

December 30th, 2020

OPENING A FRENCH RESTAURANT IN CHICAGO, IL, USA

Aline Campos Camargo

Table of Contents

| | |
|---------------------------------------|-----------|
| Introduction | 3 |
| Data | 3 |
| Data requirements..... | 3 |
| Data collection | 4 |
| Methodology..... | 5 |
| Preparation | 5 |
| Machine Learning Modelling | 6 |
| Results | 8 |
| Discussion..... | 11 |
| Conclusion and Next Steps..... | 12 |

NOTE: in this report the words VARIABLE and FEATURE are used interchangeably.

Introduction

The owner of a successful French restaurant in New York is interested in opening a similar restaurant unit in Chicago, IL, USA. The first step he would like to take in this direction is to select a location in Chicago, but he does not know where to start. He is requesting some overall guidance on what areas to explore first.

His French restaurant is of medium-to-high price tier (\$\$\$) and is considered more a formal dining restaurant than the average casual, fast food or bar experience. Consequently, this French restaurant is better designed to address fewer guests per day in longer dining experiences than high volumes of clients usually seen in very casual restaurants, fast food venues and bars. Hence, we should look for areas where there is some indication that similar sit-down dining experiences are of interest for local population.

Chicago is a large city with large diversity of people and interests. The city is divided into 77 different communities for statistical studies such as the Census. Some communities directly correspond to neighborhoods, others comprise of two or more neighborhoods.

The objective in this Data Science project is to identify which communities this French Restaurant owner should explore first when looking for a location to open his new restaurant in Chicago, IL, USA.

Data

Data requirements

For this analysis, I wanted to evaluate the differences between the various communities in Chicago by analyzing data related to population size and restaurants present in each of them. More specifically, the following are the variables (or features) I would like to leverage for this analysis:

| | Numerical | Categorical |
|-------------------------------------|---|-----------------------|
| Population | Population size Population density | N/A |
| Ratio population/restaurants | People / Restaurant | N/A |
| Restaurants | Number of restaurants Price tier (on a 1\$ to 4\$ scale) | Restaurant categories |

Data collection

After some online research, the below Wikipedia page proved to be a good source for three types of information:

Wikipedia page: https://en.wikipedia.org/wiki/Community_areas_in_Chicago

Relevant information:

- Names of Chicago's 77 communities
- Population in each community
- Population density per km² in each community

The main table in this Wikipedia page, where the above information can be found, also provides duplicate or additional information that is not relevant for this analysis and will be removed after scraping the webpage, which I will explain in the Methodology section.

Continuing the data collection process, we need to get information on existing restaurants in each community and, for that, we were asked to leverage the Foursquare Places API. The following relevant variables are available through the Foursquare API

- Restaurant Names
- Restaurant Categories
- Restaurant Price Tier (on a 1 to 4 scale)

One limitation encountered in this data collection process is that Price Tier is considered a Premium endpoint in Foursquare which would require a Premium subscription, but our Budget for this project does not allow us to proceed with that subscription. So, we will drop this feature from the analysis and use only Restaurant Names and Category.

Finally, after collecting data from both Wikipedia and Foursquare, we can calculate two additional relevant variables:

- Count of restaurants per community
- Ratio average number of people per restaurant

With that, we conclude the process of collecting data and we can then proceed to cleaning, preparing and modelling the data, which will be discussed in the next section.

Methodology

For this data science project, I decided to use the K-means Clustering machine learning modelling technique to group communities with similar features, to then analyze each of them and decide which one the French Restaurant owner should prioritize. To run a Clustering model, I need to prepare a dataset with normalized data, where categorical variables are converted to numerical variables, and numerical variables are normalized to account for differences in scale between all of them.

Our Clustering dataset should contain the following 5 variables for each community:

- Population
- Population Density
- Number of restaurants
- Ratio people/restaurant
- Frequency of each restaurant category

Preparation

I started preparing our data by scraping the table in the Wikipedia page. I then removed both columns with Area information (Area sq mi and Area km2), because we only needed Density (Population divided by Area) for our analysis. Finally, as the table provided Density in two different measurement systems, I decided to only keep the one in Km2, removing the other column.

Next, I wanted to search restaurants in all 77 communities leveraging the Foursquare Places API. To do so, I first needed to get latitude and longitude coordinates for all communities, which I successfully achieved using Geopy.geocoders.

