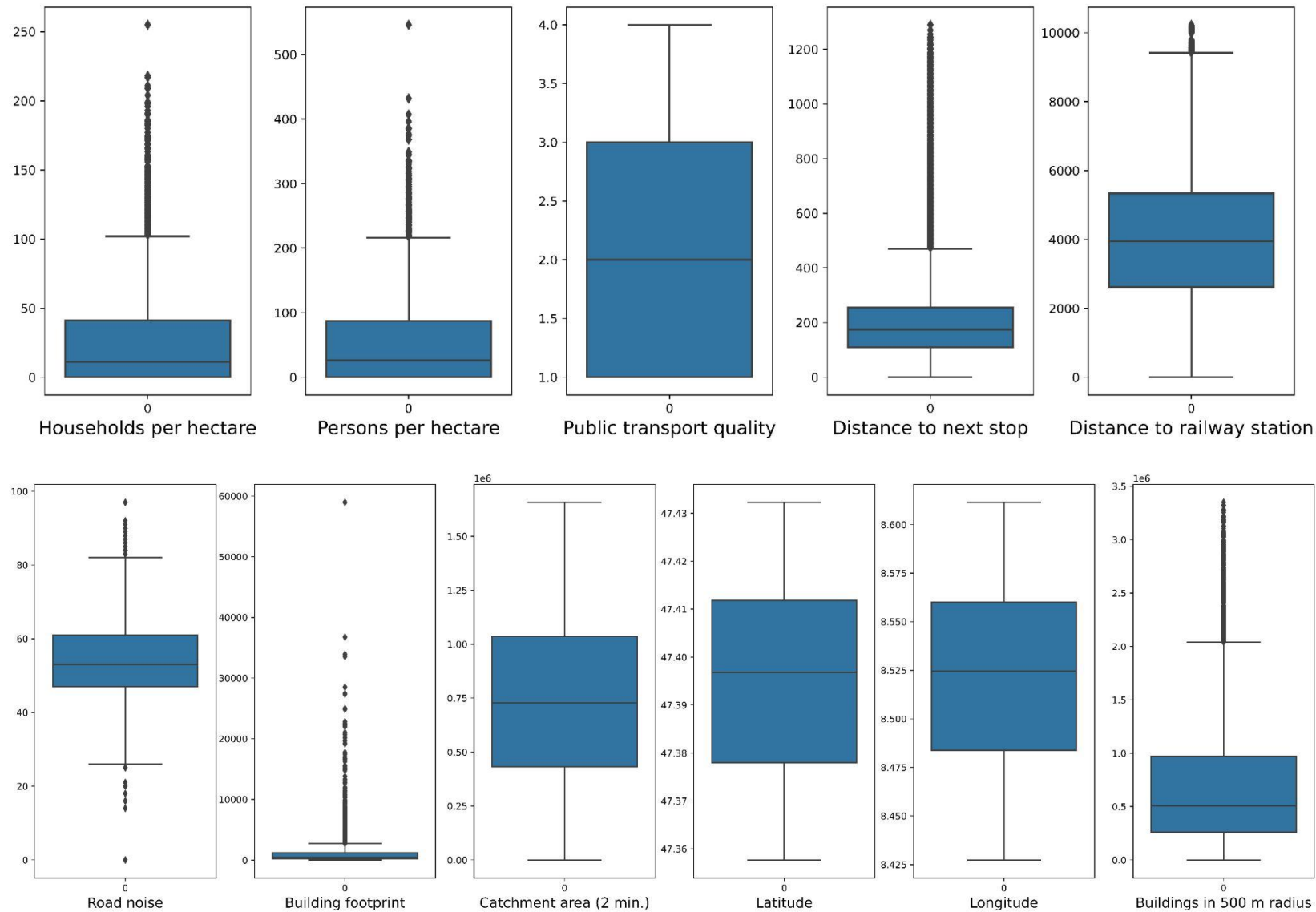
# Data Gathering



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# Data Understanding and Preparation

