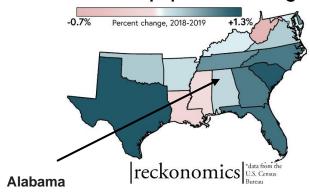
Where to open an American Restaurant in Alabama?

Introduction

A national American Restaurant chain is seeking to add restaurant locations in every state in the Southern United States. The chain is experiencing increasing sales growth in all currently existing restaurant locations and is interested in expanding. This study focuses on the best location to open a restaurant in the state of Alabama.

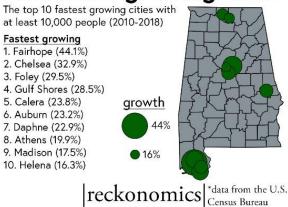
Alabama is the 24th most populous state in the United States of America. It is having relatively stagnant population growth generally, but there is population movement within its respective cities. The graphic below illustrates Alabama's population growth comparatively with the rest of the American South. In 2019, the population of Alabama increased 0.3%, which was the 26th fastest rate of growth in the United States of America.

Southern population change



As illustrated in the graphic below, the fastest growing cities within Alabama are not concentrated in any particular area. There is population growth in the Northern, Southern, Eastern, and Central regions of Alabama. Further analysis is needed to determine the businesses that are located within these cities.

Alabama's growing cities



As illustrated in the graphic below, the slowest growing cities within Alabama are concentrated in the central region of Alabama, outside of any major cities. It would be best to avoid opening up any new businesses in these cities with declining populations. Further analysis is needed to determine the businesses that are located within these cities.

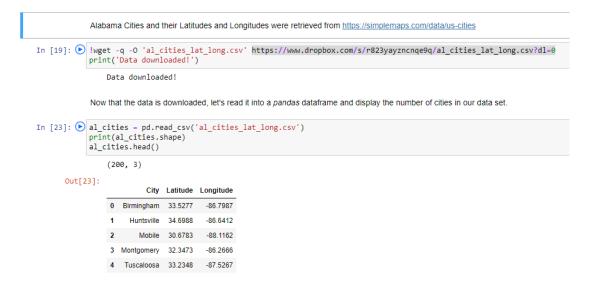


This study will utilize Alabama city location and Foursquare data to evaluate existing business locations to determine the best locations to open a new American restaurant in Alabama.

Data

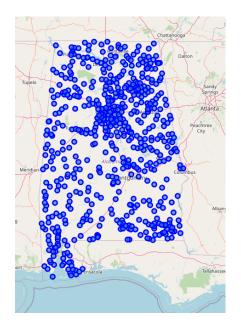
A list of Alabama cities and their respective Longitude and Latitude coordinates were retrieved from a csv file at: https://simplemaps.com/data/us-cities. This file also contained population information and other descriptive information. There were 584 cities in the dataset, but the data was sorted to include only the top 200 most populous cities in Alabama for this study. To enable retrieval, the .csv file was hosted on a personal Dropbox site at

https://www.dropbox.com/s/r823yayzncnqe9q/al_cities_lat_long.csv?dl=0. Screenshots of these actions are below.

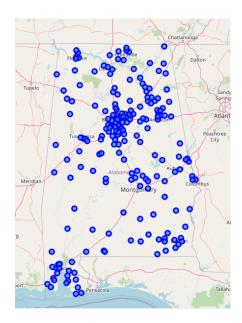


Once the data was brought into the Python notebook, Folium was used to display the cities on a map. The images below display a map of Alabama with all 548 cities in the original dataset and a map of Alabama with only the top 200 most populous cities in the dataset.

All 584 Cities in Alabama



200 Most Populous Cities in Alabama



A Foursquare developer account was created to obtain Foursquare credentials that enabled the gathering of Foursquare business type information.

Methodology

After the Alabama City, Latitude, and Longitude data were gathered, a function was created and run to obtain all venues for the 200 most populous cities in Alabama using the Foursquare API (screenshots below).

