

Selecting the right place where to open a gym in Toronto

1. Introduction

The “FitBest” Ltd. has appointed our firm to investigate the best area in the city of Toronto for the opening of a new fitness facility. The new gym should be ideally opened in an area where there is already a demand for this kind of service, but where the satisfaction level of customers is low, making them more prone to churn. In fact, the aim of the client is to try to absorb this “unsatisfied” demand and from there to expand in other areas of the city in the following years.

2. Data

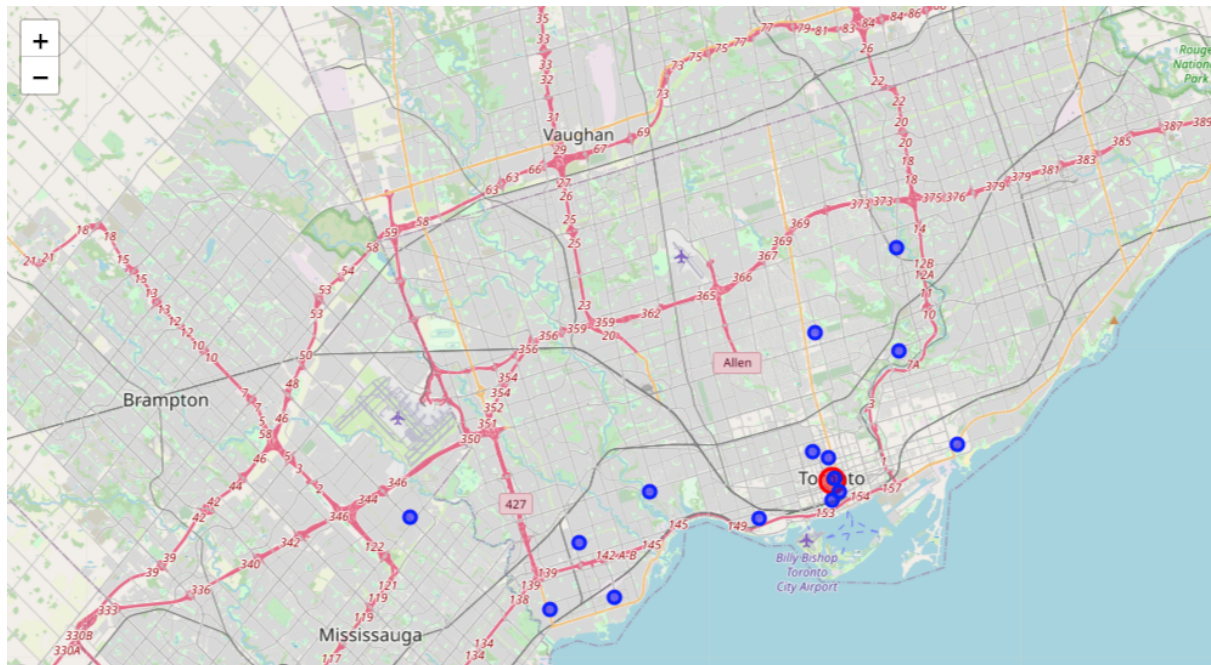
In order to answer this question, we have gathered relevant data concerning the neighborhoods of the city of Toronto from the web (specifically, from the Wikipedia page https://en.wikipedia.org/wiki/List_of_postal_codes_of_Canada:_M). Furthermore, we used geo-spatial coordinates of these neighborhoods from a proprietary .csv file. These coordinates are useful in order to make API requests to “FourSquare”: in fact, we also used the FourSquare API in order to obtain relevant data on competitors around the city, as well as on how these competitors have been rated by their users. After organized the data in a more useful structure we were able to perform some preliminary EDA.

3. Methodology

According to our EDA there are 34 gyms in the city of Toronto. Therefore, in order to decide which neighborhoods suits best our client’s interests, we first identified those ones where no more than one gym is present. Despite the possibility of opting for neighborhoods where zero gyms exist, we thought that the fact that a gym is already present in an area means that there

is already a demand for this service. Therefore, marketing efforts should be less onerous than in other cases where demand needs to be created “from scratch”.

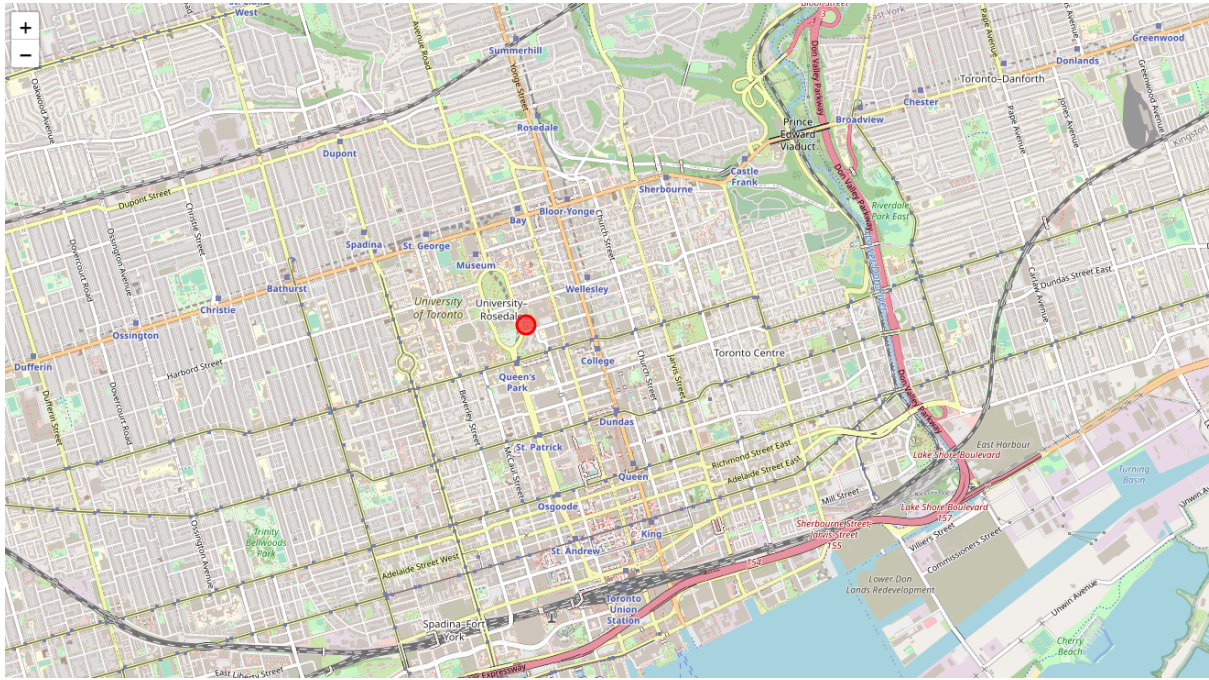
Below, we can see the distribution of neighborhoods where only one gym exists:



After identifying the most suitable areas, we proceeded on collecting the ratings of the FourSquare users. Unfortunately, not all venues have a rating, but we managed to get some of them.

4. Results

We identified the gym facility “Hart House Gym” in the neighborhood of Ontario Provincial Government as the one with the lowest rating (6.3) among all rated-peers.



5. Discussion

Based on what observed from the above analysis, we can see that this may be the most suitable area for the location of a new gym. Furthermore, the location encompasses the University of Toronto, that could be a good source of young customers liking fitness.

6. Conclusion

We recommend the client to consider the neighborhood of Ontario Provincial Government as the best location where to open a new gym.