

# What Consumer Businesses Are Established Around Financial Centers – Hong Kong, Toronto and New York

## 1. Introduction

### 1.1 Background

There is no exception that the cost of real estate around financial centers are among the highest in all countries around the world, yet offer good opportunities for operating consumer businesses with high profitability potential because those employed in the financial sector are among the highest paid professionals who can afford luxury and are willing to spend. Therefore, quite a lot of entrepreneurs are very interested in setting up and running consumer businesses in these high cost yet high profitability areas.

The following study attempts to use advanced data analytics techniques to conduct a research for types of consumer businesses already established in three top-tier financial centers:

- Hong Kong, which is where I come from
- Toronto, which is where I live now
- New York, which is the number one financial center for making reference to

### 1.2 Problem

Due to high real estate cost, the rental expense is usually the most critical operating expense for operating a consumer business in financial center areas. If an entrepreneur chooses a type of business not sufficiently popular nor profitable then the chance for survival would become very slim. Therefore, the only chance for an entrepreneur to be successful is to pick a right kind of business to get into.

### 1.3 Interest

Due to the reasons explained above, understanding what kinds of businesses are well established and have high level of popularity in other financial centers around the world would be very good reference for an entrepreneur to decide the kind of business he could set up in order to get highest chance of survival and prosper in long term.

For example, an entrepreneur in Hong Kong can research what kinds of consumer businesses are popular in New York and Toronto and decide if such businesses could be adopted in Hong Kong even the culture could be somewhat different.

## 2. Data acquisition

## 2.1 Data sources

The data required for conducting geographical and venue study for New York is available per guidance and instructions in the Week 3 Course Lab, and those for Toronto is available per guidance in the Week 3 Assignment.

The geographical data for Hong Kong is available from the following:

- [https://en.wikipedia.org/wiki/Districts\\_of\\_Hong\\_Kong](https://en.wikipedia.org/wiki/Districts_of_Hong_Kong)
- [https://tools.wmflabs.org/geohack/geohack.php?pagename=Central\\_and\\_Western\\_District&params=22.28666\\_N\\_114.15497\\_E\\_type:adm2nd\\_region:HK](https://tools.wmflabs.org/geohack/geohack.php?pagename=Central_and_Western_District&params=22.28666_N_114.15497_E_type:adm2nd_region:HK)

More in-depth division of geographical neighborhoods around the financial center district in Hong Kong is available from the following:

- [https://www.eac.hk/en/distco/2019dc\\_elect\\_map.htm](https://www.eac.hk/en/distco/2019dc_elect_map.htm) (Electoral Affairs Commission of Hong Kong)

All venue data will be acquired from Foursquare.

## 3. Methodology

In this study, we use Foursquare APIs to retrieve the top 100 venues within 500 meters of the three global financial centers – Hong Kong, Toronto and New York, centered around their geo coordinates – the Central District in Hong Kong, Downtown TD Centre in Toronto and Wall Street in New York, which are found from online data sources such as Google map, Wikipedia & the geo link, and the respective government web sites.

These business venues are categorized according to their business type, for example, restaurants, café, etc. and are tabulated into tables sorted by popularity of business types – number of business venues established within the financial center districts.