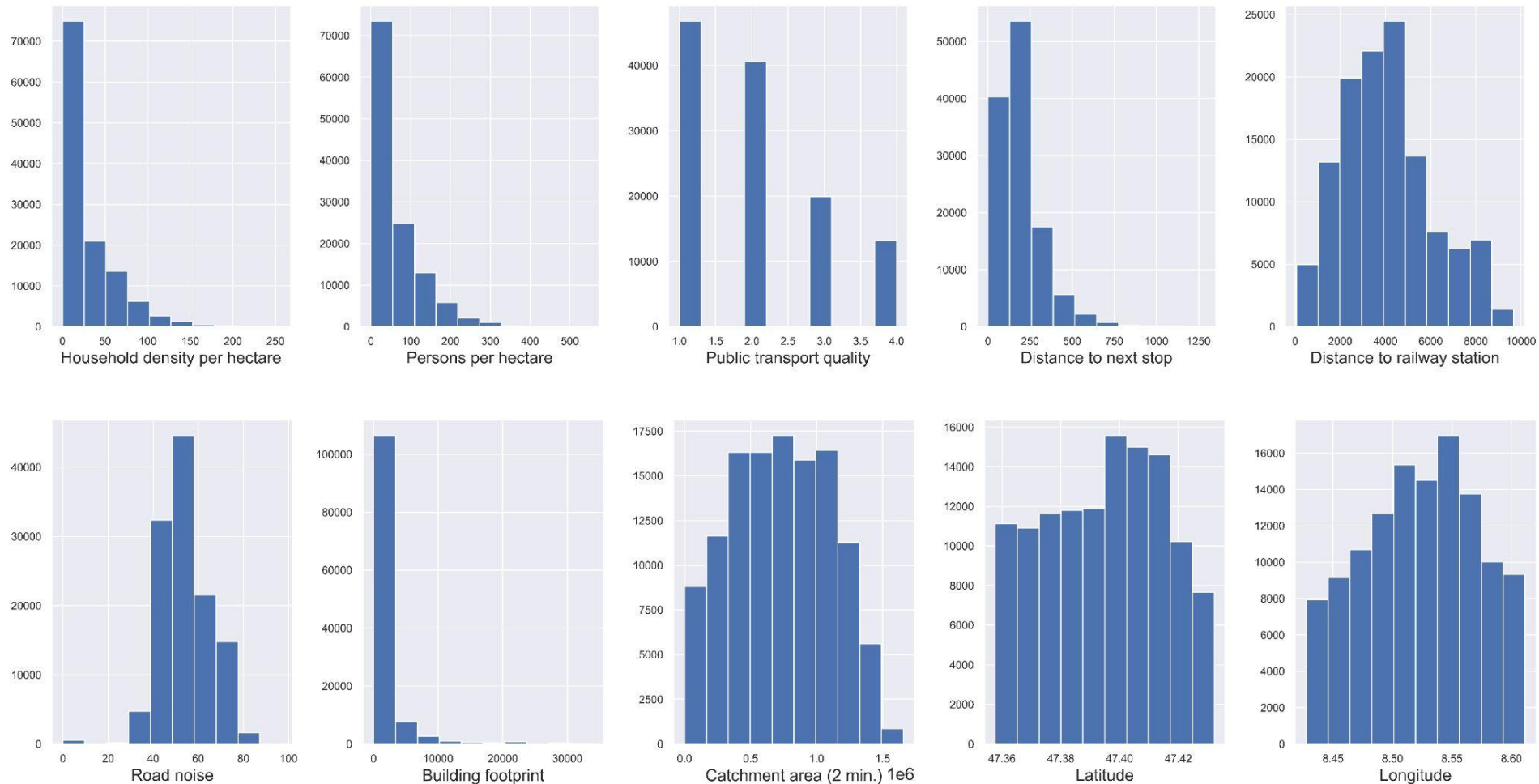


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# Data Understanding and Preparation

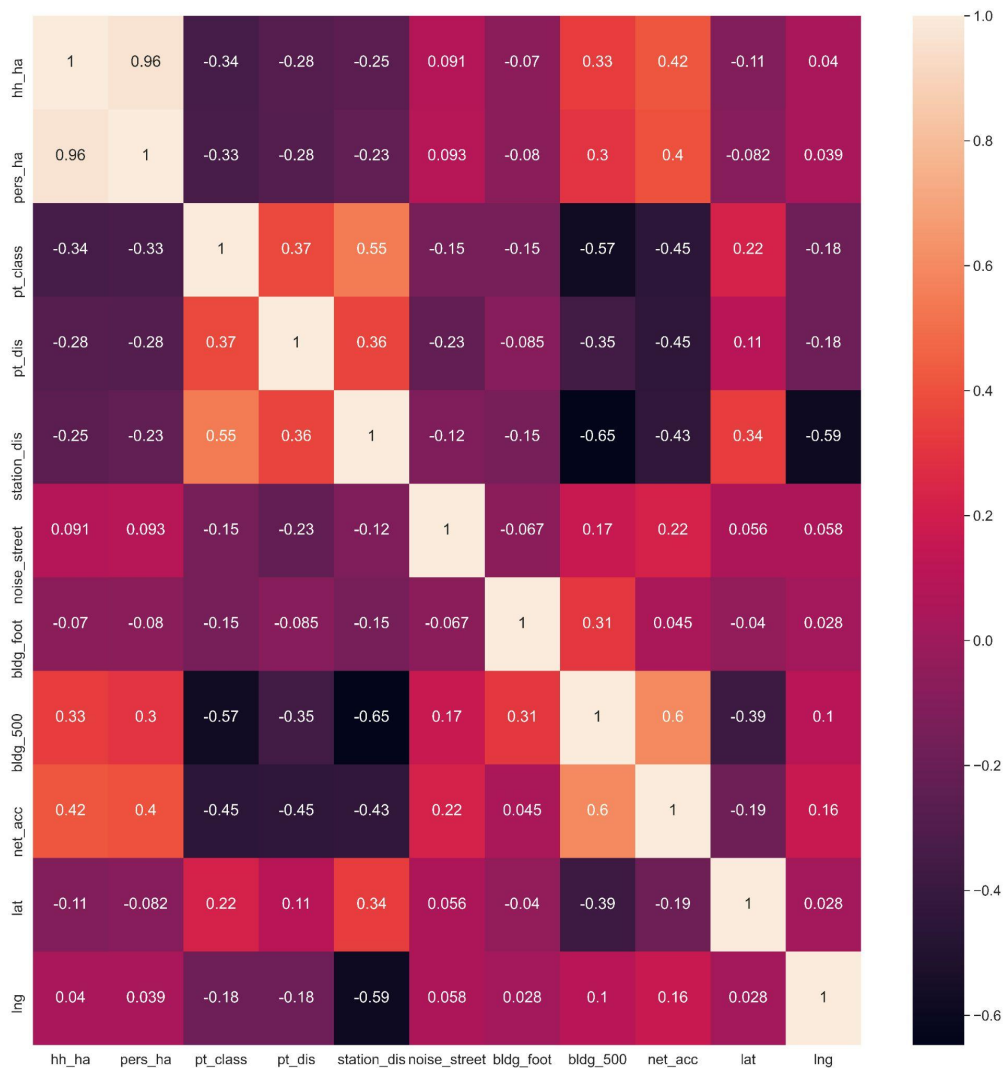


Mixture of asymmetrical and “normal” distributions

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# Data Understanding and Preparation

