



APPLIED DATA SCIENCE CAPSTONE PROJECT

The Battle of Neighborhoods

Introduction

This document describes the business problem to be solved by the applied data science capstone project.

Boštjan Keber
bostjan.keber@gmail.com
2019/02/01

Introduction / Business Problem

“Metropolitan Café”, an US-based coffee shop franchise company wants to enter European market. They chose Barcelona, Spain as the first city where they want to try their concept in the EU and open two coffee shops. Barcelona is a vibrant Mediterranean city in the north-east of Spain. It is the capital and largest city of Catalonia, as well as the second most populous municipality of Spain with a population of 1.6 million within city limits. The city spreads on 101.4 km² (39.2 sq mi) area.

“Metropolitan Café” offers two coffee shop concepts:

- “Hip Café” is their premium offering for mid- to high-end of the market; these coffee shops are usually placed in the best locations in the city;
- “Budget Café” is their low-cost offering, targeting price-conscious customers; these coffee shops are usually placed in cheaper locations; however, these locations must share certain characteristics with locations of their premium offering.

“Metropolitan Café” bases all their business decisions on data. In the past years, they have collected large data sets from their US coffee shops. Data shows that their best coffee shops (in terms of revenues, profits, and customer satisfaction) are located in:

- Gramercy, Manhattan, New York
- Turtle Bay, Manhattan, New York
- Little Italy, Manhattan, New York
- West Village, Manhattan, New York
- Manhattanville, Manhattan, New York

The purpose of the project is to answer the following question: **what are the best locations to open “Hip Café” and “Budget Café” in Barcelona, Spain?**

As Metropolitan Café has no data on Barcelona or Spain in general, we have to answer that question by trying to find locations in Barcelona with similar characteristics to their best performing locations in New York City.