# The Capstone Project

July 31, 2020

# 0.1 # Capstone Project - The Battle of Neighborhoods

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#### 0.3 Introduction

# Background:

- The café and coffee shop industry is an important industry in terms of employment and contribution to the UK economy, according to "Investigating the Success of Independent Coffee Shops and Cafes in the UK: Findings from a Pilot Study" (by Jacqueline Douglas, Alexander Douglas, Michele Cano, David Moyes).
- However, sustainability in terms of longevity is an issue. Despite the low barriers to entry into the industry, cafés are a very high risk business and most start-ups fail. According to the Office for National Statistics, only 34.6% of accommodation and food services survive longer than five years (Office for National Statistics, 2016).
- It's clear that to survive coffee shops owners need to have some feedback from their clients. The feedback should be analyzed (in this research with the help of Machine Learning) and interpreted, as with this information, entrepreneurs can react and change their coffee shops according to their customers opinions and prosper in this business area.

#### **Business Problem:**

In this research, the Foursquare Rating has been chosen as the measure of the customers' loyalty for the venues, which have placed their menus on the Foursquare Website. The aim of this research project is to determine if the connection between Foursquare Rating (customers loyalty measure) and availability of the most popular items in a coffee shop menu exists (also the prices for these most popular items are being taken into consideration).

#### 0.4 Data Sources

• Foursquare Rating is based on a number of signals that from social data mines (likes and dislikes, and positive versus negative tips). It's going to be used as the main measure of

the project, as the goal is to find the connection between this metric and availability in the published menus the most popular of the coffee shop items.

- Published on the Foursquare, coffee shop Menus with the items and their prices.
- Foursquare Geospatial Data latitude and longitude of the venues.
- Some additional information: number of the coffee shop photos, number of guest tips, etc.
- Wikipedia page with the list of the districts of London ordered 2019. by population density, based on population estimates for https://en.wikipedia.org/wiki/List\_of\_English\_districts\_by\_population\_density

## 0.5 Methodology

- Data Collection:
  - 1. Import of the Python libraries.
  - 2. Getting the list of the London districts from the Wikipedia.
  - 3. Foursquare API, getting the venues for the London districts from the previous step.
  - 4. Foursquare API, getting the data of every venue (venue's rating, URL, number of photos and tips, etc.).
  - 5. Web crawling, getting the menu (items and prices) for every venue.
  - 6. Data cleaning.
  - 7. Identification of the most popular items in the obtained menus.
  - 8. Representation on the map analyzed coffee shops.
- Data Analysis:
  - 1. Data preparation.
  - 2. Linear Regression construction.
  - 3. Random Forest Regression construction.

### 0.6 ## Data Collection

1. Import of the necessary for the research Python libraries.

```
[1]: import lxml
     import time
     import folium
     import random
     import requests
     import warnings
     import numpy as np
     import pandas as pd
     import matplotlib.cm as cm
     import matplotlib.colors as colors
     from bs4 import BeautifulSoup
     from matplotlib import pyplot
     from sklearn import linear_model
     from sklearn.cluster import KMeans
     from sklearn.metrics import r2_score
     from pandas.io.json import json_normalize
```

```
from sklearn.ensemble import RandomForestRegressor
```

Setting of some visualization parameters.

```
[2]: %matplotlib notebook
  warnings.filterwarnings('ignore')
  pd.set_option('display.max_rows',None)
  pd.set_option('display.max_columns',None)
```