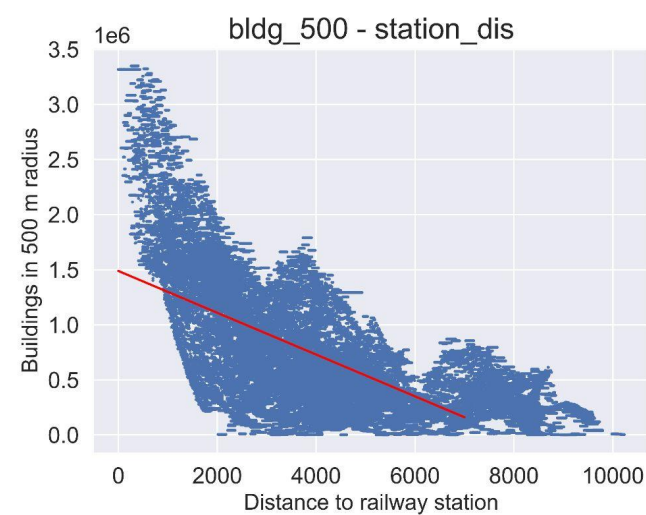
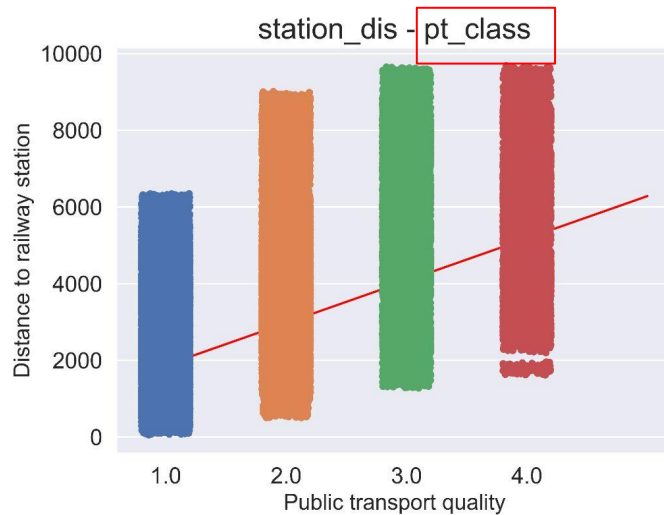
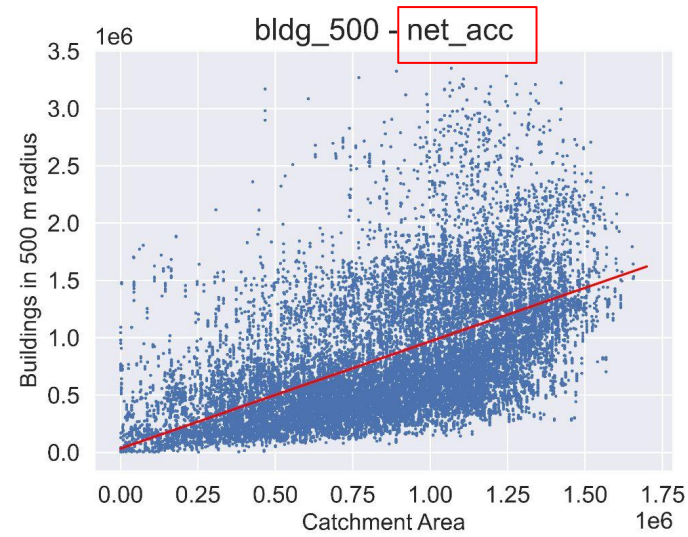
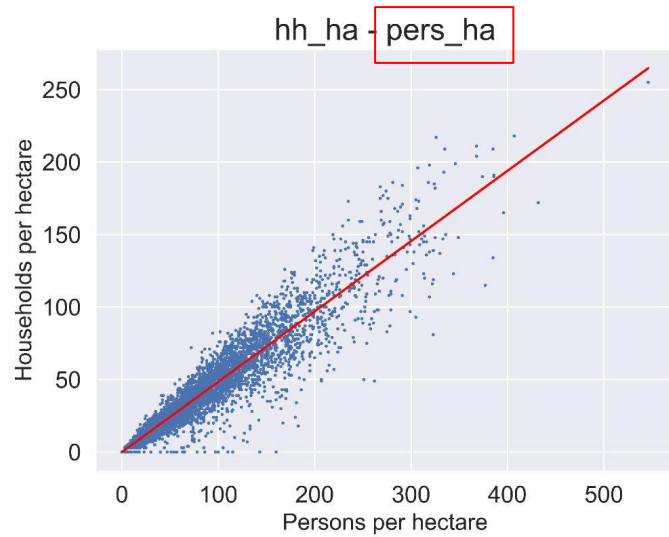


| Pairs       |             | r-value   |
|-------------|-------------|-----------|
| station_dis | pt_class    | 0.546174  |
| net_acc     | bldg_500    | 0.599545  |
| pers_ha     | hh_ha       | 0.961563  |
| bldg_500    | station_dis | -0.647647 |
| lng         | station_dis | -0.589818 |
| bldg_500    | pt_class    | -0.571832 |

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# Data Understanding and Preparation