Let's run the above function on each city in Alabama and create a new dataframe called al_venues.

```
al_venues = getNearbyVenues(names=al_cities['City'],
                                      latitudes=al_cities['Latitude'],
                                      longitudes=al_cities['Longitude']
       Birmingham
       Huntsville
       Mobile
       Montgomery
       Tuscaloosa
       Auburn
       Hoover
       Florence
       Anniston
       Dothan
       Daphne
       Decatur
       Gadsden
       Madison
       Enterprise
       Albertville
       Foley
       Phenix City
       Prattville
       Vestavia Hills
```

These venue listings were placed in a new dataframe (al_venues) that contained 590 total venues for the 200 most populous cities in Alabama (screenshot below).

Let's check the size of the resulting dataframe.

```
In [78]:  print(al_venues.shape)
              al_venues
                   (590, 7)
       Out[78]:
                               City City Latitude City Longitude
                                                                           Venue Venue Latitude Venue Longitude
                                                                                                                      Venue Category
                                         33.5277
                                                       -86.7987
                                                                 The Pit Barbeque
                                                                                       33.530252
                                                                                                       -86.800837
                      0 Birmingham
                                                                                                                            BBQ Joint
                      1 Birmingham
                                         33.5277
                                                       -86.7987
                                                                           Sarris
                                                                                       33.526543
                                                                                                       -86.794331 American Restaurant
                      2 Birmingham
                                         33.5277
                                                       -86.7987
                                                                         Subway
                                                                                      33.526873
                                                                                                       -86.801567
                                                                                                                       Sandwich Place
                      3 Birmingham
                                         33.5277
                                                       -88.7987 Birm/Jeff Bus Barn
                                                                                       33.528248
                                                                                                       -86.794528
                                                                                                                           Bus Station
                          Huntsville
                                         34.6988
                                                       -88.6412
                                                                    Redstone Pool
                                                                                       34.695808
                                                                                                       -86.643733
                                                                                                                                 Pool
                    585
                                         34.9495
                                                       -85.7243
                                                                        MeMaw's
                                                                                       34.949116
                                                                                                       -85.721802 American Restaurant
                          Bridgeport
                                                                                       32.704189
                                                                                                       -87.595226
                    586 Greensboro
                                         32.7014
                                                       -87.5950
                                                                          PieLab
                                                                                                                                 Café
                    587 Greensboro
                                         32.7014
                                                       -87.5950
                                                                    CVS pharmacy
                                                                                       32.700775
                                                                                                       -87.594643
                                                                                                                            Pharmacy
                    588 Greensboro
                                         32.7014
                                                       -87.5950
                                                                    Dollar General
                                                                                       32.705495
                                                                                                       -87.595302
                                                                                                                        Discount Store
                                                                                                       -87.595802 Fast Food Restaurant
                    589 Greensboro
                                         32,7014
                                                       -87.5950
                                                                      McDonald's
                                                                                       32.699021
```

590 rows x 7 columns

Next, One Hot Encoding was used to create a binary integer column for each venue category to enable K Means clustering analysis.

```
# one hot encoding
al_onehot = pd.get_dummies(al_venues[['Venue Category']], prefix="", prefix_sep="")

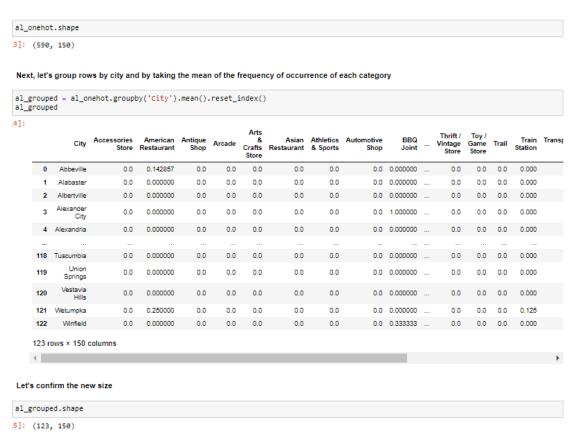
# add City column back to dataframe
al_onehot['City'] = al_venues['City']

# move neighborhood column to the first column
fixed_columns = [al_onehot.columns[-1]] + list(al_onehot.columns[:-1])
al_onehot = al_onehot[fixed_columns]
al_onehot.head()
12]:
```

