Finding the right location for a new restaurant

Roberto Puglisi – 11/2020

Introduction

- Our Client, one of the most famous and awarded chefs in Italy, is considering starting a new business in Sicily. More specifically, his business idea is to open a new restaurant in one of the top summer locations on the Sicilian coasts.

- The main requirements are:

  - The restaurant should be close (<1km range) to one of the top 50 beaches in Sicily (as a driver for the most touristic places).

  - The location should be determined considering the density of other restaurants in the area, excluding indirect competitors such as fast food, wine bars, pubs, beach bars, bars, café, and other not direct competitors.

  - Locations in minor islands are considered in scope.

  - The Client is asking the support of a data-driven analysis in order to make the final choice for the location.

Data sources

- https://www.marcopolo.tv/sicilia-spiagge

- https://api.foursquare.com/v2/venues

12) Tindari – Marinello, Messina

Uno dei tratti più spettacolari della costa, con un mare degno delle Maldive: una lunga lingua di sabbia ai piedi di un promontorio che racchiude tre laghetti salati e che si modifica a secondo delle maree.
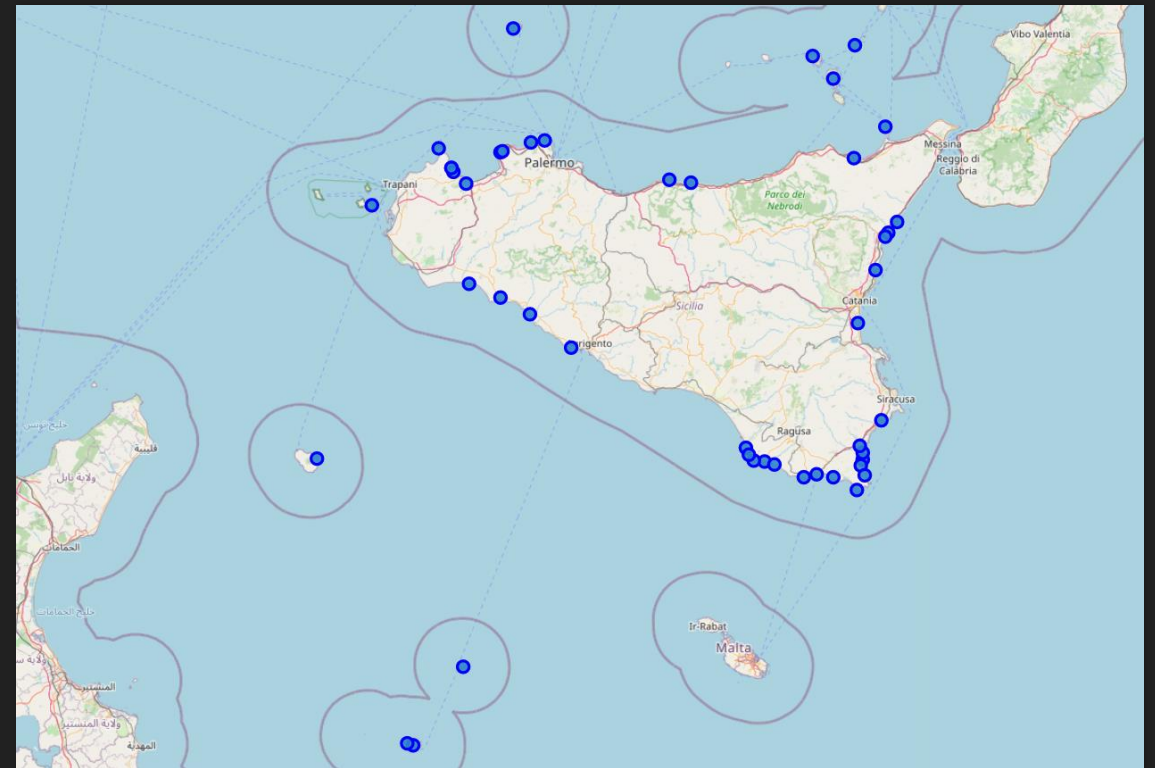
Methodology