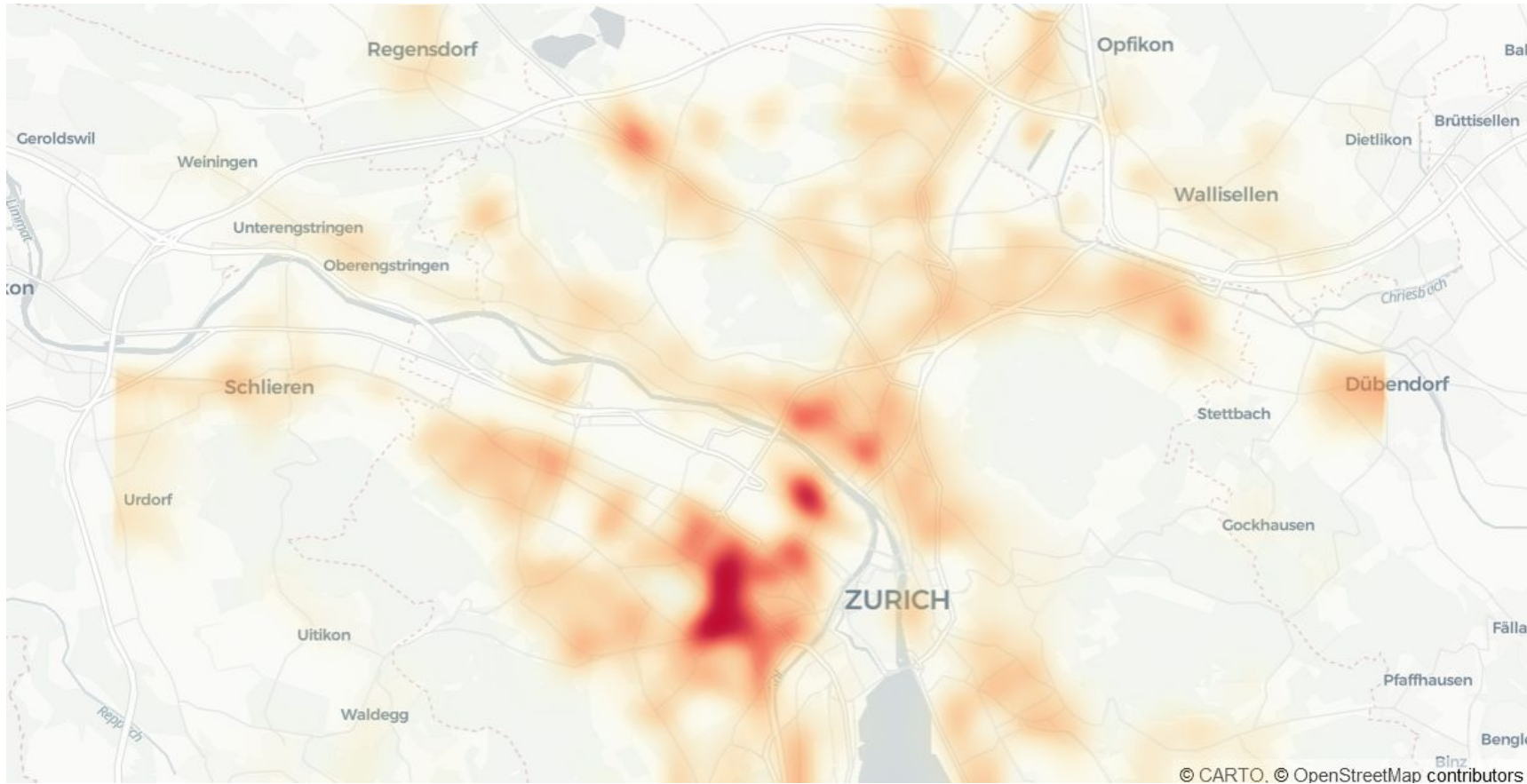


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# Visualization

## Population density



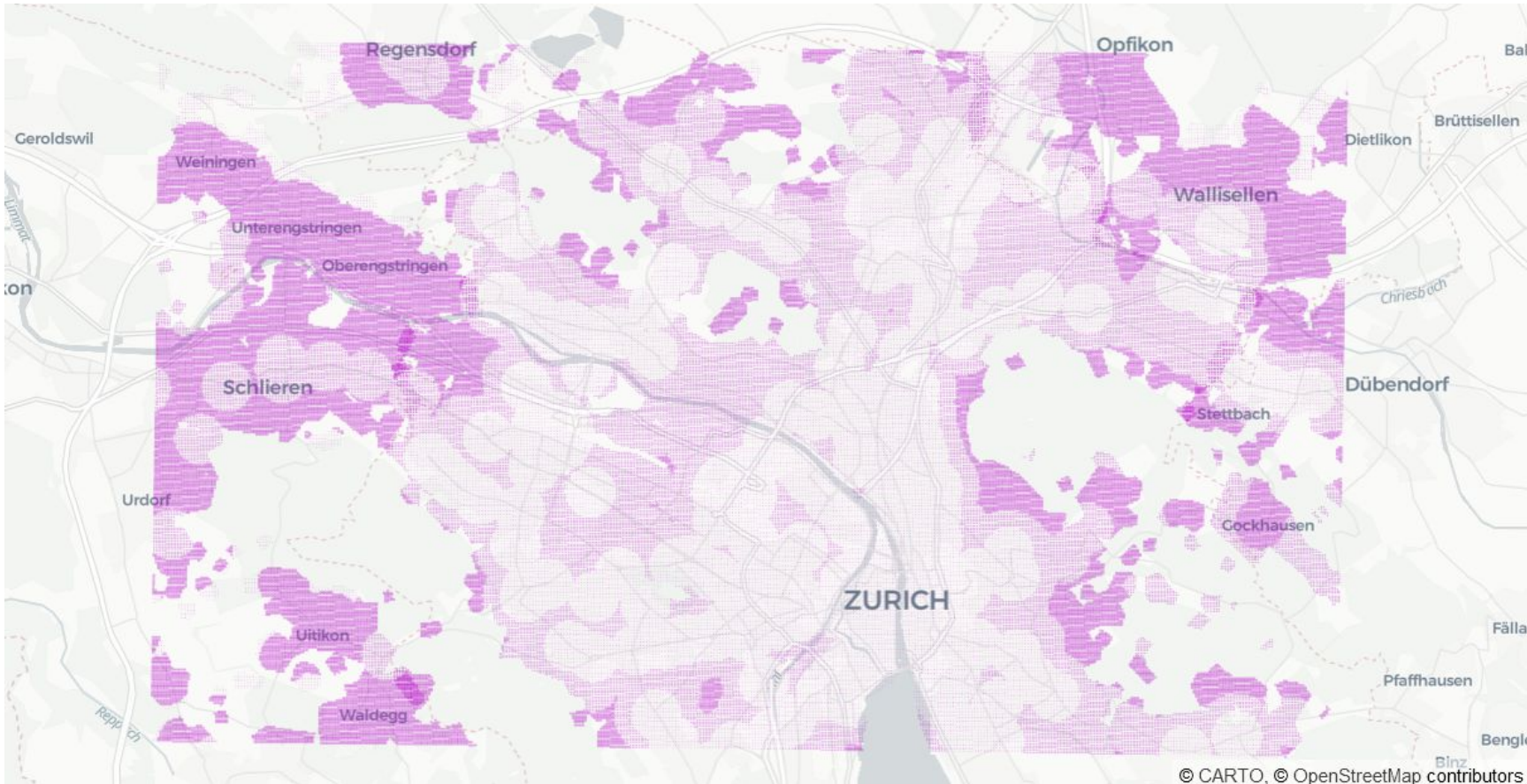
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# Visualization