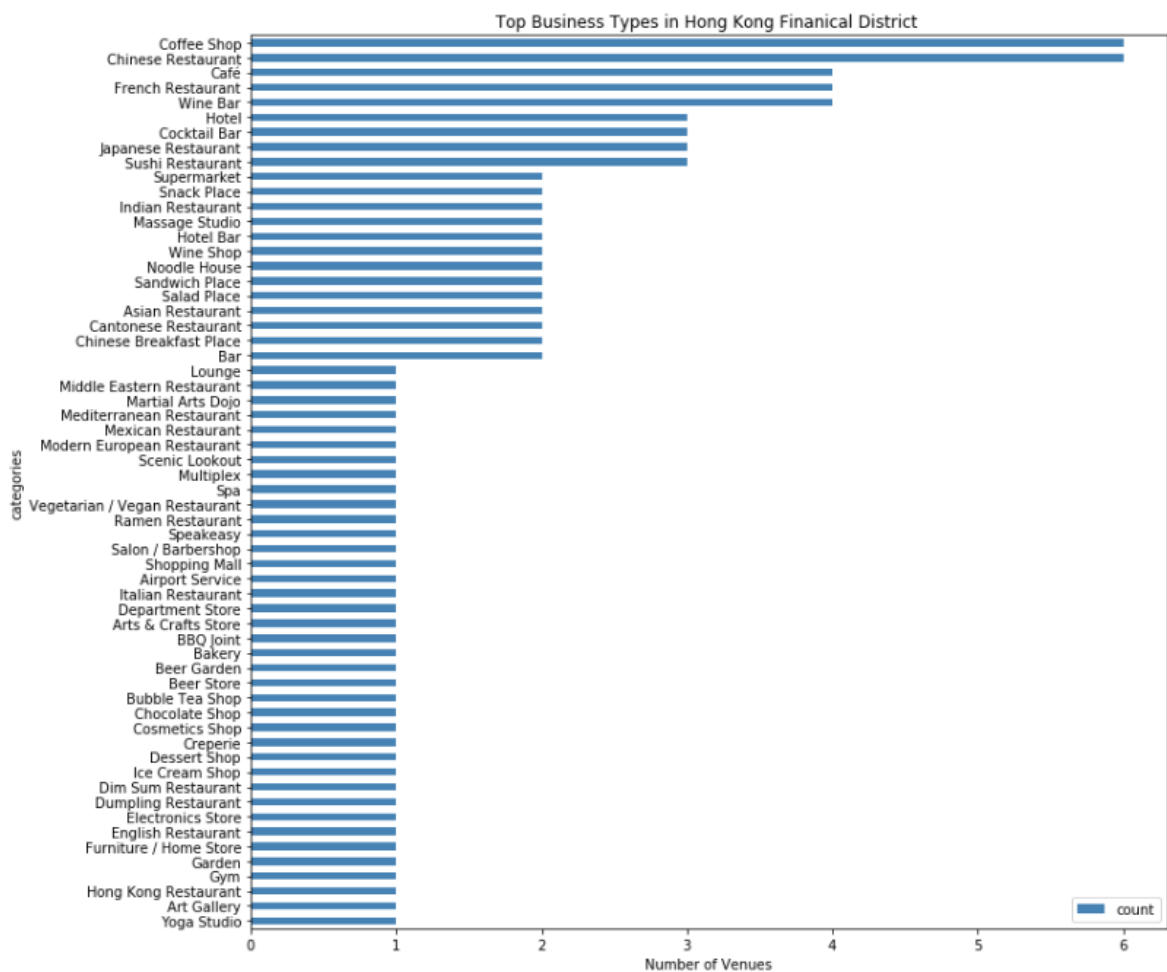
From the tabulated business venues, we can compare the popularity of certain business types among these financial centers to make cross reference among them.

This is a very direct and simple approach for achieving our objective, and we