

A Restaurant in Venice

1. Introduction

1.2 Background

It's often said that Venice, Italy, is a one-of-a-kind city. Far from being a futile cliché this sentence, is, indeed, grounded in reality, and that isn't only due to Venice's exceptional topography, but also to its very unique economy, which, notoriously, relies entirely on tourism.

Hence, it goes without saying that this peculiar economy has recently suffered a dramatic contraction as a result of the current pandemic, which drove down the island's yearly tourism influx by 71.7%.

However, times of crisis are often ones of business opportunities, and 2020 in Venice has been no exception, with historical Hotels selling for half their values - some of these sells made the international newspapers' headlines - and a wide plethora of properties back on the market.

1.2 Problem

In this context, we would like to propose an analysis that will help interested investors in starting a commercial activity - specifically a restaurant - in the historical island of Venice, or in the adjacent - and commercially viable - islands of Murano and Giudecca.

Specifically, we want help stakeholders identify the most suitable neighbourhood for such investment, considering different factors such as population, tourism influx, and typologies of the existing activities in each neighbourhood. In summary, considering the peculiar season the city is living, as well as the still uncertain estimates regarding the future of tourism industry, we aim at choosing the neighbourhood with a balance amount of travellers and current residents.

Eventually, once the most suitable candidate is selected, we will provide stakeholders with details regarding the composition of the existing food services in neighbourhood, so that to enable them to choose the best type of food service to offer. In order to do so, we will leverage an API provided by *Foursquare*, an online platform and application that allows users to register, categorise and rate venues across the world.

Schematically, we will proceed as follows:

- Cluster Venetian neighbourhoods on the basis of their popularity across tourists;
- Select the most popular cluster;
- Cluster the remaining neighbourhoods, on the basis of the categories of existing food services;
- Select the cluster with the least diverse set of categories - so that to have the widest plethora of investment options;
- Select the most populated neighbourhood - where current rent rates are rather low on average;
- Provide a visual description of the existing categories in the candidate neighbourhood;

1.3 Interest

The analysis that follows is aimed at both Italian and international investors, with a particular focus on those who lack a certain domain knowledge about the very peculiarity of Venice. Venetians and regular visitors might also be interested in such data driven description of the city and of its neighbourhood, and will likely find useful insights, which might either confirm or invalid their rule-of-the-thumb suppositions.