## Transportation quality

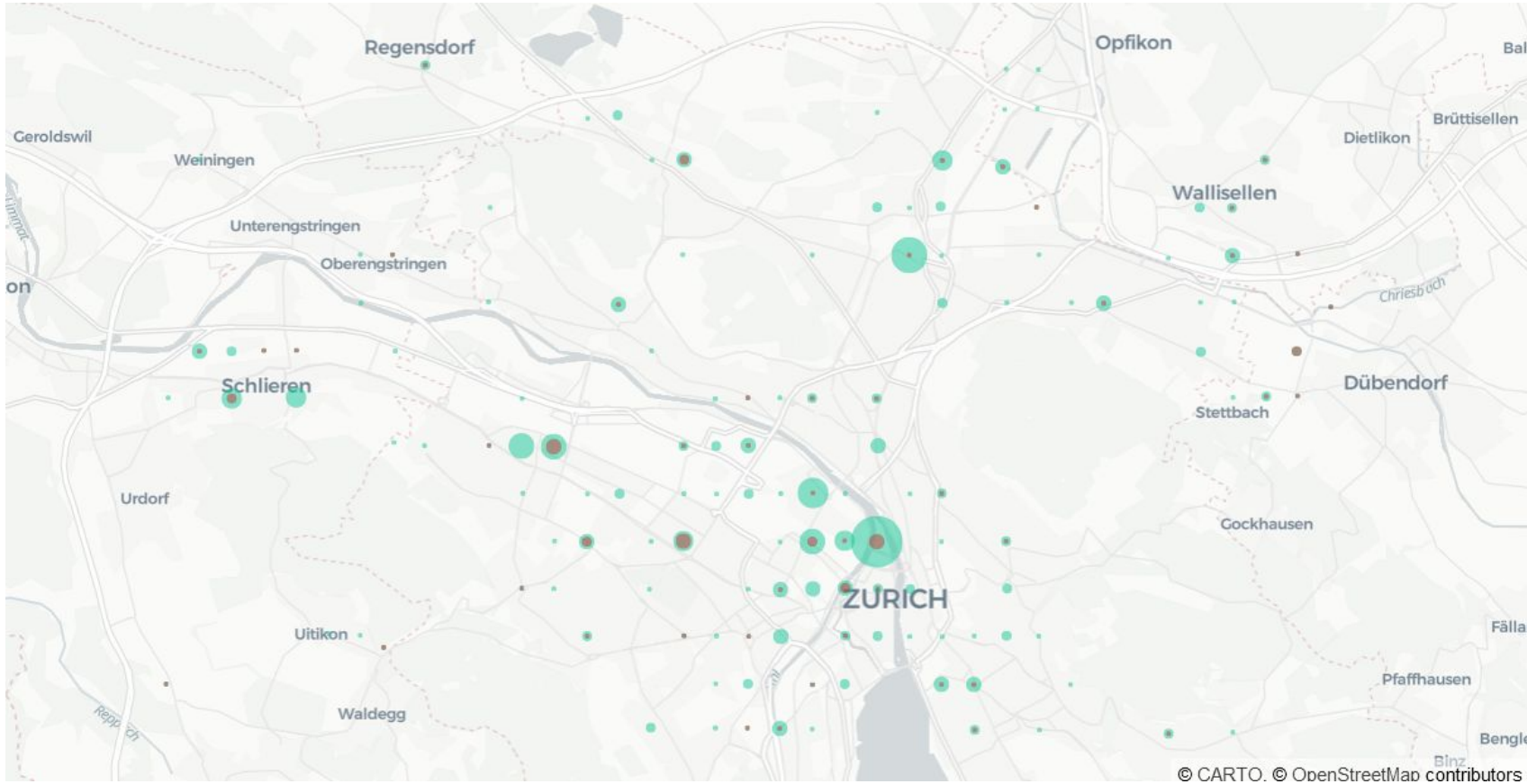


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# Visualization

## Supermarkets in each area



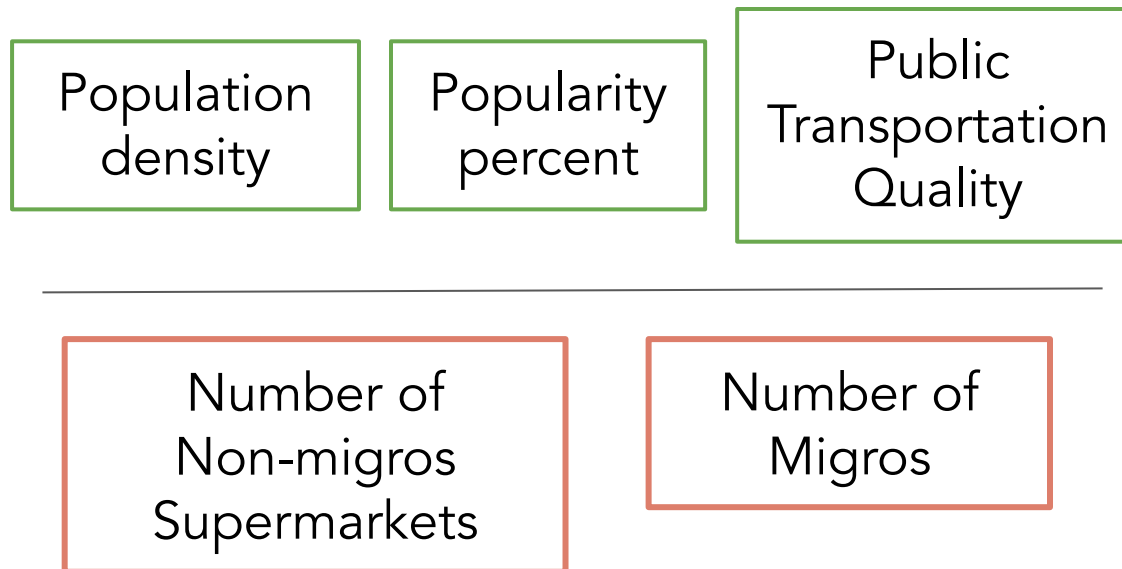
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# Assumptions and Modelling

Assumptions:

- Only **profit** is considered as the decision-making factor
- Existing supermarkets are profitable
- **Supermarket locations** play a significant role in profitability
- All supermarket chains are competitors



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# Assumptions and Modelling

- **Factor-multiplier model**

$$\text{Profit} = (\text{Pop} * \text{Ocu} * \text{PTclass} * \text{Nnm}) / \text{Ns}$$

Pop: population density

Ocu: Ocupuy rate

PTclass: Public transportation quality

Nnm: Number of non-migros supermarket

Ns: Number of all supermarket

- **Correlation-adjusted model**

$$\text{Profit} = (w1 * \text{coef1} * \text{Pop} + w2 * \text{coef2} * \text{PTclass} + w2 * \text{coef3} * \text{Ocu}) / \text{Ns}$$

w = weighted

coef1 = coef(Number of Supermarket, Population density)

coef2 = coef(Number of Supermarket, PTclas)

coef3 = coef(Number of Supermarket, Ocu)