believe that more advanced analytic approaches such as machine learning are not needed for studying this particular problem but only introduce unnecessary efforts and complication.

## 4. Results

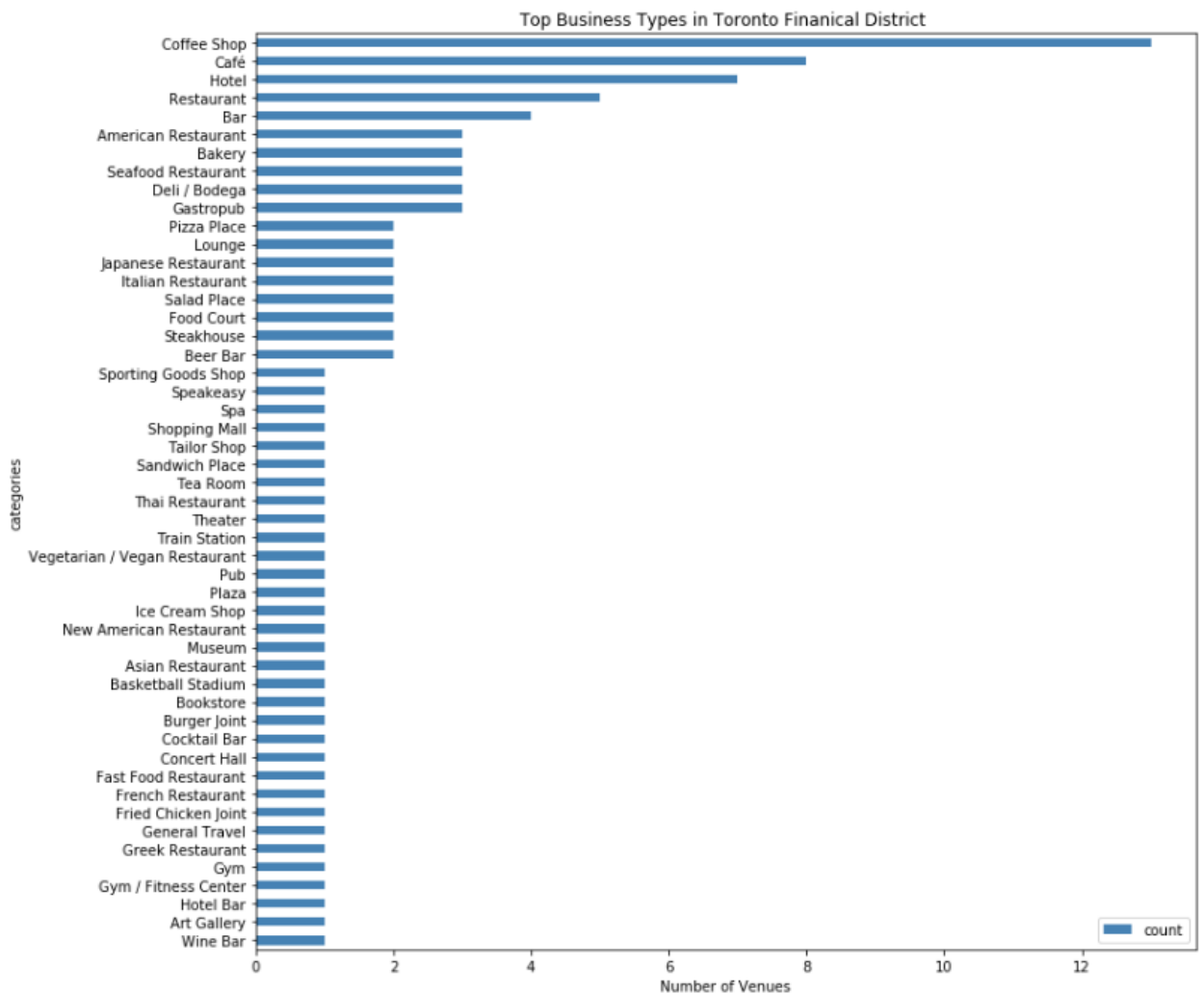
### 4.1 Hong Kong Venue Categories Count

