

BARBEQUE NATION
Franchise poortunity
West Toronto

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Executive Summary:

Barbeque Nation, One of the famous Indian Food Chain decided to open a restaurant in West Toronto

The purpose of this report was to analyze West Toronto for a possible location for a franchise opportunity of Indian Restaurant. We ran our analysis to locate neighborhoods that fall under West Toronto by postal codes we then matched geocoordinates for each postal code in West Toronto. Then with the assistants of foursquare we were able to find list of venues in each neighborhood. We divide the neighborhoods in to cluster to simplify are analysis and reviewed each cluster and neighborhood. We can conclude that West Toronto as potential as location for opening a Barbeque Nation restaurant.

Introduction:

To find the location for a new restaurant is not a trivial task given the vibrant competition in large cities. The location of a restaurant is key to its success. Not every available is equally well suited due to multiple variables influencing the choice of the customer. For example, restaurants with excellent food and high customer ratings can be very successful even in a hidden, little frequented street where real estate is cheap. In contrast, a fast food chain is highly dependent from a central place with a maximal number of people passing by who chose the restaurant spontaneous without researching reviews in advance.

Therefore, it can be hypothesized in a neighborhood that has:

- a) a central location
- b) few competitors
- c) competitors with customer reviews

A restaurant can operate a more successful business than in a random location. It is also important to consider that not all of those variables will influence the success of a newly opened food chain in the same way. Therefore, learning from successful strategies that worked out for other businesses can work well to rate the quality of a location.

Barbeque Nation has specified target areas as West Toronto.

Methodology:

For this project we would be using the postal codes for the city of Toronto to find the specified target area and their respective neighbourhoods. For this we would first be importing postal codes of Toronto and cleaning the data so we have one postal code for each area and respective neighbourhoods that fall in that area.

Our analysis will be based on information available from Foursquare and Statistics Canada. We have not been provided any financial information that can help in making a better decision as this information is of confidential nature.

	Postcode	Borough	Neighbourhood
0	M3A	North York	Parkwood's
1	M4A	North York	Victoria Village
2	M5A	Downtown Toronto	Harbourfront, Regent Park
3	M6A	North York	Lawrence Heights, Lawrence Manor
4	M7A	Queen's Park	Queen's Park
5	M9A	Etobicoke	Islington Avenue
6	M1B	Scarborough	Rouge, Malvern
7	M3B	North York	Don Mills North
8	M4B	East York	Woodbine Gardens, Parkview Hill
9	M5B	Downtown Toronto	Ryerson, Garden District
10	M6B	North York	Glencalm
11	M9B	Etobicoke	Cloverdale, Islington, Martin Grove, Prince.

Table 1: List of Postal Codes for Toronto City and Corresponding Neighbourhoods

Longitude and Latitude

Once we have finalized our Toronto postal code data with neighbor details, we will then link longitude and latitude with respective Toronto postal codes and filter it to have a summarized table for West Toronto

	Postcode	Borough	Neighbourhood	Latitude	Longitude
0	M6H	West Toronto	Dovercourt Village , Dufferin	43.669005	-79.442259
1	M6J	West Toronto	Little Portugal , Trinity	43.647927	-79.41975
2	M6K	West Toronto	Brockton , Exhibition Place , Parkdale Village	43.636847	-79.428191
3	M6P	West Toronto	High Park , The Junction South	43.661608	-79.464763
4	M6R	West Toronto	Parkdale , Roncesvalles	43.64896	-79.456325
5	M6S	West Toronto	Runnymede , Swansea	43.651571	-79.48445

Table 2: List of Postal Codes for Toronto City along with Corresponding Neighbourhoods and Geocoordinate

We would then use foursquare to find details on venues in West Toronto with the help of longitudes and latitudes that were generated earlier. The output would be as follows:

	Neighborhood	Neighborhood Latitude	Neighborhood Longitude	Venue	Venue Latitude	Venue Longitude	Venue Category
0	Dovercourt Village , Dufferin	43.669005	-79.442259	The Greater Good Bar	43.669409	-79.439267	Bar
1	Dovercourt Village , Dufferin	43.669005	-79.442259	Blood Brothers Brewing	43.669944	-79.436533	Brewery
2	Dovercourt Village , Dufferin	43.669005	-79.442259	Tre Mari Bakery	43.676666	-79.44874	Café
3	Dovercourt Village , Dufferin	43.669005	-79.442259	Three Speed	43.659293	-79.438025	Bar
4	Dovercourt Village , Dufferin	43.669005	-79.442259	Marcello's Pizzeria	43.678017	-79.442725	Italian Restaurant
5	Dovercourt Village , Dufferin	43.669005	-79.442259	Burdock	43.65947	-79.437763	Beer Bar
6	Dovercourt Village , Dufferin	43.669005	-79.442259	TuckShop Kitchen	43.66505	-79.456624	Snack Place
7	Dovercourt Village , Dufferin	43.669005	-79.442259	Propeller Coffee Co.	43.659479	-79.445086	Café
8	Dovercourt Village , Dufferin	43.669005	-79.442259	Bakerbots Baking	43.661853	-79.428099	Cupcake Shop
9	Dovercourt Village , Dufferin	43.669005	-79.442259	Contra Cafe	43.669107	-79.426105	Café

Table 3: List of Venues generated from foursquare for neighbourhoods in West Toronto

We would use this table to identify venues in each neighborhood and the category they fall in. Furthermore, we would look at top 10 venues for each neighborhood. Once we have done the above-mentioned process we would be dividing neighborhoods of West Toronto in to clusters then we will analyze each neighbor separately to see what venues are operating in respective neighborhoods.

West Toronto :-

West Toronto has 6 Postal codes and consists of 13 Neighborhoods. We have had divided neighborhoods into clusters. We have used the Elbow method to determine the optimum number of clusters, the graph below is output of the elbow method recommending dividing the neighborhoods in West Toronto in two (2) clusters.

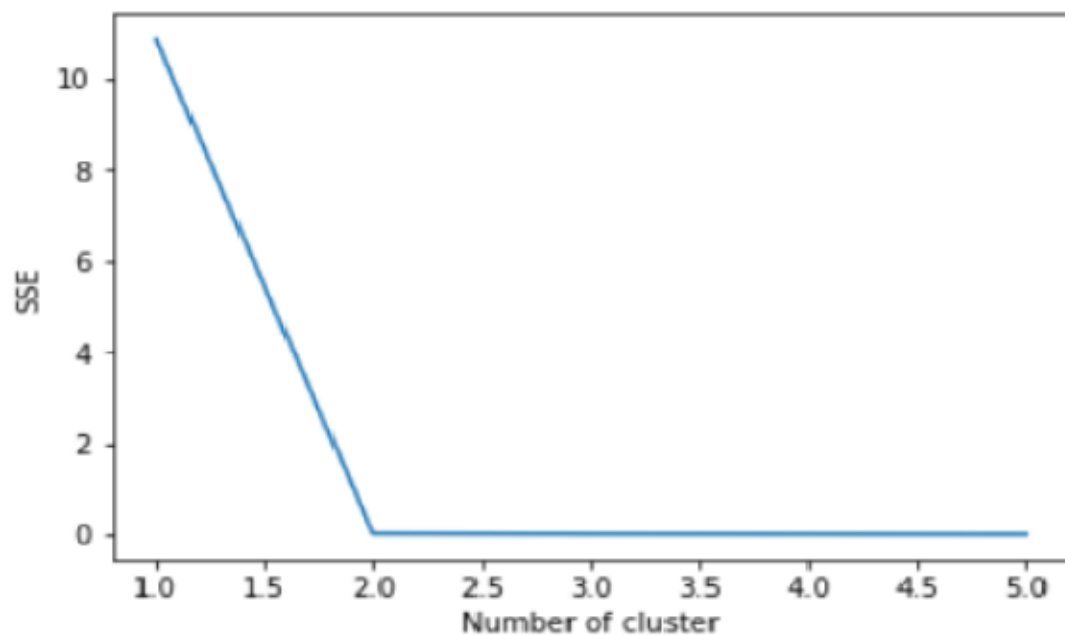


Chart 1: Optimal number of Cluster for West Toronto

Once we have divided the neighborhood into clusters we have plotted them on map below:



Four Neighborhoods fall in cluster one and two neighborhoods fall in cluster 2 they are summarized in table below:

Cluster	Neighbourhood
1	Dover court Village, Dufferin
1	Little Portugal, Trinity
1	High Park, The Junction South
1	Parkdale, Roncesvalles
2	Brockton, Exhibition Place, Parkdale Village
2	Runnymede, Swansea

Table 4: West Toronto neighbourhoods with their respective clusters

West Toronto Cluster One:

Postcode	Borough	Neighbourhood	Latitude	Longitude	Cluster Labels	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
M6H	West Toronto	Dovercourt Village, Dufferin	43.669005	-79.442259	0	Café	Bar	Italian Restaurant	Cocktail Bar	Restaurant	Park	Beer Bar	Grocery Store	Indian Restaurant	Asian Restaurant
M6J	West Toronto	Little Portugal, Trinity	43.647927	-79.419750	0	Café	Bar	Bakery	Italian Restaurant	Cocktail Bar	Asian Restaurant	Coffee Shop	Pizza Place	Sandwich Place	French Restaurant
M6P	West Toronto	High Park, The Junction South	43.661906	-79.464763	0	Café	Park	Coffee Shop	Bar	Bakery	Restaurant	Brewery	Italian Restaurant	Indian Restaurant	Eastern European Restaurant
M6R	West Toronto	Parkdale, Roncesvalles	43.648990	-79.460325	0	Café	Park	Bakery	Bar	Italian Restaurant	Cocktail Bar	Asian Restaurant	Ice Cream Shop	American Restaurant	Cuban Restaurant

Table 5: Top 10 most common Venue in Cluster One in West Toronto

Based on our initial analysis of neighbourhoods in cluster one we were able to find top 10 common venues in the neighbourhoods as shown in the table above cafés are very popular in cluster one followed by bars parks we also found different types of restaurants were also in the top 10 list.

West Toronto Cluster Two:

Postcode	Borough	Neighbourhood	Latitude	Longitude	Cluster Labels	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
M6K	West Toronto	Brockton, Exhibition Place, Parkdale Village	43.636847	-79.428191	1	Café	Bar	Italian Restaurant	Bakery	Sandwich Place	Asian Restaurant	Park	Pizza Place	Beer Bar	Cocktail Bar
M6S	West Toronto	Runnymede, Swansea	43.651571	-79.494450	1	Café	Coffee Shop	Park	Bakery	Bar	Italian Restaurant	Brewery	Gastropub	Ice Cream Shop	Restaurant

Table 5: Top 10 most common Venue in Cluster Two in West Toronto

We ran the same analysis for cluster two to find top 10 common venues although there were few common categories as cluster one we noticed difference in cluster two. Cluster one had more cuisine specific restaurants where as cluster two did had more bars and pubs.

Furthermore, found the top 5 venues by category operating in each neighborhood by cluster.

The table below summarizes the top five venue category for neighborhoods that call in Cluster 1:

Category	Dovercourt Village, Dufferin	Little Portugal, Trinity	High Park, The Junction South	Parkdale, Roncesvalles
Cafe	10	10	11	8
Bar	8	6	6	6
Italian Restaurant	4	5	-	4
Cocktail Bar	4	-	-	-
Park	4		6	7
Bakery	-	5	5	6
Asian Restaurant	-	4	-	-
Coffee shop	-	-	6	-

Table 6: Top 5 most common Venue operating in Cluster One in West Toronto

The categories mentioned in the table are also visible in 10 top common table for cluster 1 as however, it is interesting to note that although cuisine specific restaurant and pizza place are in 10 most common venues but there are not many in operating in neighbourhoods in cluster 2.

The table below summarizes the top five venue category for neighbourhoods that call in Cluster 2:

Category	Brockton, Exhibition Place, Parkdale Village	Runnymede, Swansea
Cafe	7	8
Bar	6	5
Italian Restaurant	5	-
Park	4	6
Bakery	5	5
Coffee shop	-	8

Table 6: Top 5 most common Venue operating in Cluster Two in West Toronto

The same can be noted for Cluster two, although top 5 categories of venue operating in cluster 2 are in most common table there are few venues that are less in number but fall in top 10 most common list.

Recommendation

Based on our analysis we can conclude that opening a Barbeque Nation Restaurant in a neighborhood of West Toronto would be an interesting opportunity as there is clear market gap for Restaurants in the target area.

We recommend opening a Barbeque in neighborhoods in Cluster 1 as our findings show that people in Cluster 1 prefer cuisine specific/fine dining restaurants.

Limitation

Our analysis will be based on information available from Foursquare and Statistics Canada. We have not been provided any financial information that can help in making a better decision as this information is of confidential nature.

Furthermore, we would be analyzing only the target areas specified by our Investor and would not be looking at other areas. Our recommendation would be based on best option available with the target area this includes, neighborhood and type of restaurant.