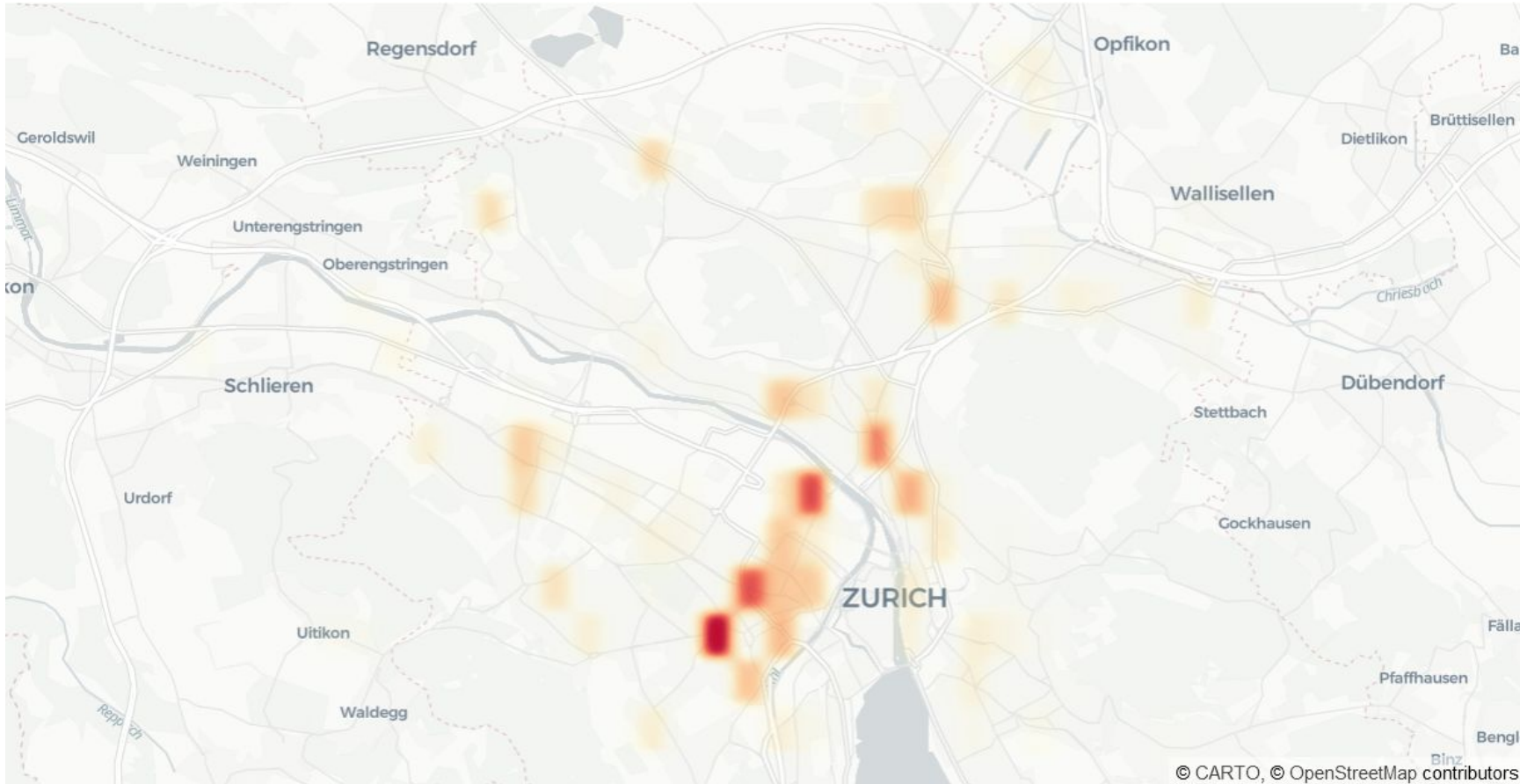
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# Evaluation

