What kind of restaurant in Riga?

A comparative study

More tourists to Riga!

A record number of tourists visited Riga last year - 3.5 million, which was 1.4 times more than in 2017, the Riga Tourism Development Bureau informed LETA.

The largest number of tourists visiting the Latvian capital in 2018 were from Germany - 176,000 or 11.9% of the total number of foreign tourists visiting the city. This was followed by tourists from Russia - 173,800, or 11.6%, Estonia - 109,800, or 7.4%, Lithuania - 100,400 or 6.7%, and Great Britain - 98,700 or 6.6%.

Tourists need to eat!

Business opportunity in Riga:

Starting new restaurants to support the growing number of visiting tourists

A restaurant is first of all defined by the kind of food served. So the *question for* restaurant entrepreneurs is:

What kind of food to serve in a new restaurant in Riga?

Method: Compare and conclude!

- 1. Tourist areas in Europe comparable with the area of Riga
- 2. Get restaurants and their types for all these areas
- 3. Cluster the areas to identify those that are similar to Riga
- 4. Identify the restaurant types that are underrepresented in Riga compared to the rest of the cluster
- 5. Conclude that those restaurant types have a relatively high probability of success.

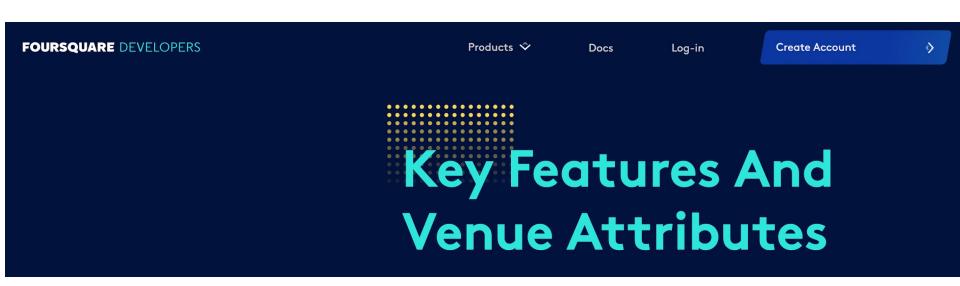
Museums!

... is where tourists go to!

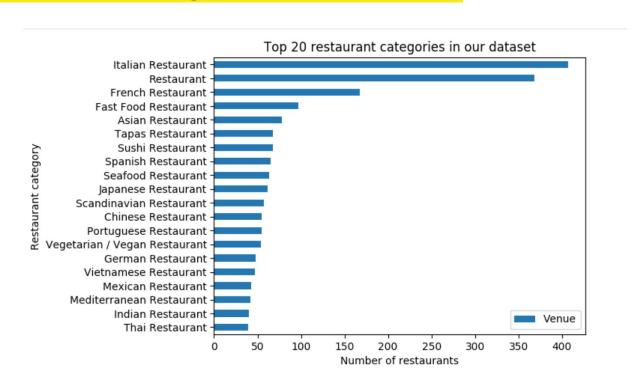


Using the FourSquare REST API

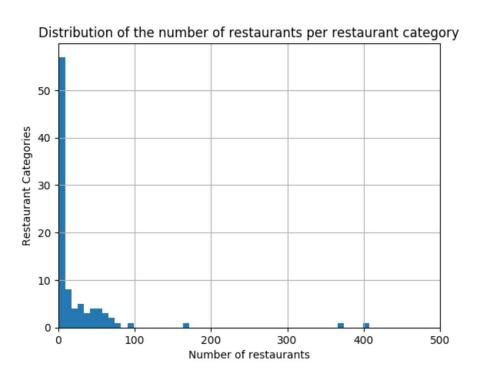
We get restaurants and restaurant categories from the FourSquare service



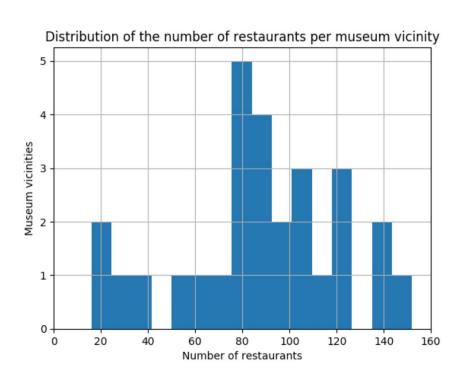
What restaurant categories do we have?



How many restaurants per restaurant category?



How many restaurants near each museum?



