

Capstone Project

Predicting most optimal place to open a restaurant in London

London is a vibrant city with a very social multicultural dimension.

Hospitality industry is flourishing, inhabitants and tourists are frequently going out to bars, pubs, restaurants or coffee shops.

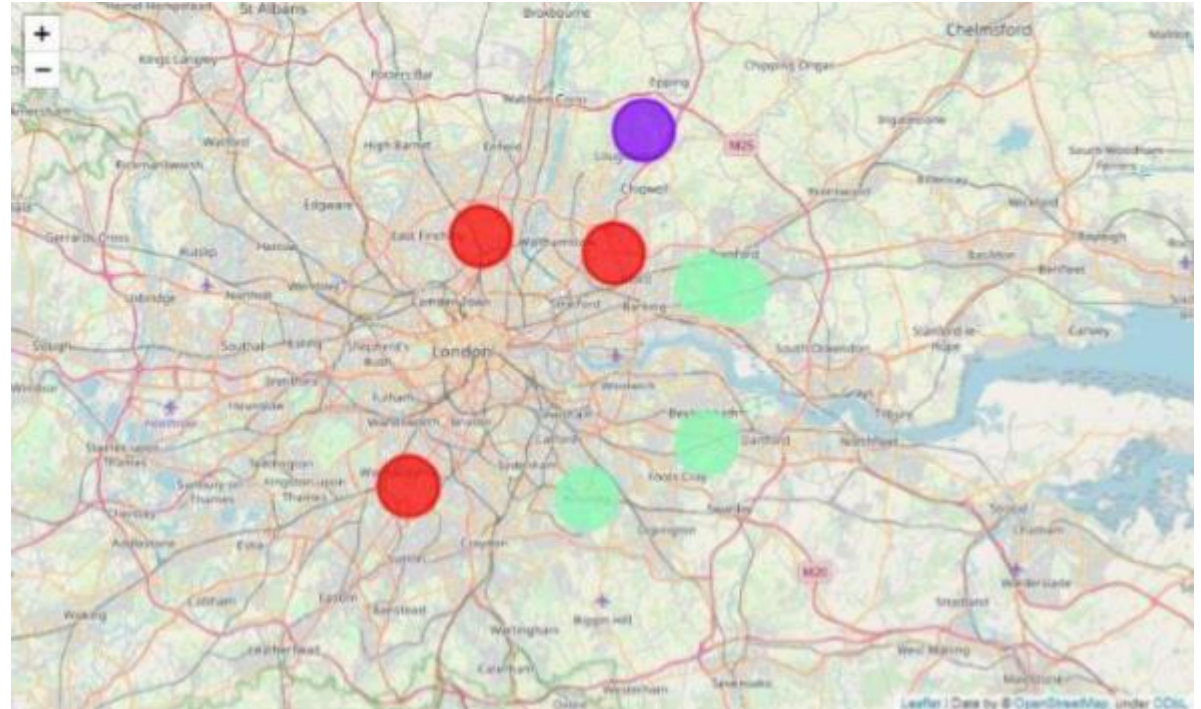
This project explores the best options for opening a business within the hospitality industry outside the centre of London, with the aim to minimise the rental costs.

Information used for this analysis will be sourced from

- Wikipedia list of London Boroughs with coordinates.
- Foresquare data on the most popular venues in the respective boroughs
- Online based data on rent in London boroughs

- The following steps were taken to support the analysis
 - Web scrap London boroughs dataset
 - Clean data to ensure relevant information required for the analysis (Name, Area, Population, Coordinates and rent prices for each borough – outer London only to minimise rental costs).
 - Utilise Foursquare Apis for venues around the boroughs of interest.
 - Clustering the boroughs using the map to analyse the similar ones against each other and within the clusters themselves.
 - Each of the clusters will be compared against the popularity of the venues, worth considering for a new business venture, as well as the hospitability of the venture climate.
 - Depending on the area, population and rent, each of the clusters offer different advantages and disadvantages in terms of venue choices.

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- First cluster is heavy favouring pubs – predominantly as centres of socializing of the local communities. First cluster boroughs have majority of people living further from the central London, keeping to the old ways of pub socializing.
- Second cluster, and the most controversial. Enfield is one of the bigger outer London boroughs, and the data, that we get can differ massively within the same borough: those living closer to M25 in the suburban houses tend to stay indoors and spend more time with their families and cook at home. On the other hand, those living closer to the inner borough limits may be more outgoing, and because of this contribute the most to our dataset. Regardless, with not too high rent, big and a very diverse population, Enfield is worth considering
- Biggest and the most diverse cluster. Most of the boroughs are not heavy drinkers, but neither are they very outgoing. Because I would not call visit to the grocery store as a social route! However, Havering and Bromley are good fits to our target boroughs: both have entertainment venues as most common, both rather big and quite populated. In this situation perhaps Havering has a slight financial edge - cheaper rent a more incline to pubs and coffee shops in the area.
- Within top 5 places of interest in every borough is an ethnic restaurant. Because of the different ethnicities in the boroughs, some choices will be more favourable amongst the specific group in the area.
- Rent price is not so much a factor for going out - the demand is not affected by difference in costs. There is a spike in rent price going into London, but further away the cost is not too much of an issue.

Looking at the data, Bromley and Enfield are the best places outside of Central London where a new venue (coffee shop) is worth opening.