I then proceeded with calling the Foursquare Places API to get IDs, names and categories of all venues returned after calling a search query “Restaurant” across all 77 communities.

The first thing I noticed is that the search did not return many French Restaurants – only 1 in Lincoln Park - which didn’t seem realistic. Indeed, a quick search of “French Restaurants” in Chicago, IL in the Foursquare App user interface retrieved 30 results, so it is surprising that the API could not find more French restaurants through a search by community. Trying to resolve this situation would take too much time and considering that the count of French Restaurants per community was not specifically a variable that we wanted to analyze in our Clustering model, I decided to proceed with this resulting dataset but will discuss this limitation in the Discussion section for this report for further exploration.

I also observed that many of the Categories retrieved with the API call were not related to Restaurants or eating venues – such as “Park”, “Conference Room”, and “Residential Building”. I consolidated a list of all non-restaurant categories and removed from the API resulting dataset all venues that fell into this list of categories. Note however that certain categories – such as “Bars”, “Bagel Shop”, and “Hot Dog Joint” – even though not containing the word “Restaurant”, were still kept as part of the

analysis because those are places that people go to eat and are relevant to illustrate the type of eating experiences that exists in each community.

The resulting dataset contained 69 different Categories and 64 Communities, which means 13 communities were not retrieved in this process: 10 of them were not found when calling the Foursquare API, and another 3 were eliminated because only listed venues under non-restaurant categories.

Finally, with the Foursquare data cleaned, I could calculate the number of restaurants in each Community, as well as the ratio of people/restaurants in each community, dividing Population from the Wikipedia dataset by the Count of restaurants calculated using the dataset from the Foursquare API call. With that, I concluded the process of gathering all variables in one dataset.

I then needed to normalize our data to make it ready for Clustering.

The variable Restaurant Category is Categorical data and therefore has to be converted to numerical and consolidated by community. I used `get_dummies` function for transforming categorical into numerical data, and then calculated the frequency of each restaurant category in each community. Consequently, all transformed values, float type, fall in the range 0 to 1.

I then normalized all Numerical variables - Population, Density, Restaurant Count and Ratio People/Restaurant - by dividing each of them by the respective maximum value. Those values also consequently fit the range 0 to 1, with float values.

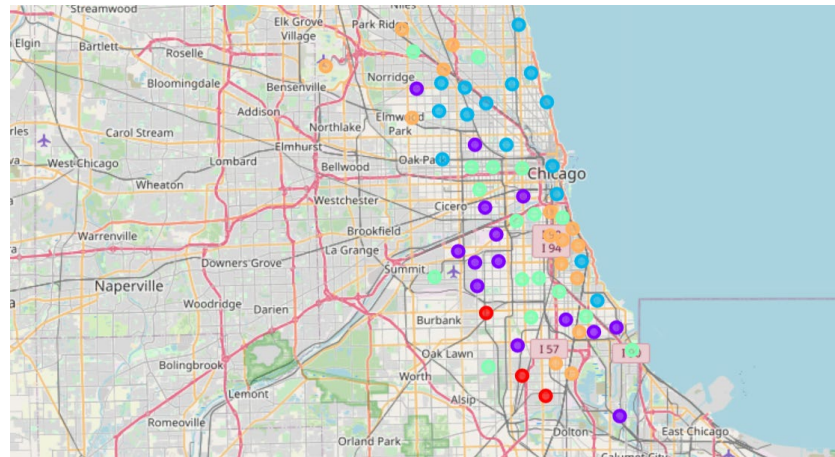
The combination of all normalized data across 5 key features – Population, Density, Restaurant Count, ratio People/Restaurant, and Frequency of Restaurant Categories – created the cluster dataset ready to be fitted in a K-means Clustering model.

Machine Learning Modelling

For this data science project, I used K-Means Clustering machine learning model to group communities into similar clusters.

The key parameter when initiating a K-means Cluster model is the choice of K number of clusters. I ran the model with K values ranging from 3 to 8 and, for each value, did the steps I describe next.

Following each model fitting process with K number of clusters, I looked at the geographical distribution of clusters in a Chicago map, like the one below (with 5 clusters). The advantage of visualizing the size of the clusters in terms of number of communities in each, and also starting to understand where each cluster is located.