On this data

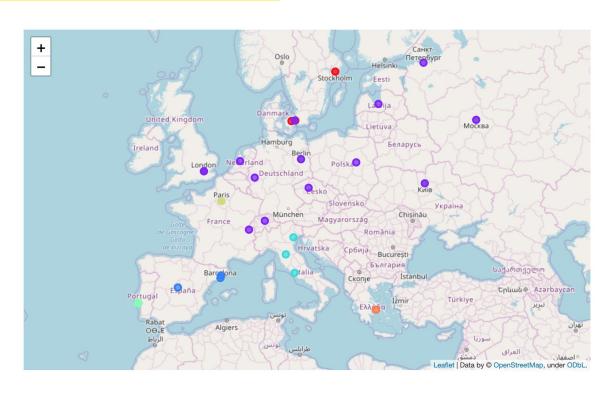
- Top restaurant categories: Italian Restaurant, "Restaurant", French Restaurant, and Fast Food Restaurant
- Most restaurant types have only upto ten restaurants. Several have hundreds of restaurants. The distribution is very unequal!
- Most museum vicinities have a reasonable number of restaurants

Grouping similarities

We use the K-means cluster algorithm on restaurant categories to group areas.

- Group similar areas together (in a "cluster")
- Set different areas apart

Resulting clusters visualized



Look: the Riga cluster includes where tourists come from!

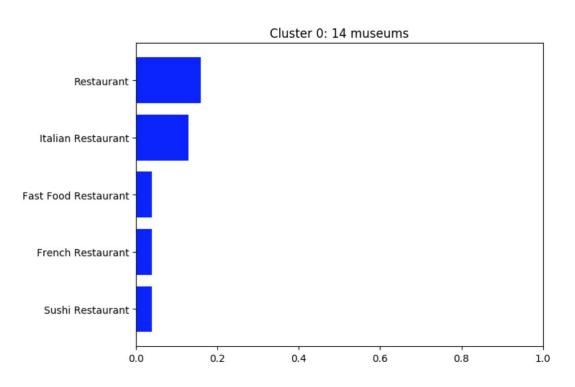
Remember where the tourists to Riga predominantly come from?

- Germany
- Russia
- Baltics (Estonia, Lithuania)
- Great Britain

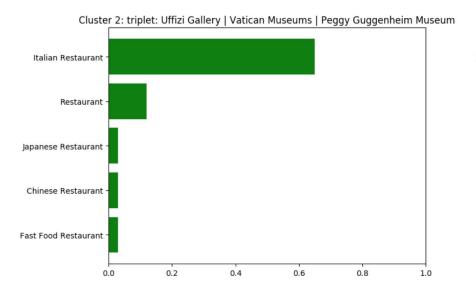
And now we find that those countries fit into the same cluster!

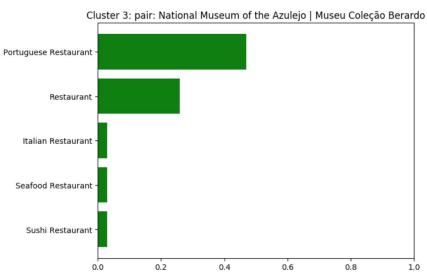
This supports a similarity of taste.

Largest cluster - including Riga



But elsewhere...

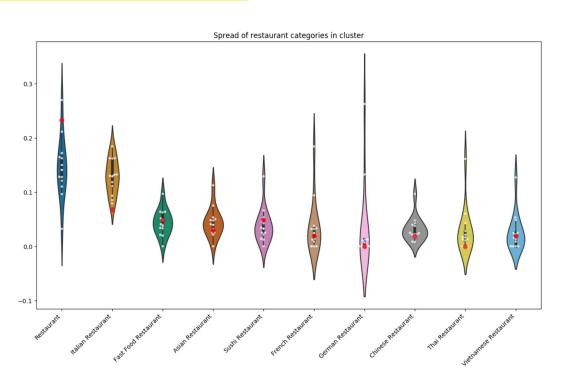




Strong national cuisines

- "Italian Restaurant" in Italy
- "French Restaurant" in France
- "Portuguese Restaurant" in Portugal
- "Spanish / Tapas Restaurant" in Spain
- "Scandinavian Restaurant" in Denmark/Sweden
- "Greek Restaurant" in Greece

Riga compared to its cluster



Recommendations to prospective restaurant operators

The data indicates on the basis of similar taste that there is opportunity for:

- Italian Restaurants
- Fast Food Restaurants

Remaining puzzles

- Say, "Sushi", "Chinese", and "Thai" are all "Asian", right? Out of scope for now, but we can merge them.
- What are we to make of the dominating generic "Restaurant" category?

Missing!

Why the large generic "Restaurant" category in Riga?

One explanation: FourSquare doesn't have categories for "Latvian Restaurant" or "Baltic Restaurant". Hence, national cuisine is like to be noted just as "Restaurant"

Get out in the open, time for Latvian Cuisine!