## Factor-multiplier model

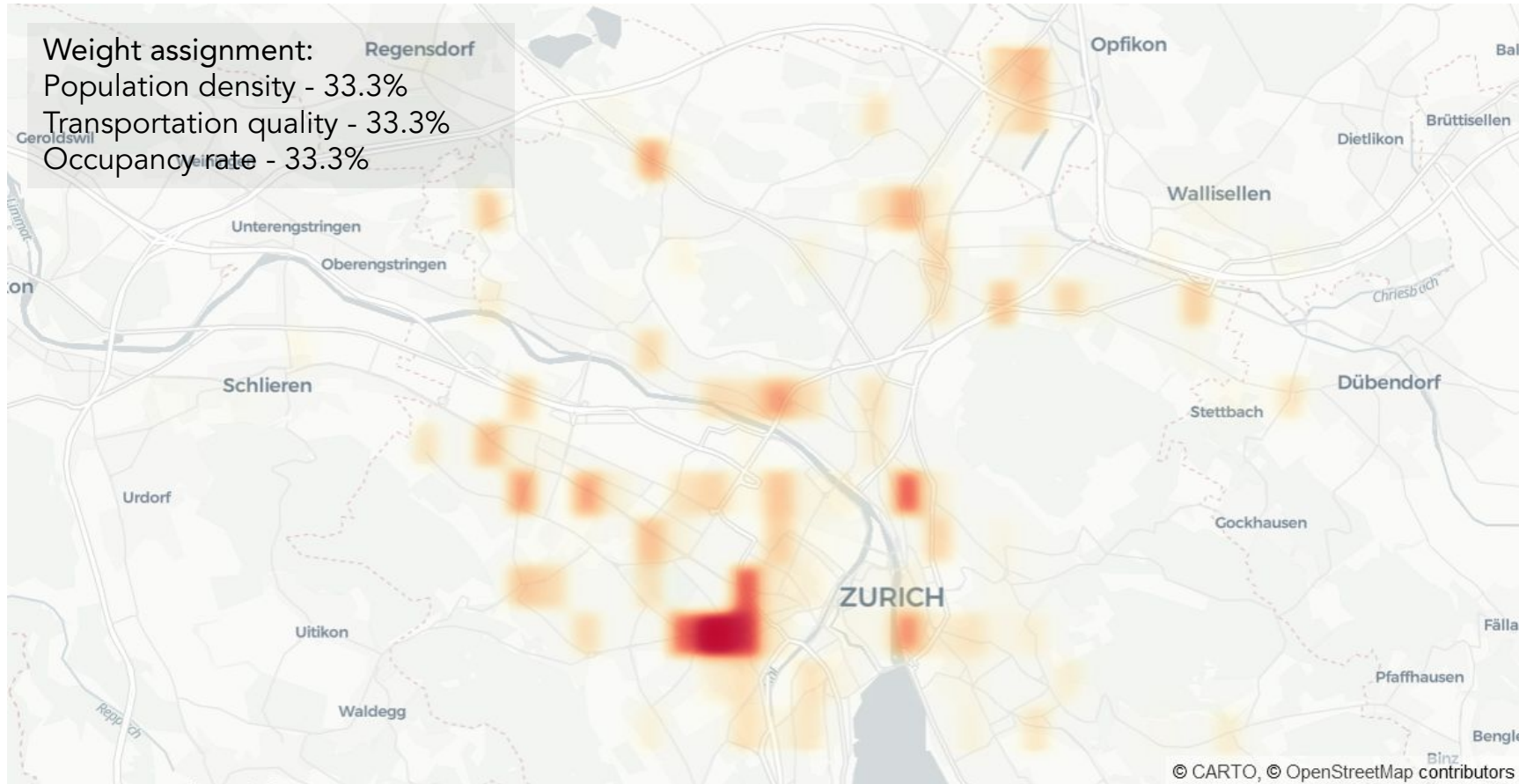


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# Evaluation

## Coefficient-adjusted relational model

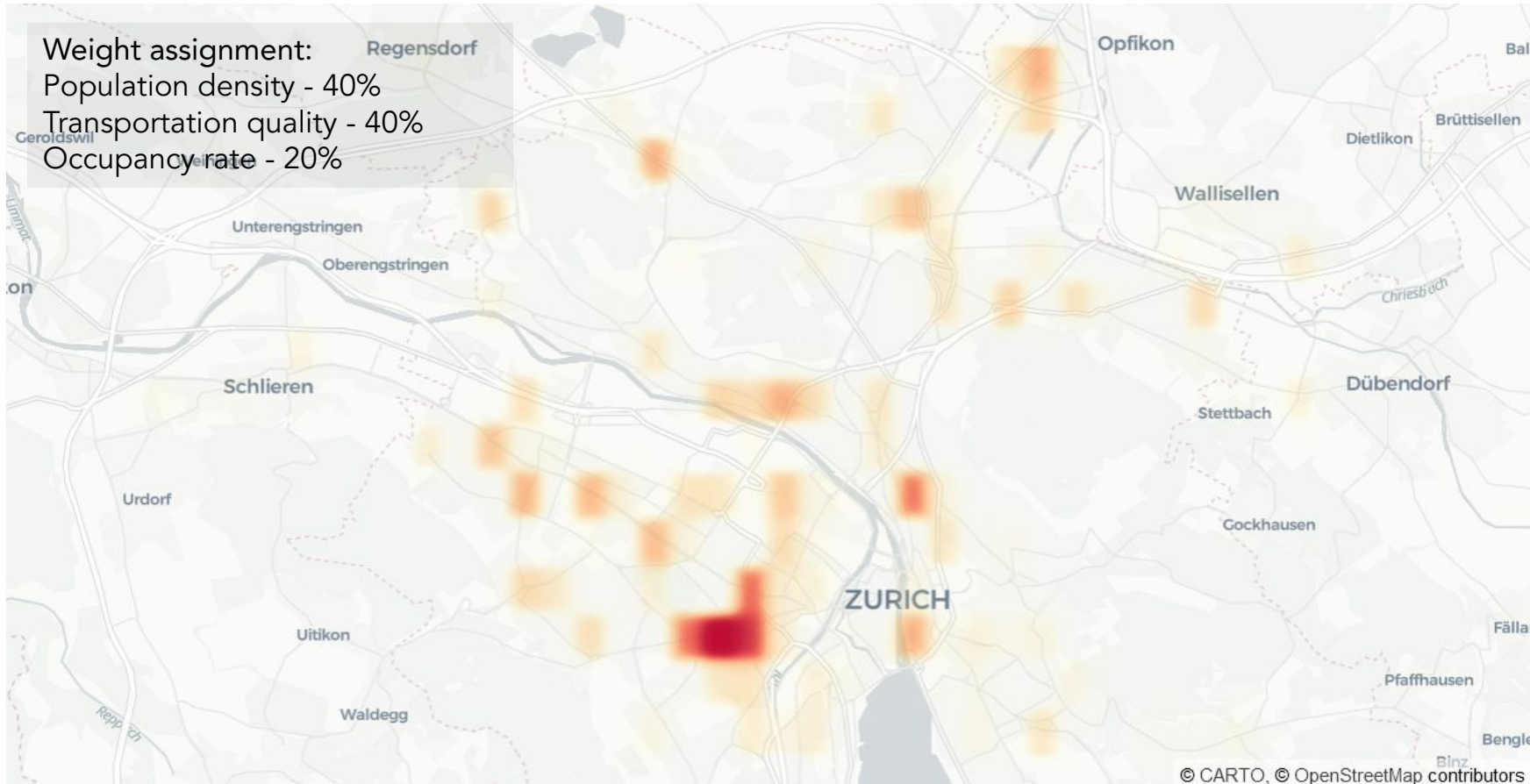


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## Coefficient-adjusted relational model

