

# Examining Toronto Neighborhoods: Best location for a coffee shop

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## 1. Introduction

An aspiring business owner has come to XYZ Consulting looking to open a boutique coffee shop in the city of Toronto. The client's objective is to find a neighbourhood where they will have the opportunity to craft a unique brand in the high end specialty coffee experience. The client is concerned that many Toronto neighbourhoods are inundated with coffee shops already, including popular chains such as Aroma Espresso Bar and Starbucks that would hinder the ability for a startup to compete.

The client has come to XYZ Consulting to select a neighbourhood in Toronto, based on the available data, where a new, boutique coffee experience would have the opportunity to flourish. The client is comfortable with - and in fact would prefer - there to be other restaurants in the neighbourhood as well, which would provide the opportunity for a complimentary business to enter the market.

## 2. Data

The data I will be using is available through the FourSquare location data API. The FourSquare API will allow us to explore the following in neighbourhoods the client is considering open their boutique coffee shop in:

- the exposure of other coffee chains, competitors, in that neighbourhood
- the other, complimentary, venues already established in that neighbourhood
- the ability to display competitors and complimentary businesses on a map of each neighbourhood

We will include a visual examination of two Toronto neighbourhoods under consideration, in order to cue in on how dense the venue population is in each.

### **3. Methodology**

Two separate and distinct neighbourhoods in Toronto were examined to identify where the best opportunity to open a coffee shop would be. One neighbourhood is in the heart of downtown Toronto, and the other on the west side of the city in the suburbs of Etobicoke.

A list of the current venues and their location were examined; this included a view of the total number of venues, the number of coffee shops that currently exists in each location and a map visualization of the density of the venues in each city location.

### **4. Results**

The downtown location has 75 separate venues, with the largest category being coffee shops. There are 7 coffee shops in this small neighbourhood alone, limiting the opportunity for a new entrant. As can be seen on the map, the density of the venues downtown is quite intense; there are 7 coffee shops in the small, 5 kilometre radius represented. This is not ideal for a new entrant.

The suburban, Etobicoke location has a much smaller number of total venues - only 7! And in the 5 kilometre radius represented, there is only 1 coffee shop! This is a much better opportunity for a boutique to establish a brand and build a loyal customer base.

### **5. Conclusion**

Based on the data of the population of venues in each location, the best choice for the client is the Alderwood neighbourhood of Etobicoke. There is only one other coffee shop, and a smaller number of total venues in this up and coming community. This will be a great opportunity for a boutique brand to build itself.