Then, for each cluster, I created a dataframe showing the 5 key features (below) for each community, so that I could understand the common characteristics of communities clustered together:

- Population
- Density
- Restaurant Count
- Ratio People/Restaurant
- Frequency of restaurant categories

For this last feature – Frequency of categories – instead of looking at the frequency of all 69 categories, I decided to look at Top 5 categories in each community. That proved to be enough to understand the results calculated by the machine learning model. When reading this information in each cluster, I assumed that if a restaurant category is seen in top 5 categories, it means that people living, working or visiting those communities are interested in that cuisine and therefore sustaining the presence and popularity of that category of restaurants in the area. Otherwise, restaurants under those categories would be shutting down or present as minority in the region.

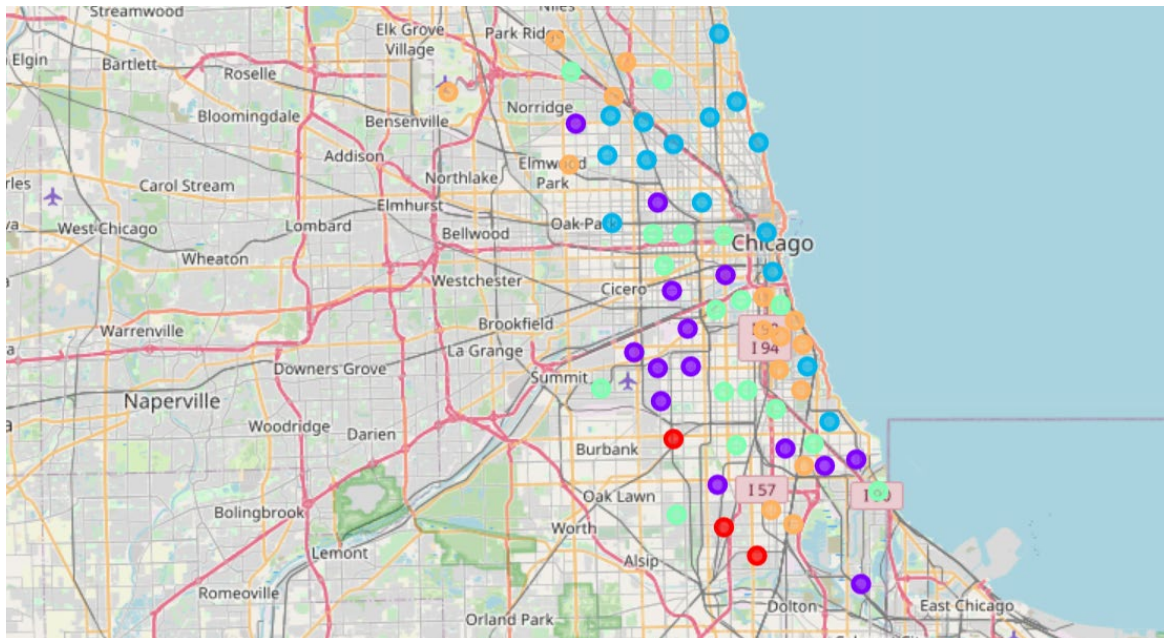
I finally proceeded to analyze and compare the characteristics of each cluster to understand intra-community similarities and inter-cluster differences. For this process of interpretation, I also compared the values in 4 first Numerical features – Population, Density, Restaurant Count and ratio People/Restaurant – to the descriptive statistics for the entire dataset, shown below:

| | Restaurant Count | Population | Density (/km2) | People/Restaurant |
|--------------|------------------|--------------|----------------|-------------------|
| count | 64.000000 | 64.000000 | 64.000000 | 64.000000 |
| mean | 9.796875 | 32471.546875 | 4676.187500 | 5781.675779 |
| std | 10.486847 | 20489.634950 | 2191.099279 | 5379.199691 |
| min | 1.000000 | 2254.000000 | 358.230000 | 492.083333 |
| 25% | 4.000000 | 18974.750000 | 3136.237500 | 2249.946429 |
| 50% | 6.000000 | 27284.500000 | 4336.920000 | 4455.000000 |
| 75% | 11.500000 | 42747.000000 | 6309.310000 | 6941.694444 |
| max | 48.000000 | 95260.000000 | 11554.110000 | 27742.000000 |

I repeated the process described above for Clustering results using different K number of clusters – from 3 to 8 – and found 5 to be the optimal number. The choice of 3 clusters resulted in undefined cluster profiles, mixing communities with very different values across the 5 key features, and a choice of 6, 7 and 8 clusters resulted in more than one cluster with 1 or 2 communities only each, which was not optimal and probably an overfitting problem. Therefore, our optimal K number of clusters was 5 and the results will be detailed in the next session.

