

## Opening an Italian Restaurant in Toronto

### Introduction/Business Problem

There are numerous factors that can contribute to a restaurant owner's location choice. Often, potential competition is important to consider when deciding where to locate. If an area is already saturated with restaurants that serve your cuisine, you would likely lose business to these restaurants if you opened a restaurant there. Ideally you would like to be the only one in an area serving your specific cuisine type.

However, once you find areas without restaurants similar to yours, a new question arises. *Why* hasn't this kind of restaurant opened in this area? It is possible that the barriers to entry have just been too high, or the area recently developed into a viable location for restaurants. In this case, you would want to take advantage of this opportunity and monopolize the market for your cuisine in this area. On the other hand, it's possible that a restaurant similar to yours hasn't opened up in this area because this area cannot support it. This area may simply not have a high enough demand for this type of restaurant.

These are important considerations that any potential restaurant owner should think about before investing huge amounts of money into their new business. Thus, if a data driven answer can be found, it could mitigate a large amount of risk for these owners and increase potential profits.

### Data

Similar to the lab from earlier in this course, we will be using FourSquare data on venues in different Toronto neighborhoods. It was easiest to do this for Toronto because we had already scraped the postal code of each neighborhood from a Wikipedia page, allowing us to find coordinates for each one using geocoder. While we will use data on venues of all types in our analysis, we will pay special attention to data on Italian restaurants, as this is our restaurant of interest.