	City	Accessories Store	American Restaurant	Antique Shop	Arcade	Arts & Crafts Store	Asian Restaurant		Automotive Shop	BBQ Joint	 Thrift / Vintage Store		Trail	Train Station	Transportat Serv
0	Birmingham	0	0	0	0	0	0	0	0	1	 0	0	0	0	
1	Birmingham	0	1	0	0	0	0	0	0	0	 0	0	0	0	
2	Birmingham	0	0	0	0	0	0	0	0	0	 0	0	0	0	
3	Birmingham	0	0	0	0	0	0	0	0	0	 0	0	0	0	
4	Huntsville	0	0	0	0	0	0	0	0	0	 0	0	0	0	

5 rows × 150 columns

The One Hot dataframe was next grouped by Alabama city and the mean of the frequency of occurrence of each category was derived. The grouped dataframe was confirmed to contain 123 Alabama cities and 150 unique venue categories. Note: Although 200 Alabama cities were in the source dataset, only 123 of the cities contained Venue data in Foursquare



To take a closer look at the city data, each city was printed along with its top 10 most common venues. As you can see below, Fast Food Restaurants are the most common venue type in the city of Auburn, Alabama making up 22% of all venues.

```
num_top_venues = 10

for hood in al_grouped['City']:
    print("----"+hood+"----")
    temp = al_grouped[al_grouped['City'] == hood].T.reset_index()
    temp.columns = ['venue', 'freq']
    temp = temp.iloc[1:]
    temp['freq'] = temp['freq'].astype(float)
    temp = temp.round({'freq': 2})
    print(temp.sort_values('freq', ascending=False).reset_index(drop=True).head(num_top_venues))
    print('\n')
```

```
venue freq
Fast Food Restaurant 0.22
Coffee Shop 0.11
Mexican Restaurant 0.11
Mediterranean Restaurant 0.11
Liquor Store 0.11
Sandwich Place 0.11
Discount Store 0.11
Piercing Parlor 0.00
Photography Studio 0.00
```

To prepare the data for K Means Clustering, a function was written to put the grouped data into a pandas dataframe that displayed the top 10 venues for each Alabama city (screenshots below).

Let's put that into a pandas dataframe

```
def return_most_common_venues(row, num_top_venues):
    row_categories = row.iloc[1:]
    row_categories_sorted = row_categories.sort_values(ascending=False)
    return row_categories_sorted.index.values[0:num_top_venues]
```

		City	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
Ī	0	Abbeville	Gas Station	American Restaurant	Diner	Discount Store	Business Service	Bank	Women's Store	Fish & Chips Shop	Fast Food Restaurant	Farmers Market
	1	Alabaster	Pizza Place	Pharmacy	Gas Station	Chinese Restaurant	Fast Food Restaurant	Gym	Convenience Store	Dessert Shop	Diner	Department Store
	2	Albertville	Construction & Landscaping	Grocery Store	Discount Store	Performing Arts Venue	Women's Store	Drugstore	Fast Food Restaurant	Farmers Market	Farm	Electronics Store

In the last analytical step, K Means Clustering was run to cluster the cities into 9 clusters and a new dataframe was created that included both the Cluster Labels and the top 10 venues for each city (screenshot below).

Run k-means to cluster the cities into 9 clusters.

1 Huntsville 34.6988 -86.6412

Let's create a new dataframe that includes the cluster as well as the top 10 venues for each city.