Results

After running the K-means Clustering model with K=5, I started by mapping the 5 clusters in the Chicago area, as shown below:



Red dots = Cluster 0, Purple dots = Cluster 1, Blue dots = Cluster 2, Green dots = Cluster 3, Orange dots = Cluster 4

The first cluster (Cluster 0) has 3 communities with a high ratio of People/Restaurant compared to the entire set of 64 clustered communities (above 3rd quartile = 6,941 people/restaurant). Those communities are also located far from Chicago downtown and, based on the list of top 5 categories in those communities, there is no indication that a French restaurant would be particularly successful there.

| | Community | Cluster Labels | Restaurant Count | Population | Density (/km2) | People/Restaurant | 1st Category | 2nd Category | 3rd Category | 4th Category | 5th Category |
|----|--------------|----------------|------------------|------------|----------------|-------------------|---------------------|-------------------|----------------------|--------------------|--------------------|
| 1 | Ashburn | 0 | 6 | 43792 | 3479.05 | 7298.666667 | American Restaurant | Sports Bar | Hot Dog Joint | Italian Restaurant | Yemeni Restaurant |
| 38 | Morgan Park | 0 | 1 | 22394 | 2620.11 | 22394.000000 | American Restaurant | Yemeni Restaurant | Food | Deli / Bodega | Dim Sum Restaurant |
| 61 | West Pullman | 0 | 1 | 27742 | 3008.78 | 27742.000000 | Seafood Restaurant | Yemeni Restaurant | Ethiopian Restaurant | Cuban Restaurant | Deli / Bodega |

Cluster 1, as shown below, reunites 14 communities where there seems to be high interest for Mexican food, as those are the most frequent categories of restaurants open in the region. It also seems that Caribbean, American and Fast Food are popular cuisines in those locations. I also noticed that most communities (10 out of 14) have Population values above the average of 27,284 people per community, seen across all 64 analyzed communities.

| | Community | Cluster Labels | Restaurant Count | Population | Density (/km2) | People/Restaurant | 1st Category | 2nd Category | 3rd Category | 4th Category | 5th Category |
|----|-----------------|----------------|------------------|------------|----------------|-------------------|--------------------|-----------------------------|----------------------|----------------------|----------------------|
| 7 | Beverly | 1 | 1 | 20822 | 2528.12 | 20822.000000 | Mexican Restaurant | Yemeni Restaurant | Fast Food Restaurant | Cuban Restaurant | Deli / Bodega |
| 9 | Brighton Park | 1 | 7 | 44813 | 6361.18 | 6401.857143 | Mexican Restaurant | Seafood Restaurant | Chinese Restaurant | Breakfast Spot | Deli / Bodega |
| 11 | Calumet Heights | 1 | 3 | 13188 | 2909.67 | 4396.000000 | Diner | Burger Joint | Mexican Restaurant | Yemeni Restaurant | Fast Food Restaurant |
| 12 | Chatham | 1 | 3 | 31120 | 4073.05 | 10373.333333 | Mexican Restaurant | Caribbean Restaurant | Yemeni Restaurant | Fast Food Restaurant | Deli / Bodega |
| 15 | Dunning | 1 | 8 | 43689 | 4534.52 | 5461.125000 | Mexican Restaurant | Eastern European Restaurant | Bar | American Restaurant | Seafood Restaurant |
| 22 | Gage Park | 1 | 10 | 40873 | 7173.25 | 4087.300000 | Mexican Restaurant | Asian Restaurant | Coffee Shop | Gay Bar | Gastropub |
| 23 | Garfield Ridge | 1 | 6 | 36396 | 3322.12 | 6066.000000 | Mexican Restaurant | Restaurant | Food | Ethiopian Restaurant | Cuban Restaurant |
| 26 | Hegewisch | 1 | 1 | 9418 | 693.95 | 9418.000000 | Mexican Restaurant | Yemeni Restaurant | Fast Food Restaurant | Cuban Restaurant | Deli / Bodega |
| 28 | Humboldt Park | 1 | 6 | 56427 | 6051.83 | 9404.500000 | Mexican Restaurant | Caribbean Restaurant | Taco Place | Breakfast Spot | Fast Food Restaurant |
| 35 | Lower West Side | 1 | 21 | 32888 | 4333.83 | 1566.095238 | Mexican Restaurant | Food | Restaurant | Taco Place | Food Court |
| 62 | South Chicago | 1 | 7 | 28263 | 3267.19 | 4037.571429 | Mexican Restaurant | Italian Restaurant | Caribbean Restaurant | Food | African Restaurant |
| 63 | South Lawndale | 1 | 16 | 74851 | 6296.33 | 4678.187500 | Mexican Restaurant | Chinese Restaurant | Diner | Restaurant | Yemeni Restaurant |
| 67 | West Elsdon | 1 | 9 | 19237 | 6348.25 | 2137.444444 | Mexican Restaurant | Food | American Restaurant | Chinese Restaurant | Deli / Bodega |
| 60 | West Lawn | 1 | 14 | 33108 | 4333.24 | 2364.857143 | Mexican Restaurant | Pizza Place | Seafood Restaurant | Food | Chinese Restaurant |

