

Coursera Capstone

IBM Applied Data Science Capstone

Predicting where a Café would be successful in Los Angeles, California

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1. Introduction

1.1 Background

Los Angeles is famous for its beautiful beaches, luxurious lifestyles, and a film and television industry that has shaped popular culture around the world for the past 100 years. It takes a lot of caffeine to fuel those cinematic ideas, and one might be correct to assume that Hollywood is saturated with cafés to provide such liquid inspiration. But the County of Los Angeles extends well beyond its movie star neighborhood. As the most populous county in the United States of America — with over 10 million residents as of 2018 — there are plenty of thirsty locals that would gladly welcome a café in their neck of the woods.

1.2 Business Problem

Predicting which cities in Los Angeles County could benefit from a new java joint can be the difference between an A-list business venture, or a D-list dud. From beach communities to mountain towns, sprawling suburbs to a vibrant downtown city, Los Angeles County is home to a diverse number of demographics including population, culture, income and education — all of which can factor into where a prospective owner will start a business. For the scope of this capstone project, however, we will be looking only at the competition aspect of opening a café in each neighborhood, using venue data provided by Foursquare.

1.3 Target Audience of this Project

This project is particularly useful to investors looking to open or invest in cafés in neighborhoods not typically associated with such businesses. Coffee shops have typically been a trend in neighborhoods associated with wealth and a certain demographic of people. But the industry is growing and adapting to different neighborhoods recently, as discussed in a January 2020 article on [kcrw.com](https://www.kcrw.com), that highlights coffee shops in gentrifying neighborhoods.