5

Pool

```
# add clustering labels
city_venues_sorted = city_venues_sorted.drop(columns=['Cluster Labels'])
city_venues_sorted.insert(0, 'Cluster Labels', kmeans.labels_)
al_merged = al_cities
# merge manhattan_grouped with manhattan_data to add Latitude/Longitude for each city
al_merged = al_merged.join(city_venues_sorted.set_index('City'), on='City')
al merged = al merged.dropna() #drop NaN rows without Cluster Label values
al_merged = al_merged.reset_index(drop=True) #Reset index
al_merged = al_merged.astype({"Cluster Labels":'int'}) #Convert 'Cluster Label' column from Float to Int so the map works
print(al merged.shape)
al_merged.head() # check the Last columns!
    (123, 14)
31:
                                                       2nd Most
                                                                 3rd Most
                                              1st Most
                                                                           4th Most
                                                                                     5th Most
                                                                                               6th Most
                                                                                                         7th Most
                                                                                                                  8th Most
                                                                                                                            9th Most
                                    Cluster
              City Latitude Longitude
                                             Common
                                                       Common
                                                                 Common
                                                                           Common
                                                                                    Common
                                                                                              Common
                                                                                                        Common
                                                                                                                  Common
                                                                                                                           Common
                                    Labels
                                               Venue
                                                          Venue
                                                                   Venue
                                                                             Venue
                                                                                       Venue
                                                                                                 Venue
                                                                                                          Venue
                                                                                                                    Venue
                                                                                                                              Venue
                                                                                                           Fish &
                                                                                                                 Fast Food
     0 Birmingham 33.5277
                           -88.7987
                                         5 Restaurant
                                                     Bus Station
                                                                          BBQ Joint
                                                                                                           Chips
                                                                    Place
                                                                                        Store
                                                                                                Cleaner
                                                                                                                 Restaurant
                                                                                                                              Market
```

Folium was then used to create a cluster map with each cluster having its own color and city label displayed on a map of Alabama. The cluster map and individual clusters will be discussed in the Results section of the report.

Chips

Food

Fast Food

Farmers

Market

Electronics

Farm

Dry Cleaner

Drugstore

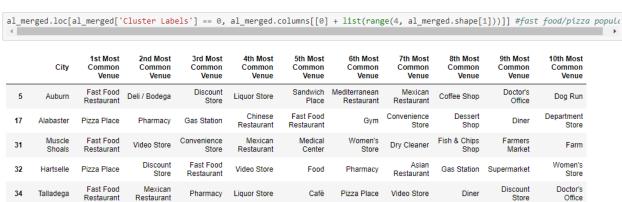
Results

Below is a cluster map of the cities in Alabama clustered by similar venue makeups. There are 9 unique clusters, 123 total clusters, and the highest populated cluster contains 76 clusters. An analysis of each cluster is provided below.



Cluster 1 is primarily composed of Fast Food and Pizza Restaurants.

Cluster 1



Cluster 2 has Parks as its most common venue. All 10 of their most common venue types share similar frequencies (e.g. Fast Food Restaurant is either the 5th or 6th most common venue for all cities in Cluster 2).

Cluster 2

al_m	erged.loc[a	al_merged['(Cluster Labe	els'] == 1,	, al_merged.	.columns[[0]	+ list(rang	ge(4, al_me	rged.shape[1]))]] #par	ks most pop
	City	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
13	Foley	Park	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Donut Shop
59	Montevallo	Park	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Donut Shop
99	Livingston	Bookstore	Park	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner
115	Taylor	Hardware Store	Park	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner

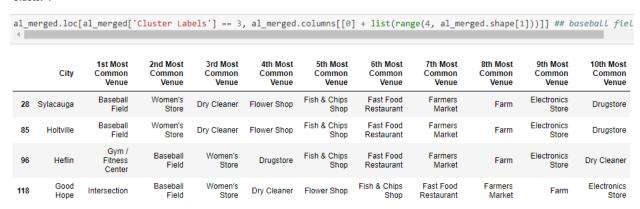
In Cluster 3, every city except 1 has Construction & Landscaping as its most common venue.