The next cluster, number 2, gathers 15 communities with high Population and Population Density, compared to the total averages seen across all 64 communities. It also comprises a set of communities with very diverse cuisines, which indicates that restaurant guests in the area probably appreciate having variety of food and dining experiences. This is also the cluster where European cuisine is more frequently seen in top 5 categories: Greek, Eastern European, Scandinavian, Italian, and Ukrainian cuisines are featured in the top 5 categories. This could be an indication that French cuisine – also European – could be successful in the location.

| | Community | Cluster Labels | Restaurant Count | Population | Density (/km2) | People/Restaurant | 1st Category | 2nd Category | 3rd Category | 4th Category | 5th Category |
|----|-----------------|----------------|------------------|------------|----------------|-------------------|---------------------------------|---------------------|---------------------------|-------------------------|-----------------------------|
| 3 | Austin | 2 | 6 | 95260 | 5144.07 | 15876.666667 | Southern / Soul Food Restaurant | Greek Restaurant | Breakfast Spot | Food | Taco Place |
| 5 | Avondale | 2 | 31 | 37368 | 7286.80 | 1205.419355 | Mexican Restaurant | Chinese Restaurant | Food | Vietnamese Restaurant | Diner |
| 6 | Belmont Cragin | 2 | 20 | 79910 | 7890.90 | 3995.500000 | Mexican Restaurant | Restaurant | American Restaurant | Food | Eastern European Restaurant |
| 27 | Hermosa | 2 | 17 | 24144 | 7967.57 | 1420.235294 | Mexican Restaurant | Restaurant | Latin American Restaurant | American Restaurant | Pizza Place |
| 29 | Hyde Park | 2 | 14 | 26827 | 6433.52 | 1916.214286 | Food | Japanese Restaurant | Mexican Restaurant | American Restaurant | Gastropub |
| 30 | Irving Park | 2 | 19 | 54606 | 6568.06 | 2874.000000 | Food | Pizza Place | Mexican Restaurant | Chinese Restaurant | Mediterranean Restaurant |
| 33 | Lincoln Park | 2 | 15 | 67710 | 8273.10 | 4514.000000 | Chinese Restaurant | Bagel Shop | Noodle House | Scandinavian Restaurant | Seafood Restaurant |
| 34 | Loop | 2 | 46 | 35880 | 8395.97 | 780.000000 | Food | Chinese Restaurant | American Restaurant | Italian Restaurant | Restaurant |
| 40 | Near South Side | 2 | 48 | 23620 | 5123.44 | 492.083333 | Chinese Restaurant | Food | Asian Restaurant | American Restaurant | Cantonese Restaurant |
| 42 | North Center | 2 | 19 | 35789 | 6740.59 | 1883.631579 | Chinese Restaurant | Thai Restaurant | Latin American Restaurant | American Restaurant | Mexican Restaurant |
| 48 | Portage Park | 2 | 10 | 64307 | 6285.84 | 6430.700000 | Chinese Restaurant | Restaurant | Italian Restaurant | Mexican Restaurant | Latin American Restaurant |
| 50 | Rogers Park | 2 | 20 | 55062 | 11554.11 | 2753.100000 | Food | Mexican Restaurant | Chinese Restaurant | American Restaurant | Wings Joint |
| 54 | South Shore | 2 | 11 | 50418 | 6643.86 | 4583.454545 | Food | African Restaurant | Breakfast Spot | Gay Bar | Mexican Restaurant |
| 55 | Uptown | 2 | 47 | 57973 | 9648.06 | 1233.468085 | Vietnamese Restaurant | Food | Chinese Restaurant | African Restaurant | American Restaurant |
| 62 | West Town | 2 | 25 | 84502 | 7123.67 | 3380.080000 | Latin American Restaurant | Mexican Restaurant | Caribbean Restaurant | Ukrainian Restaurant | Food |

