

Introduction

Before opening a business, it is a good practice to analyse the market and the profile of potential customers. In this report, the neighbourhoods in the region of London Zone 1 are analysed regarding their most common venue categories and average income of its population.

Although London is a very touristic city particularly around Zone 1, it is important to consider the profile of its population and how popular each venue category is in the area. This report will classify the city neighbourhoods in clusters considering the data available about current businesses in the area and the average income of each neighbourhood. Then, it will be possible to assess the profile of that area of the city and give some insights about the potential businesses and customers.

Data

The data of neighbourhoods of London is available from a postcode database in the website <https://www.doogal.co.uk/> that combines data from the Royal Mail, OS and National Statistics. Using the Foursquare developer API it is possible to explore venues around each neighbourhood. Due to the limitation of 500 requests per hour for the free tier of the developer API, the analysis had to be restricted to London Zone 1.

From the Foursquare location data, up to 100 nearby venues sorted by popularity for each neighbourhood in a radius of approximately 500 meters are analysed and their category is extracted to find the most common types of businesses in the area. Using this data combined with the data provided by the postcode database, the neighbourhoods are classified into clusters.