Cluster 3

Bothan Landscaping Store Drugstore Shop Restaurant Ma Construction & Fast Food Restaurant Store Drugstore Fish & Chips Farm Ma Construction & Discount Store Store Store Drugstore Fish & Chips Fast Food Restaurant Store Drugstore Fish & Chips Fast Food Shop Restaurant Store Drugstore Fish & Chips Fast Food Restaurant Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Women's Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Unsurance Women's Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Unsurance Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Women's Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Women's Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Women's Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction & Women's Store Drugstore Fish & Chips Fast Food Restaurant Ma	mon Common Common Comm	6th Most Common Venue	4th Most Common Venue	3rd Most Common Venue	2nd Most Common Venue	1st Most Common Venue	City	
10 Decatur & Fast Food Restaurant Store Drugstore Fish & Chips Shop Ma 23 Oxford Construction & Discount Store Store Drugstore Fish & Chips Shop Fast Food Restaurant 44 Robertsdale Construction & Store Store Drugstore Fish & Chips Shop Fast Fast Food Restaurant 56 Tuscumbia Construction & Insurance Office Store Drugstore Fish & Chips Shop Restaurant 73 Margaret Construction & Drugstore Store Drugstore Fish & Chips Shop Restaurant Construction & Drugstore Fish & Chips Shop Restaurant 73 Margaret Construction & Drugstore Store Drugstore Fish & Chips Shop Restaurant Construction Women's Store Drugstore Fish & Chips Fast Food Restaurant Construction Women's Store Drugstore Fish & Chips Fast Food Restaurant Construction Margaret Store Drugstore Fish & Chips Fast Food Restaurant Construction Margaret Store Drugstore Shop Restaurant Construction Shop		Farmers Market		Drugstore		&	Dothan	8
23 Oxford Landscaping Store Store Store Drugstore Fish & Chips Fast Fast Food Restaurant Ma 44 Robertsdale Construction Landscaping Store Store Drugstore Fish & Chips Fast Food Restaurant Ma 56 Tuscumbia Construction Landscaping Office Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction Store Drugstore Fish & Chips Fast Food Restaurant Ma Construction Store Drugstore Fish & Chips Fast Food Restaurant Ma		Farmers Market	Drugstore			&	Decatur	10
44 Robertsdale & Women's Store Drugstore Shop Restaurant Ma Construction & Insurance Office Store Store Drugstore Shop Restaurant Ma Construction & Office Store Drugstore Store Drugstore Shop Restaurant Ma Construction & Store Drugstore Shop Restaurant Ma Construction & Store Drugstore Shop Restaurant Ma Construction Drugstore Shop Restaurant Ma		Fast Food Restaurant	Drugstore			&	Oxford	23
Tuscumbia Landscaping Construction Landscaping Construction Landscaping Construction Construction Construction Construction Construction Construction Construction Construction Construction		Farmers Market		Drugstore		&	Robertsdale	44
73 Margaret & Women's Drugstore Fish & Chips Fast Food Fam Landscaping Store Shop Restaurant Ma		Fast Food Restaurant	Drugstore			&	Tuscumbia	56
Construction		Farmers Market		Drugstore		&	Margaret	73
R2 Pricaville Mexican & Drugstore Flower Shop Fish & Chips Fast F		Fast Food Restaurant	Flower Shop	Drugstore	-	Mexican Restaurant	Priceville	32

Cluster 4 contains cities that have Baseball Field as its 1st or 2nd most common venue.

Cluster 4



In Cluster 5, Discount Stores, Women's Stores, and Drugstores are the most common venues.