Cluster number 3 below reunites 17 communities. Data values in Population, Density and People/Restaurant ratio vary across communities, hence I we cannot see a pattern regarding those numerical features. Cuisines in this area seem concentrated around General and American Food, Fast Food and Delis, as well as Cuban and Asian Food. Those cuisines are generally very different from French cuisine, so this is probably not a strong location for a French restaurant.

| | Community | Cluster Labels | Restaurant Count | Population | Density (/km2) | People/Restaurant | 1st Category | 2nd Category | 3rd Category | 4th Category | 5th Category |
|----|------------------------|----------------|------------------|------------|----------------|-------------------|--------------------|---------------------------------|---------------------------|-----------------------------|----------------------|
| 2 | Auburn Gresham | 3 | 8 | 46278 | 4739.53 | 5784.750000 | Food | Southern / Soul Food Restaurant | Chinese Restaurant | Mexican Restaurant | American Restaurant |
| 4 | Avalon Park | 3 | 5 | 9965 | 3084.18 | 1997.000000 | Food | Fast Food Restaurant | Diner | Comfort Food Restaurant | Gay Bar |
| 8 | Bridgeport | 3 | 10 | 33637 | 6214.03 | 3363.700000 | Food | American Restaurant | Restaurant | Asian Restaurant | Japanese Restaurant |
| 13 | Clearing | 3 | 4 | 25891 | 3920.22 | 6472.750000 | Food | Pizza Place | Asian Restaurant | Latin American Restaurant | Fast Food Restaurant |
| 14 | Douglas | 3 | 3 | 20781 | 4862.78 | 6927.000000 | African Restaurant | Café | Food | German Restaurant | Gay Bar |
| 16 | East Garfield Park | 3 | 4 | 19996 | 4000.26 | 4999.000000 | Food | Diner | Fast Food Restaurant | Cuban Restaurant | Deli / Bodega |
| 17 | East Side | 3 | 3 | 23737 | 3075.47 | 7912.333333 | Food | Bar | Italian Restaurant | Deli / Bodega | Dim Sum Restaurant |
| 19 | Englewood | 3 | 3 | 25075 | 3153.59 | 8358.333333 | Food | Restaurant | Ethiopian Restaurant | Comfort Food Restaurant | Cuban Restaurant |
| 25 | Greater Grand Crossing | 3 | 4 | 31766 | 3454.91 | 7941.500000 | Food | Southern / Soul Food Restaurant | Yemeni Restaurant | Ethiopian Restaurant | Cuban Restaurant |
| 36 | McKinley Park | 3 | 7 | 15767 | 4317.50 | 2252.428571 | Food | Diner | American Restaurant | Chinese Restaurant | Fast Food Restaurant |
| 39 | Mount Greenwood | 3 | 4 | 19277 | 2746.45 | 4819.250000 | Food | Breakfast Spot | Italian Restaurant | Mexican Restaurant | Deli / Bodega |
| 41 | Near West Side | 3 | 9 | 62872 | 4266.26 | 6985.777778 | Food | Mexican Restaurant | Fast Food Restaurant | American Restaurant | Italian Restaurant |
| 43 | North Lawndale | 3 | 2 | 35947 | 4323.74 | 17973.500000 | Food | Fast Food Restaurant | Cuban Restaurant | Deli / Bodega | Dim Sum Restaurant |
| 44 | North Park | 3 | 13 | 18842 | 2886.88 | 1449.384615 | Food | Korean Restaurant | Yemeni Restaurant | American Restaurant | Chinese Restaurant |
| 45 | Norwood Park | 3 | 7 | 37089 | 3276.92 | 5298.428571 | Pizza Place | Diner | Latin American Restaurant | Eastern European Restaurant | Food |
| 58 | West Englewood | 3 | 4 | 29929 | 3668.46 | 7482.250000 | Food | American Restaurant | Fast Food Restaurant | Yemeni Restaurant | Deli / Bodega |
| 59 | West Garfield Park | 3 | 5 | 17163 | 5177.09 | 3432.600000 | Food | Taco Place | Coffee Shop | Ethiopian Restaurant | Cuban Restaurant |