1. Scraping public data
2. Retrieving geo_cooridinates
3. Localization on the map
4. Collection of data related to venues around each location
5. Analyzing classes of venues
6. Encoding categories of venues
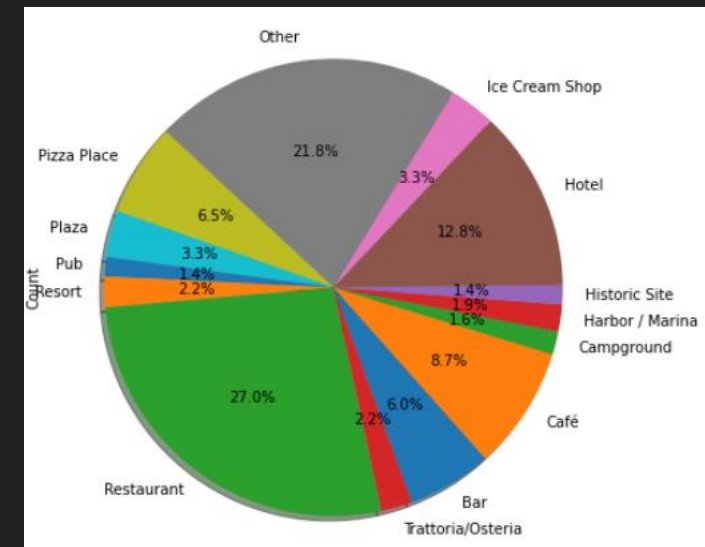7. Clustering (Machine learing technique)
8. Analysis of results
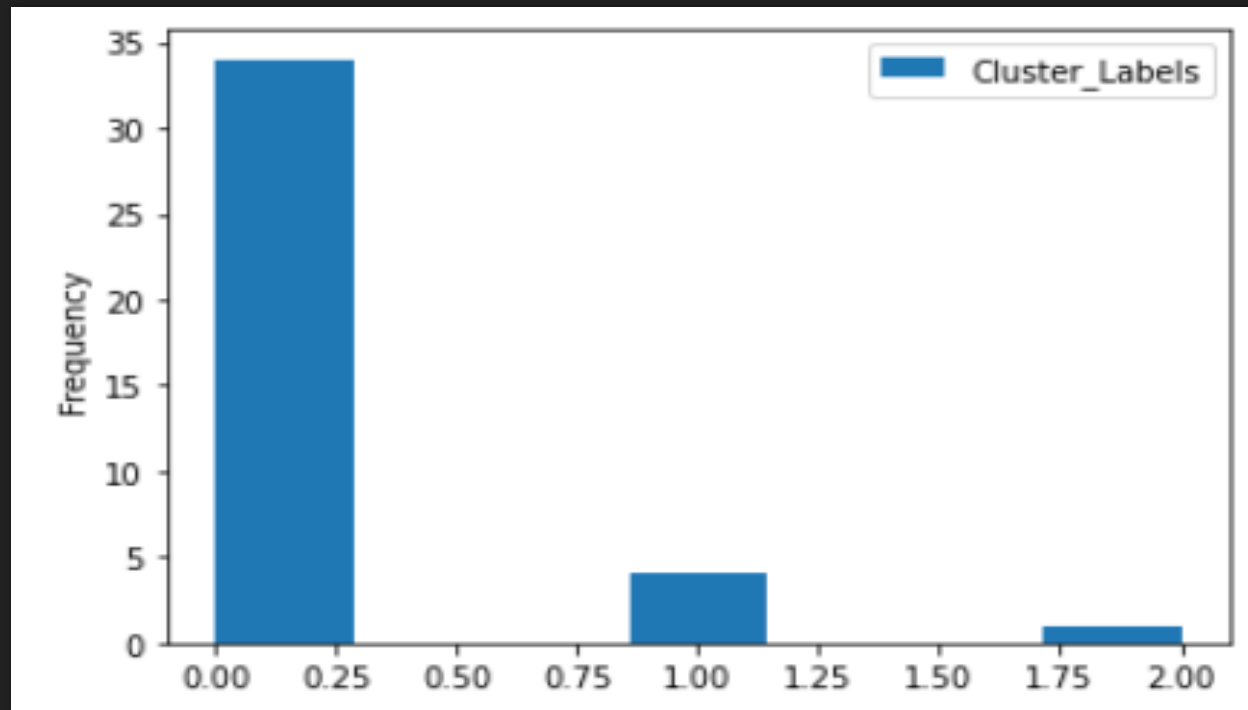
Methodology

Venue types:

| Type	Count
Bar	22
Café	32
Campground	6
Harbor / Marina	7
Historic Site	5
Hotel	47
Ice Cream Shop	12
Other	80
Pizza Place	24
Plaza	12
Pub	5
Resort	8
Restaurant	99
Trattoria/Osteria	8
TOTAL	367

Venue Composition:

Results

Locations have been divided into 3 clusters as reported below:

Results

○ Graphically, the 3 clusters are highlighted below with colors:

- Cluster 0: Black
- Cluster 1: Red
- Cluster 2: Yellow
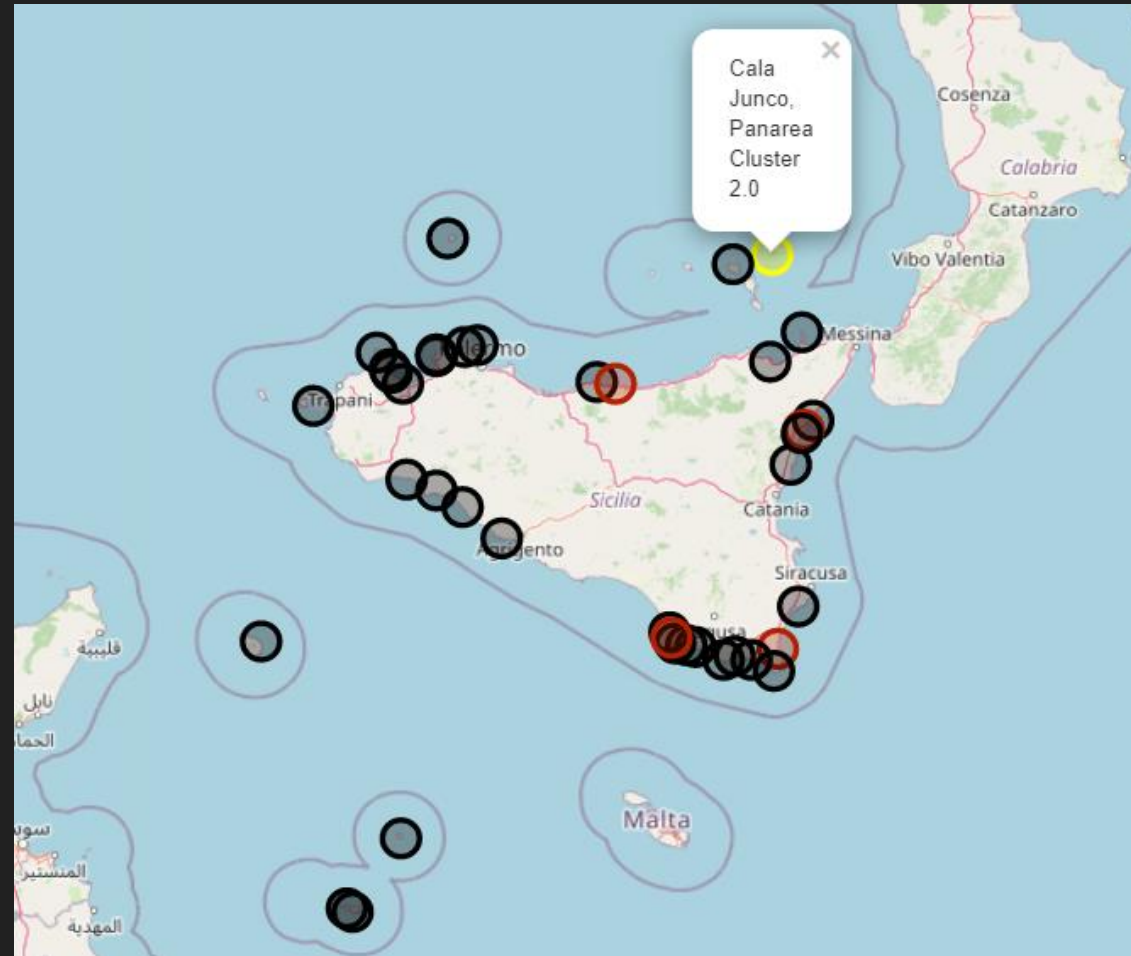
Results

- Locations included in Cluster 0 (Black), are popular locations and very well known by tourists. Services, including restaurants, are present and developed. Opening a new restaurant in these locations would mean entering in a competitive environment. Therefore, this choice for a new restaurant should be carefully reviewed and motivated by further analysis. We may define this cluster as "**Mass tourism**".

- Locations included in Cluster 1 (Red), are popular locations known by the majority of tourists. Not every service is offered in this area, as they are mainly organized for camping and short stays. Food & Beverage businesses are also limited. Therefore a premium offer of a world class restaurant in these locations may not be the right move. We may define this cluster as "**Outdoor tourism**".

- The only one location included in Cluster 3 (Yellow), is popular but at the same does not attract as many tourists as locations in the other two clusters, mainly due to:

  - The place located on one of the minor Sicilian islands (Panarea), which is only reachable by boat
  - Panarea is an exclusive location, costs of hotels and restaurants are on average much higher then other locations in scope of this analysis.

  We may define this cluster as "**Luxury tourism**".

Results

- Given that our client is a top class chef, our analysis suggests that a proper location for opening a new restaurant may be Panarea, included in cluster 2 (**Luxury tourism**).

- Data show that no restaurants are operating in the area, except for low quality restaurants (Trattoria) and some local fast food.

- In modern times, Panarea has become a fashionable vacation spot and in 2011, it was described by W magazine as "the epicenter of the chicest summer scene in the Mediterranean."

- However, given the strict regulations in the area, getting authorization for a new business may require a significant financial effort.

THANK YOU!