

Predicting a location to open a next 'Chipotle Mexican Grill' outlet in USA

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1. Introduction

1.1 Background

'Chipotle Mexican Grill' is a casual restaurant chain in USA. Currently it operates less than 2,500 restaurants, most of which are in the U.S. This number is very small as compared to the 35000+ McDonald's restaurants in 119 countries or 42000+ Subways across many countries, which are similar in type of 'fast casual restaurant' chains. There are states in USA with very less or without Chipotle outlet!! Although Chipotle is closing some of its outlets, it is expanding business in some areas as well. There is a tremendous growth opportunity for Chipotle to expand both domestically and internationally.

1.2 Business Problem

Aim of this project is to find out the next probable location - US State where there are presently less than 3 stores and has a potential to open a new 'Chipotle Mexican Grill' outlet.

For this exercise, real data of every 'Chipotle' is explored to identify their presence in the states of USA. Then to find out the next potential 'Chipotle' locations, based on several important factors, such as states with very less Chipotle outlets, state population, proximity to shopping centers, proximity to universities and the distance from tourist attractions.

Considering the constraints on normal and Premium access to fetch data using Foursquare API, this exercise is worked upon the states with less than 3 outlets.

This study is presently based on limited factors but can certainly be expanded to many other factors such as travelers who prefer Mexican food over other fast foods, areas where customers opt for vegetarian options (which is offered by Chipotle) adds value, user suggested locations for new stores (Chipotle website collects this information), cost effectiveness compared to other casual restaurant chains etc.

1.3 Interest

This analysis should interest Chipotle management to explore areas in which there's a potential to expand business. It is heard that Chipotle do not offer franchises but in future if management decides to change the policy then this analysis could also interest potential franchisees.

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2. Data Acquisition and Cleaning

2.1 Data Sources

2.2 Data Cleaning

2.3 Feature Selection

3. Exploratory Data Analysis

4. Predictive Modeling

5. Conclusions