The last Cluster, number 4, comprises 15 communities where there seems to be a concentration of American, Southern and Fast Food, as well as Chinese, Middle Eastern and African Food. The Population in most of those communities are below average of the entire community dataset. Similarly, the average number of people per restaurant seems generally below average of the entire dataset. This may be an indication that the area is already filled with many restaurants and opening a new dining venue there could be more challenging.

| | Community | Cluster Labels | Restaurant Count | Population | Density (/km2) | People/Restaurant | 1st Category | 2nd Category | 3rd Category | 4th Category | 5th Category |
|----|-----------------|----------------|------------------|------------|----------------|-------------------|---------------------------------|---------------------------------|---------------------------|---------------------------------|-----------------------------|
| 0 | Armour Square | 4 | 6 | 13455 | 5195.00 | 2242.500000 | Chinese Restaurant | Food | Fast Food Restaurant | American Restaurant | Deli / Bodega |
| 10 | Burnside | 4 | 1 | 2254 | 1426.68 | 2254.000000 | Comfort Food Restaurant | Fast Food Restaurant | Cuban Restaurant | Deli / Bodega | Dim Sum Restaurant |
| 18 | Edison Park | 4 | 1 | 11605 | 1635.30 | 11605.000000 | Steakhouse | Yemeni Restaurant | Ethiopian Restaurant | Cuban Restaurant | Deli / Bodega |
| 20 | Forest Glen | 4 | 4 | 19019 | 2294.78 | 4754.750000 | Restaurant | Indian Restaurant | Chinese Restaurant | Yemeni Restaurant | Ethiopian Restaurant |
| 21 | Fuller Park | 4 | 4 | 2439 | 1326.34 | 609.750000 | Fast Food Restaurant | Italian Restaurant | Diner | Southern / Soul Food Restaurant | Ethiopian Restaurant |
| 24 | Grand Boulevard | 4 | 8 | 22313 | 4951.20 | 2789.125000 | Southern / Soul Food Restaurant | Chinese Restaurant | BBQ Joint | Restaurant | Caribbean Restaurant |
| 31 | Jefferson Park | 4 | 7 | 26808 | 4442.33 | 3829.714286 | Chinese Restaurant | Restaurant | Middle Eastern Restaurant | Food | Eastern European Restaurant |
| 32 | Kenwood | 4 | 3 | 17189 | 6381.45 | 5729.666667 | Chinese Restaurant | Caribbean Restaurant | BBQ Joint | Yemeni Restaurant | Fast Food Restaurant |
| 37 | Montclare | 4 | 5 | 13830 | 5393.73 | 2766.000000 | Restaurant | Mexican Restaurant | Pizza Place | Eastern European Restaurant | Ethiopian Restaurant |
| 46 | O'Hare | 4 | 6 | 12377 | 358.23 | 2062.833333 | Bar | Sports Bar | Greek Restaurant | Italian Restaurant | Pub |
| 47 | Oakland | 4 | 4 | 6645 | 4423.53 | 1661.250000 | Restaurant | Caribbean Restaurant | BBQ Joint | Southern / Soul Food Restaurant | Ethiopian Restaurant |
| 49 | Pullman | 4 | 4 | 6613 | 1204.38 | 1653.250000 | Mexican Restaurant | Fast Food Restaurant | Diner | Restaurant | Cuban Restaurant |
| 51 | Roseland | 4 | 3 | 42433 | 3399.06 | 14144.333333 | Chinese Restaurant | Southern / Soul Food Restaurant | Fast Food Restaurant | Gay Bar | Gastropub |
| 56 | Washington Park | 4 | 3 | 11502 | 2921.68 | 3834.000000 | American Restaurant | Chinese Restaurant | Restaurant | Yemeni Restaurant | Ethiopian Restaurant |
| 63 | Woodlawn | 4 | 5 | 23268 | 4340.01 | 4653.600000 | Fast Food Restaurant | American Restaurant | Caribbean Restaurant | Diner | Restaurant |