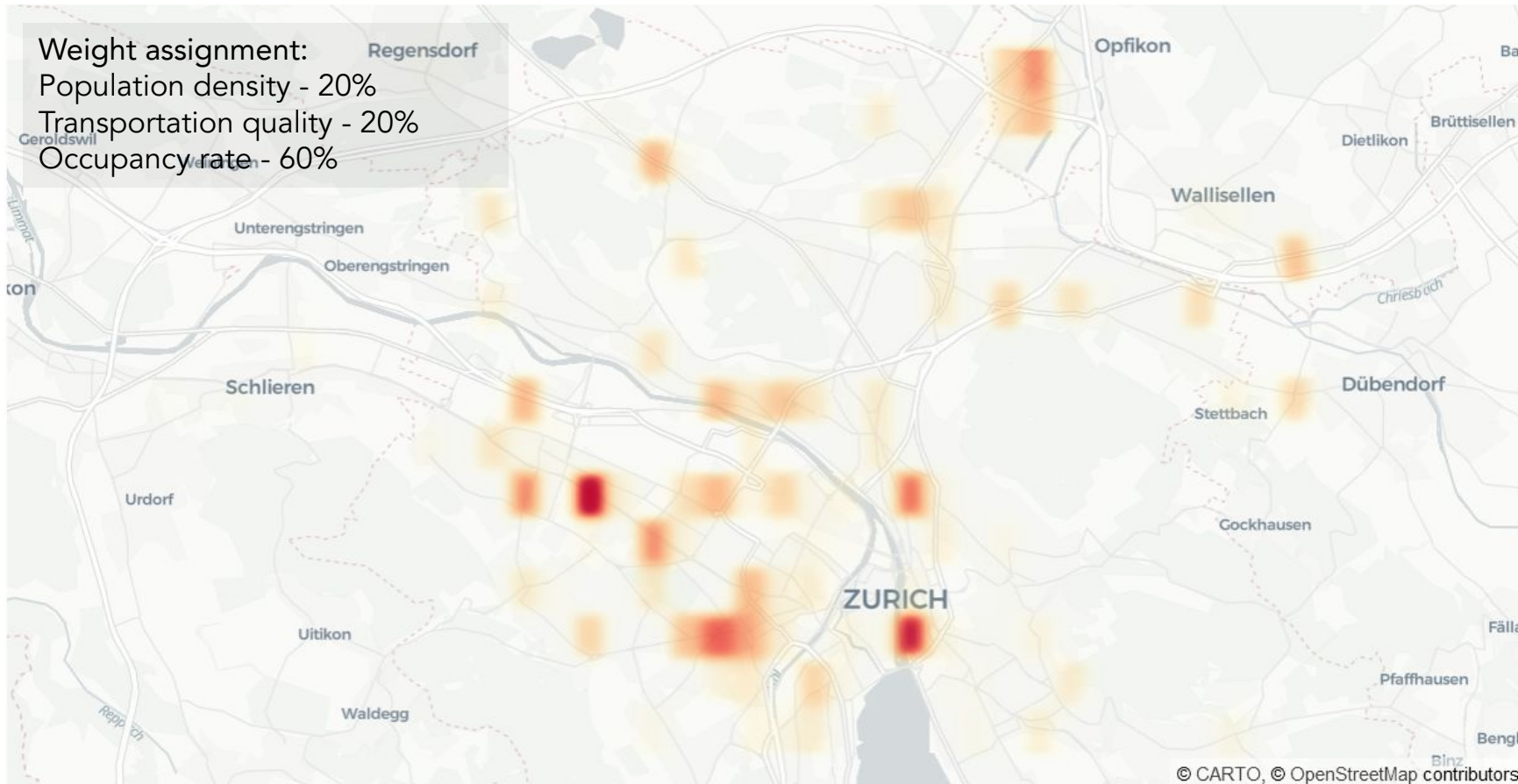


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## Coefficient-adjusted relational model



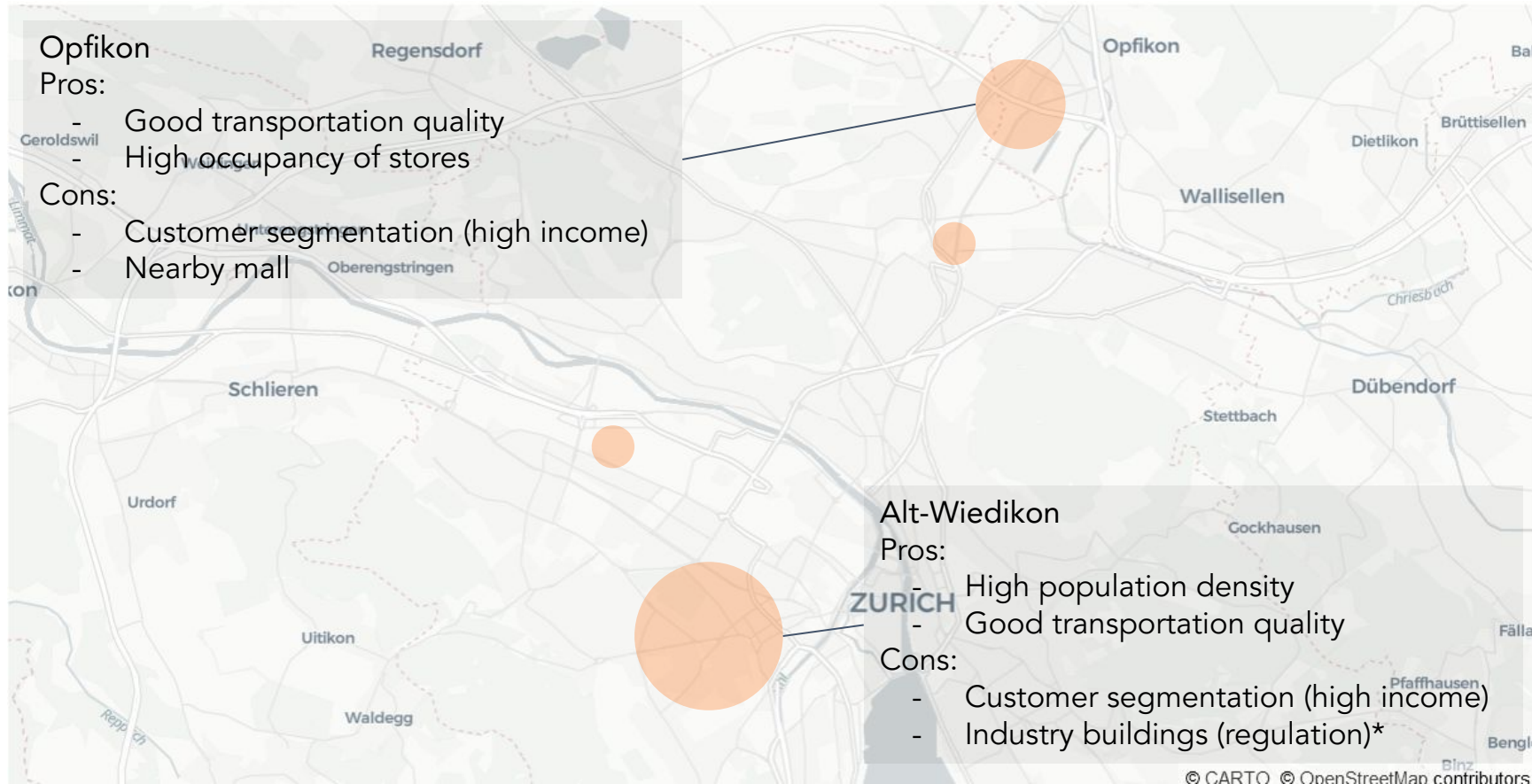
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# Evaluation

## Conclusions



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# Future work

Additional consultancy with our partner UDL

Segment and tailor to customers preferences

- Migrolino with sports supplements and other offers near gyms
- Migros supermarket with easy transportation access and cheaper rent

Include data based of governmental goals

- Emerging residential/ industrial areas with growing population



# Thank you for the attention

Questions?