

Capstone Project – The Battle of Neighborhoods (Week 1)

Introduction

The Balearic Islands, over time, has become one of the most visited tourist destinations around the world. Since 1960, the year where it's first airport was built, the number of visitors has not done nothing but to grow, positioning the Balearic Islands as the most visited tourist destinations of Spain in 2019 with 13,6 million of visitors. Besides, Spain is the second most visited country around the world, what makes the Balearic Islands as one of the most visited tourist destinations around the world.

This fact is because different reasons: their localization in the Mediterranean Sea (what does that these islands are close enough to the principal European capitals), their climate, the activities and landscapes these islands offer, etc. All these reasons made that the Balearic Islands are nowadays one of the favourite destinations for tourist from countries like France, United Kingdom, Germany or Italy.

The entrance of such a volume of tourism has increased exponentially the services required to response the needs of the tourism and the population of the islands. Therefore, to invest in venues that offer services to such a high potential number of clients is a unique opportunity.

On the other hand, one of the preferred options for both the population of the Balearic Islands and tourism when eating out is fast food. The Balearic Islands are one of the Spanish autonomous communities where the most fast food is consumed.

This type of business is characterized by having affordable food and preparing it quickly. Due to the products that are cooked, the production costs of these are quite small. On the other hand, the profit obtained from the sale of the products is also small (due to their affordable and adjusted prices). Therefore, for these types of businesses to be profitable, they must sell to a huge range of customers.

Seeing how fast food works and the current context in the Balearic Islands, investing in fast food restaurants is an unique opportunity. The islands have the amount of customers these kind of business need and fast food restaurants can offer affordable food in response to the need of services in there.

In this task, **we are going to assume that we want to set up a fast food restaurant in the Balearic Islands**. What we have to do is to **analyze the different municipalities in those islands and identify which is the most suitable one depending on different evaluation parameters**.

The term “municipality” it's not present in all the countries. To make this work more understandable, we will use the term “town” to refer to “municipalities”.

Problem

In this work we are going to evaluate the different towns present in the Balearic Islands to understand which one is the best for us to establish out fast food restaurant.

For each town, we will analyze 3 different properties:

- Volume of potential customers/ Potential benefits.
- Presence of competition.
- Temporality (if the restaurant will be open during the whole year or only in the tourist period).

Using the data described in the next section and evaluating these three properties for each town in the Balearic Islands we will try to answer these questions:

- Which town is the most suitable if we want to set up a fast food restaurant to be open the whole year?
- Which town is the most suitable if we want to set up a fast food restaurant to be open only in the tourist period?
- In which towns can we find more fast food restaurants?
- Which towns have a better relationship between presence of competition and volume of potential customers?

Potential Stakeholders of the Project

As it's described in the previous sections, this project would be of special interest to any franchise or company that wants to locate a fast food restaurant in the Balearic Islands.

It would also be interesting for anyone who wants to assess the reality of fast food restaurants in the Balearic Islands.