

Coffee Crunch

Assessing Edmonton Neighbourhoods' Coffee Options

Business Problem

Coffee is a \$6.2 billion dollar industry with 160,000+ café/coffee shop jobs in Canada¹. Access to a nearby coffee shop is a must for many caffeine crazed Canadians, which means business opportunities for entrepreneurs. Knowing which neighbourhoods are over or undersaturated with coffee options would provide immense value when deciding on the location of a new café. Furthermore, it would be useful to know whether those existing cafés are capturing the premium or inexpensive market segment, as an inexpensive Tim Hortons franchise and an upscale option would have compete in different market segments.

Visualizing and clustering neighbourhoods based on coffee shop quantity and quality provides entrepreneurs a simple way to identify market opportunities, for example opening a coffee shop where there is a lack of existing ones or opening a premium café in a neighbourhood with only low-quality existing options.

Data

The City of Edmonton's Open Data Portal provides geo coordinates of each neighborhood. The centroid of the neighbourhood is calculated by taking the average of the boundary point coordinates.²

Coffee shops within a 1km radius of each neighbourhood centroid will be used as a proxy for the cafés accessible from that neighbourhood. The number of coffee shops as well as the top rating of them will be gathered from Foursquare's location API for each neighbourhood in the City of Edmonton

¹ <https://www.coffeeassoc.com/coffee-facts/>

² <https://data.edmonton.ca/Geospatial-Boundaries/City-of-Edmonton-Neighbourhood-Boundaries/jfvj-x253>