Final Capstone Project Report

1. Introduction to Business Problem

No one would disagree that restaurant is one of our favorite places of interest. They play such an important role in our daily life as places our family gathering around and where we hangout with friends, or enjoy the gourmets.

We all have experiences that we are most likely to find groups of restaurants surrounding a place with high population density, such as outlet shopping malls or subway station. But in our neighborhood areas, what will be the "hubs" of restaurant?

In this project, we are trying to look for the answers that compare to popular point of interest, such as shopping malls, how restaurants gather around our neighborhood venues, like Groceries stores and cinemas. What's is the minimum distance one restaurant closes to its hub? The research objective area we picked is greater Houston are in Texas.

2. Data Requirement

The analysis of this project mostly relies on the geographical location data of each venues, simply speaking, the latitude and longitude data of point of interest. Thanks to the data serve from FourSquare, we are able to pull required data for each restaurant. However, there's a limit of 50 results from each data pulling and we need much more restaurant geographical data for this project. We have to developed a search matrix as below, creating a grid contains 64 base point centers in searching restaurants around each point within a 3 km radius.

Other than the FourSquare database, we also use Geolocator to pullout geographic coordinates from address input. Also, we imported python package of sklearn for later data manipulation and analysis.

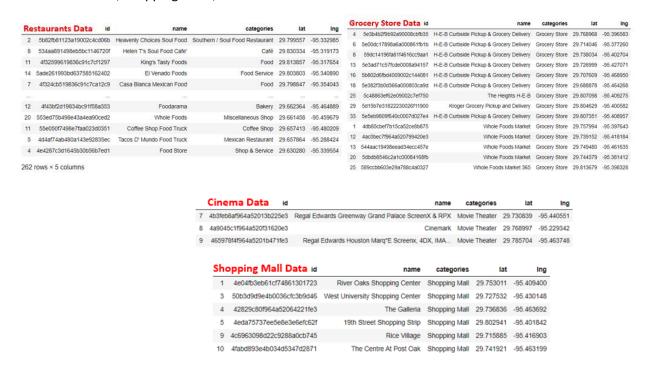


3. Data Acquiring and cleaning

From the above searching grid, we managed to acquire massive of restaurants location data. Data engineering includes:

- Creating a function to input search criteria, such as search point latitude/longitude, searching radius and key word; then transpose the Jason structure file to a clean dataframe.
- Removing duplicate search results when restaurants shown up as result between different search centers.
- Removing unrelated data when putting "food" as key word searching on the database, some irrelevant results would come up, e.g. food companies and gas station.

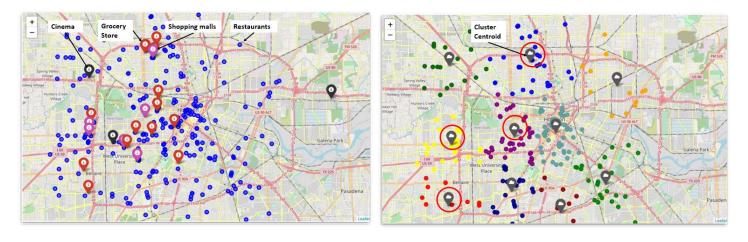
Finally, we have a clean DataFrame of <u>262 restaurants</u> with wanted geographical data. Moreover, we pulled out data for Groceries stores, shopping malls, and cinema in the area.



4. Data Analysis – Clustering Methodology

Now we have all the data needed, it's time to run some analysis. With the help of sklearn package of clustering, we can group the 269 restaurants in greater Houston area into multiple clusters using the K-Mean clustering method.

When we put the cluster map and a venue map with locations of groceries stores, cinema and shopping mall side by side, it is not a coincidence that some of the cluster centroids (red circle) are very close to our presumptive point of places like groceries store.

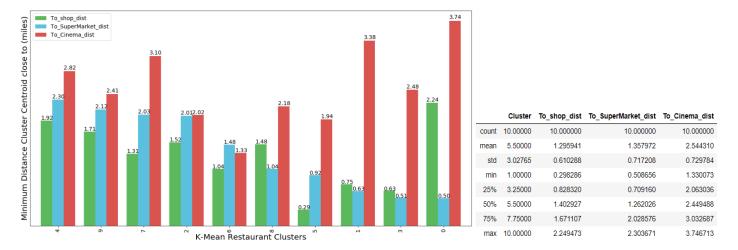


5. Results and Discussion

In our observation, we want to investigate further that how much overlap between the cluster centroid and venues locations we picked. At some clusters, there are multiple venues around its centroid. The below bar chart shows the *Closest Venue* to the centroid, distance reported in miles.

Because FourSquare doesn't have enough data of cinema at our designated location, the result of cinema distance has large variances. However, for those cinemas around Cluster "8" and "5", we still consider them as "hubs" for restaurants.

From the result, what surprise us is that our hypothesis of Groceries Shop will be "hubs" of restaurants are preliminary confirmed, as their minimum average distance are within 1.5 miles, very close to a shopping mall distance of 1.3 miles.



6. Conclusion

Our above analysis suggests that grocery store/super market are usually surrounded by restaurants. This result corresponds to our life experience. Most people would love to go out for dinning after grocery shopping at the weekend. We assume the result could be more promising if the database of FourSquare included more small restaurants like we saw inside a super market plaza.

The next step of this project extension would be to explore customer flows of a restaurant based on a distance gradient from its hub. But we will make it as a side project so this is out of the topic of this assignment.

Thank you for your review.