

# COFFEE DURING COVID-19

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NICK WAWEET

# OVERVIEW

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- **Introduction**
  - Business case during COVID-19
  - How data analysis will answer business case
- **Methods**
  - Overview of data and methods used
- **Results**
  - Presentation of investment opportunities
- **Discussion/Conclusion**
  - Caveats of Results
  - How to proceed

# INTRODUCTION

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- COVID-19 introduces an imbalance of social activities due to work at home mandates
- People feel isolated with new mandates and seek to go to a place of social gathering during work hours
- Coffee shops with physically distanced solution to promote social interaction as well as productivity
- Data will be gathered to see which postal codes are the best to invest in for coffee shops

# METHODS

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- Postal codes within Toronto, ON were obtained to explore frequencies of venue categories within the city
- Kmeans clustering was implemented to cluster postal codes with similar venue characteristics
- The cluster with the highest prevalence of coffee shops was chosen as the “investable” cluster
- Postal codes within this cluster that had lowest frequency was determined as the best to invest in because of lack of saturation
- Venues that had the highest frequency were considered the “best” types of coffee shops to invest in
  - Other types may be better investments depending on profitability metrics and diversification purposes

# RESULTS – INVESTABLE POSTAL CODES

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| Postal Code | Coffee Shop Frequency | Borough             | Neighborhood                   | Most Popular Venue |
|-------------|-----------------------|---------------------|--------------------------------|--------------------|
| M2N         | 0.061                 | North York          | Willowdale,<br>Willowdale East | Starbucks          |
| M5C         | 0.071                 | Downtown<br>Toronto | St. James Town                 | Versus Coffee      |
| M5H         | 0.080                 | Downtown<br>Toronto | Richmond,<br>Adelaide, King    | Starbucks          |
| M4M         | 0.081                 | East<br>Toronto     | Studio District                | Te Aro             |
| M5B         | 0.090                 | Downtown<br>Toronto | Garden District,<br>Ryerson    | Starbucks          |

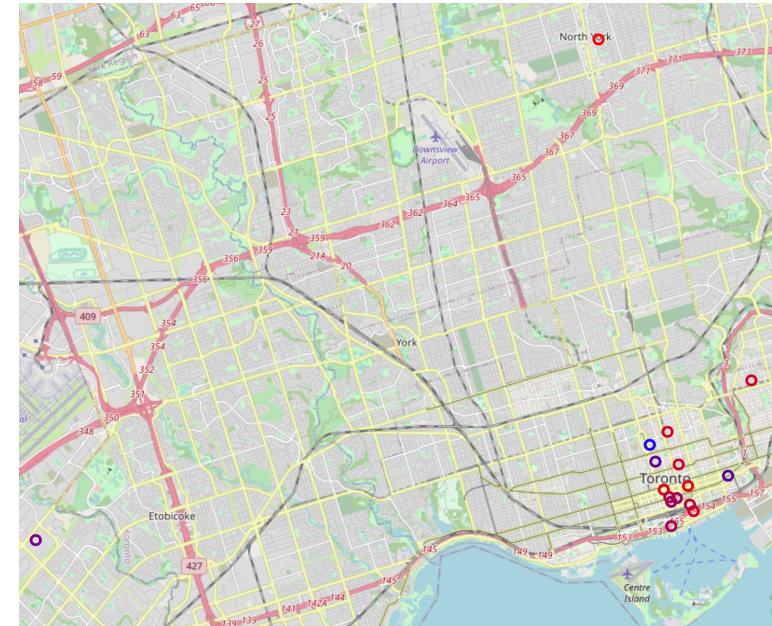
# RESULTS – MOST FREQUENT VENUES

| Venue Name              | Frequency |
|-------------------------|-----------|
| Starbucks               | 0.3940    |
| Tim Hortons             | 0.1296    |
| Pilot Coffee Roasters   | 0.0459    |
| Everyday Gourmet        | 0.0275    |
| Dineen @ Commerce Court | 0.0273    |

# INVESTABLE POSTAL CODE MAP

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- Red = fewer coffee shops present = good investment
- Two codes outside of downtown area that show downtown characteristics



# DISCUSSION & CONCLUSION

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- Most frequent venues are recommended to invest in at the postal codes that provide the best opportunity
- Postal codes can be further evaluated by looking at what commercial real estate is available and the surrounding venues at a location basis, rather than postal code
- North York and East Toronto areas may be good to invest in to minimize fixed costs
- Downtown Toronto locations are favorable in comparison because of increased traffic

# FURTHER WORK

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- Obtain specific location data within postal codes regarding commercial real estate availability
- Acquire profitability metrics regarding franchises to simulate profit under different scenarios, including the commercial real estate costs
- Verify accurate radii for each postal code to ensure all venues are accounted for; perhaps produce a way to change to a rectangle rather than a circle to reflect the shape of the postal codes

# THANK YOU!

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- Thank you for reviewing my presentation!
- GitHub Repo Link:
  - [https://github.com/nickwawee/Coursera\\_Capstone](https://github.com/nickwawee/Coursera_Capstone)
- If you would like to connect, please add me on LinkedIn!
  - <https://www.linkedin.com/in/nicholas-wawee-52310a12a/>