

Predicting the Most Suitable Place for a Restaurant in Paris

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1. Introduction

1.1 Background

Economics revolves around two major factors: Demand and Supply. The success of any financial establishment like hotel, restaurant and supermarket depend largely on demand and supply of a particular region. Demand factors include population and per capita income while supply factors include number of suppliers for that particular service. Restaurants are a part of consumer foodservice industry. In 2017, only in Europe, the market value for consumer foodservice reached 508 billion dollars, where France accounts for 61 billion dollars' market. These figures may look captivating at first, but it comes at a cost. It takes a long and tiring analysis to select a right place for something. All the demand and supply factors should be analyzed very carefully, failing of which may lead to severe consequences like revenue loss or in some cases complete shutdown. From all the influencing factors, population on demand side and number of suppliers on supply side becomes very important for consideration.

2. Business Problem

Data that might contribute to determine the most suitable type and place for a new restaurant are number of people living, per capita income, number and type of existing restaurants, distance from nearest attractions and connectivity to various places. This project aims to predict the suitable type and place for a new restaurant in Paris region, using type and number of existing restaurants and distance from most famous tourist attractions of Paris.

There can be many other factors that can be inculcated to further improve the accuracy of our restaurant predictor.

1. Per capita income can be included to show the spending capacity of people living in that area.
2. Good transportation facility means easier accessibility. Thus, it can play a major role.
3. Local taxes may significantly affect the place of interest. So, it can be included as well.

Further, market parameters are unpredictable but they affect every investment in one way or the other. Pandemic like COVID-19 can also never be predicted. So, the model will always have some factor of risk.