	categories	count
0	Coffee Shop	6
1	Chinese Restaurant	5
2	Wine Bar	4
3	French Restaurant	4
4	Café	4
5	Hotel	3
6	Cocktail Bar	3
7	Japanese Restaurant	3
8	Noodle House	3
9	Sushi Restaurant	3
10	Indian Restaurant	2
11	Hotel Bar	2
12	Salad Place	2
13	Sandwich Place	2
14	Snack Place	2
15	Supermarket	2
16	Chinese Breakfast Place	2
17	Wine Shop	2
18	Asian Restaurant	2
19	BBQ Joint	2
20	Bar	2
21	Massage Studio	2
22	Cantonese Restaurant	2



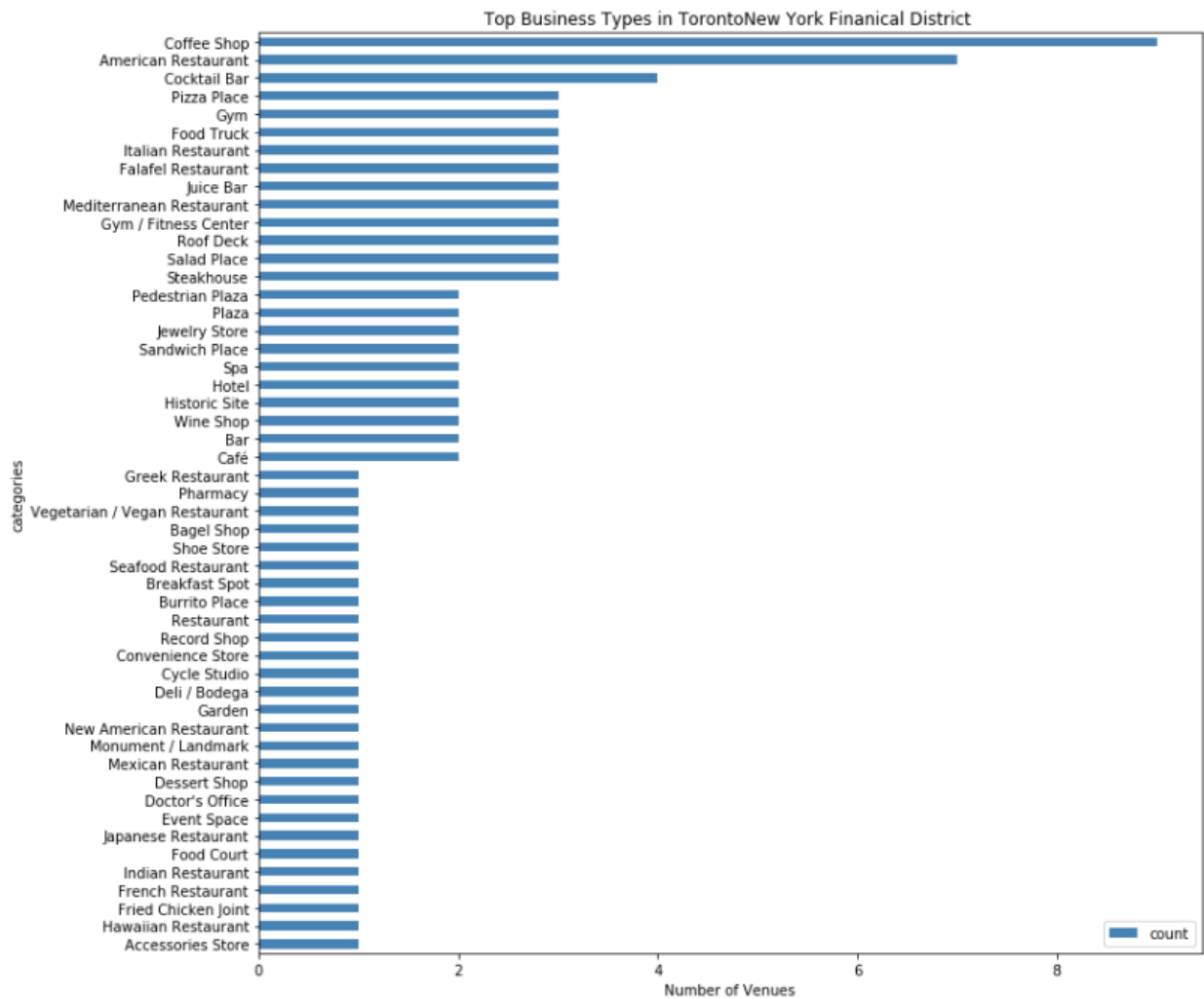
## 4.2 Toronto Venue Categories Count

	categories	count
0	Coffee Shop	13
1	Café	8
2	Hotel	7
3	Bar	4
4	Italian Restaurant	4
5	Restaurant	4
6	American Restaurant	3
7	Seafood Restaurant	3
8	Gastropub	3
9	Deli / Bodega	3
10	Pizza Place	2
11	Lounge	2
12	Japanese Restaurant	2
13	Salad Place	2
14	Food Court	2
15	Steakhouse	2
16	Beer Bar	2
17	Bakery	2



4.3 New York Venue Categories Count

categories	count
Food Truck	23
Bar	23
Wine Shop	21
Plaza	20
Spa	19
Sandwich Place	18
Roof Deck	17
Pedestrian Plaza	16
Hotel	16
Jewelry Store	14
Historic Site	13
Juice Bar	13
Mediterranean Restaurant	11
Pizza Place	10
Gym	9
Italian Restaurant	9
Café	7
Salad Place	6
Steakhouse	6
Falafel Restaurant	4
Gym / Fitness Center	3
Cocktail Bar	3
American Restaurant	1
Coffee Shop	0



## **5. Discussions**

As stated in the introduction, we are standing in the shoes of a Hong Kong entrepreneur to carry out a research on consumer businesses around major global financial centers and from there to decide on the type of business he should set up for highest chance of survivability and profitability, because the real estate cost is phenomenally high in Hong Kong.

One good reason for the HK entrepreneur to make cross reference to Toronto and New York is that traditionally, Hong Kong people are very keen in following the western culture, obviously including consumer behavior, leisure and other culture activities.

It is observed that there are only 6 coffee shops in Hong Kong while there are 13 in Toronto and 9 in New York. This could represent an opportunity for setting up a coffee shop in Hong Kong as the coffee shop market looks less mature and offers room for further development in Hong Kong, particularly around the financial district.

Another observation is that there are 3 gym's and 2 spa's in New York but none found in Hong Kong. This could represent an opportunity for the Hong Kong entrepreneur for setting up a gym/spa/fitness center as more people around the world are now more concern about their health and wellness like western people and this market in Hong Kong around the financial district still looks like a blue ocean to be developed.

It is also observed that there are large number and variety of restaurants within the financial center districts around all Hong Kong, Toronto and New York. Restaurants could still be an viable alternative for setting a new business but the Hong Kong entrepreneur should expect high competition in this market

## **6. Conclusions**

Due to phenomenally high real estate cost around the financial center district, an entrepreneur must be very prudent when deciding what type of consumer business he/she should set up for better chance of survivability and profitability.

According to the traditional cultural influence of the Western World, a Hong Kong entrepreneur can make cross reference to the popularity of consumer businesses in the Western World – Toronto and New York in this study, which makes use of online data sources and direct analytics techniques.

From the study, it looks like that coffee shop and gym/spa/fitness center represent a good opportunity for the Hong Kong entrepreneur to pursue his/her endeavor.