From the analysis above, I would recommend the French Restaurant owner to prioritize communities found in Cluster number 2: Austin, Avondale, Belmont Cragin, Hermosa, Hyde Park, Irving Park, Lincoln Park, Loop, Near South Side, North Center, Portage Park, Rogers Park, South Shore, Uptown, West Town.

In this Cluster, the diversity of cuisines and a distinct higher presence of European cuisines not found in the other four clusters, seem to indicate that people living, working and/or visiting the area are interested in various food tastes and therefore more curious to try a new restaurant in the area with European origins. This is also a cluster of communities with large Population and high population Density, which is a promising situation for opening a new restaurant and having better chances of a higher daily occupancy, which is a crucial metric for any restaurant trying to sustain its business.

In all other clusters there was either an indication that a more formal French dining experience would not be successful, with casual and fast dining experiences being at the top 5 restaurant categories, or small Population and Population/Restaurant ratio that could present an occupancy problem for a new restaurant in their locations.

Discussion

This data analysis provides the French Restaurant owner with high-level guidance on what communities to prioritize when searching for a location. We found however a few limitations while collecting and analyzing the data, that should be considered as described below.

First, using Foursquare Places API by community did not return restaurant information for 13 of the 77 communities: Albany Park, Archer Heights, Chicago Lawn, Edgewater, Lake View, Lincoln Square, Logan Square, Near North Side, New City, Riverdale, South Deering, Washington Heights, West Ridge. Maybe working closely with Foursquare to understand this limitation would help address this problem, but we did not have time for that in this analysis. Therefore, collecting and analyzing data about those 13 communities would have to be addressed in the future.

Moreover, the calls to Foursquare API by community surprisingly did not return French Restaurants. After a quick manual search on Foursquare App for the entire city of Chicago, I could find 30 French restaurants listed, but unfortunately when calling the API to retrieve restaurant information by community, only 1 French Restaurant was found. I tried calling the API using “French Restaurant” as query and tested different radius values (500, 1000, 1500, 2000) as well, but still could not get more than 1 French restaurant. While this was not a crucial variable for this high-level clustering analysis, it’s is crucial for any business to understand its direct competition in any location. Therefore, the French Restaurant owner should spend some time understanding where other French Restaurants are located and where his restaurant would have a competitive advantage.

Finally, given that I didn’t have a Budget set up to potentially calling Premium endpoints of the Foursquare API, I had to drop Price Tier as a feature for the Clustering analysis. This is not an essential variable, but it would have been interesting to see the average restaurant Price Tier per cluster as an indication of what restaurants guests in each community are willing to pay.

Conclusion and Next Steps

This analysis successfully identified a cluster of 15 communities in Chicago, IL, USA that the French Restaurant owner should prioritize for next steps in the search for a location for his first restaurant in that city.

As a next step, I would recommend the restaurant owner to, if possible, engage a Research company to conduct quantitative customer research with restaurant guests in those 15 communities, or even with all Chicago communities, to collect and analyze information about restaurant guests' income, average value spent in dining experiences, cuisine preferences, and opinion about existing French restaurants in Chicago. That information would both supplement the analysis presented in this report and, if done across all 77 communities, compensate for missing information about 13 communities and French Restaurants not retrieved when calling the Foursquare Places API. Data collected from this new research could be once again analyzed under a Clustering model or any other modelling technique suggested by the Research company.

The analysis presented in this report, combined with this recommended future customer research, would equip the French Restaurant owner with quality information to make educated decisions about what communities he could more actively start exploring to open a restaurant, looking for a specific location, evaluating space rental or purchase cost, and all other specific restaurant opening steps.