Cluster 5 ¶

al_m	erged.loc	[al_merged['	Cluster Labe	els'] == 4,	, al_merged.	columns[[0]	+ list(rang	ge(4, al_me	rged.shape[1]))]] #dis	count store:
	City	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
51	Forestdale	Grocery Store	Discount Store	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner
62	Theodore	Discount Store	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Donut Shop
76	Glencoe	Discount Store	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Donut Shop
84	Holt	Fish & Chips Shop	Discount Store	Women's Store	Drugstore	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Donut Shop
109	Moundville	Discount Store	Video Store	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner

Cluster 6 is the largest cluster with 76 cities. It also contains the most populous cities in the state of Alabama (e.g. Birmingham, Huntsville, Mobile). All of these cities in this cluster contain a large mix of venues.

Cluster 6

	City	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
0	Birmingham	American Restaurant	Bus Station	Sandwich Place	BBQ Joint	Women's Store	Dry Cleaner	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm
1	Huntsville	Pool	Food	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Drugstore	Donut Shop
2	Mobile	Breakfast Spot	Intersection	Fast Food Restaurant	Flower Shop	Brazilian Restaurant	Chinese Restaurant	Jewelry Store	Bank	Japanese Restaurant	Automotive Shop
3	Montgomery	Steakhouse	Gym	Women's Store	Drugstore	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner
4	Tuscaloosa	Food & Drink Shop	Food	Fish & Chips Shop	Fast Food Restaurant	Farmers Market	Farm	Electronics Store	Dry Cleaner	Drugstore	Donut Shop

Cluster 7 contains 2 cities, both with Golf Course as the most common venue. These cities are known as vacation destinations.

Cluster 7



The 3 cities in Cluster 8 all share the same venues for their 1st through 10th most common venues.

Cluster 8



Cluster 9 cities all have Home Service as their most common venue. They also share the same venue categories as their 4th through 9th most common categories.

Cluster 9

al_merged.loc[al_merged['Cluster Labels'] == 8, al_merged.columns[[0] + list(range(4, al_merged.shape[1]))]] #home service 1st Most 2nd Most 3rd Most 4th Most 5th Most 6th Most 7th Most 8th Most 9th Most 10th Most City Common Venue Home Fish & Chips Fast Food Farmers Electronics 11 Madison Cave Donut Shop Farm Dry Cleaner Drugstore Service Market Store Fast Food Home Fish & Chips Farmers Electronics Women's Rainbow City Drugstore Flower Shop Farm Dry Cleaner Shop Electronics Home Fish & Chips Fast Food Farmers Women's Meadowbrook Drugstore Flower Shop Farm Dry Cleaner Service Shop Restaurant Market Store Store Fish & Chips Fast Food Electronics Women's Home Farmers 86 Dry Cleaner Mount Olive Drugstore Flower Shop Farm Service Shop Restaurant Market Store Store Fish & Chips Fast Food Home Farmers Electronics 97 Piedmont Café Drugstore Farm Dry Cleaner Donut Shop Service Restaurant

Discussion

Based on the clustering results, I would recommend that the national American Restaurant chain open their restaurant in Auburn, Alabama. Auburn is contained in Cluster 1, which has Fast Food and Pizza Restaurants as their most common venues. It is a popular city for restaurants generally with Deli/Bodega, Sandwich Place, Fast Food, Mediterranean, and Mexican Restaurants ranking among its top 10 most common venues. Also, there currently exists no other competition from other American Restaurants in its top 10 most common venues.

Also, Auburn also has a large population of 62,996 and, as identified in the Introduction section, is the 6th fastest growing city in Alabama. This provides a large and growing customer base that will be interested in dining at a new location. Because it is not contained in Cluster 6, the largest cluster containing the most populous cities, the new restaurant would have little competition from other restaurants that may have an insurmountable presence in these existing large markets.

Conclusion

Alabama is ripe for new growth and the market research present in this report has identified Auburn, Alabama as the best city in Alabama to open a new American Restaurant. Through the use of the Data Science techniques present in this report, further research can be completed to further enable expansion throughout the United States.