2. Getting the list of the London districts from the Wikipedia page with density more than 10,000 per km<sup>2</sup>: https://en.wikipedia.org/wiki/List\_of\_English\_districts\_by\_population\_density.

```
[3]:

neighborhood

Islington, London, Greater London, United Kingdom

Tower Hamlets, London, Greater London, United ...

Hackney, London, Greater London, United Kingdom

Kensington and Chelsea, London, Greater London...

Lambeth, London, Greater London, United Kingdom

Camden, London, Greater London, United Kingdom

Westminster, London, Greater London, United Ki...

Hammersmith and Fulham, London, Greater London...

Southwark, London, Greater London, United Kingdom
```

```
[4]: CLIENT_ID = 'M5QE21FV0FLBC5SHM4GPU2ETFQ4DXIYPWFAFX1S1BJUGH0AP'
CLIENT_SECRET = 'HLPNQSI5ICRNSLXTPZ4PEARAGFCKI1AYNYTP5AFV1WY5S2HH'
VERSION = '20190425'
```

3. We will get from Foursquare API the list of the venues, located in the obtained from Wikipedia London districts.

For that, we will execute the API-call function, which will retrieve the venues in 900 meters distance from the neighborhood center.

```
[5]: def getNearbyVenues(neighborhoods, category, radius = 900, limit = 3):
    venues_list = []
    for neighborhood in zip(neighborhoods):
```

```
url = 'https://api.foursquare.com/v2/venues/explore?
      →&client_id={}&client_secret={}&v={}&near={}&categoryId={}&radius={}&limit={}'.
      →format(
                 CLIENT ID, CLIENT SECRET, VERSION, neighborhood, category, radius, limit)
             results = requests.get(url).json()['response']['groups'][0]['items']
             venues list.append([(neighborhood[0],
                                  v['venue']['id'],
                                  v['venue']['name'],
                                  v['venue']['location']['lat'],
                                  v['venue']['location']['lng'],
                                  v['venue']['categories'][0]['name'])
                                 for v in results])
         nearby_venues = pd.DataFrame([item for venue_list in venues_list for item_
      →in venue_list])
         nearby_venues.columns = ['neighborhood',
                                  'venue_id',
                                  'venue name',
                                  'venue_latitude',
                                   'venue_longitude',
                                  'venue_category']
         return(nearby_venues)
[6]: cat = '4bf58dd8d48988d1e0931735' # the coffee shops category
     neighborhood_venue = getNearbyVenues(neighborhoods =__
     →neighborhoods['neighborhood'], category = cat, limit = 495)
     neighborhood_venue.head()
[6]:
                                             neighborhood \
     O Islington, London, Greater London, United Kingdom
     1 Islington, London, Greater London, United Kingdom
     2 Islington, London, Greater London, United Kingdom
     3 Islington, London, Greater London, United Kingdom
     4 Islington, London, Greater London, United Kingdom
                        venue_id
                                               venue_name
                                                           venue_latitude \
     0 58a576b8f8572431aec041b8
                                                Kobo Cafe
                                                                51.534988
                                              Katsute 100
     1 584bfe4544587f042f5ff30c
                                                                51.534286
     2 4fc9ff8ce4b087d229f75ce4 The Coffeeworks Project
                                                                51.534254
     3 50338ecbe4b0c160f73b46d0
                                                 Giddy Up
                                                                51.536374
     4 5a9ea6c2d03360028695111e
                                              Six Degrees
                                                                51.535228
       venue_longitude venue_category
              -0.104149
     0
                                  Café
     1
              -0.104540
                              Tea Room
     2
              -0.104684
                           Coffee Shop
     3
              -0.102930
                           Coffee Shop
              -0.103486
                           Coffee Shop
```

So, in the given dataframe we have the neighborhood, venue id, venue name, venue's latitude, longitude, and category.

4. Now, let's get the Foursquare Rating and other valuable information (url, number of tips, photos, etc.) for every venue.

```
[7]: def get_venue_data(venues):
        venues_list = []
        for vn in venues:
            url = 'https://api.foursquare.com/v2/venues/{}?
     →format(vn,CLIENT_ID,CLIENT_SECRET,VERSION)
            global results
            try:
                results = requests.get(url).json()['response']['venue']
                 #print(vn, 'Something went wrong with the Foursquare response')
                pass
            try:
                 venues_list.append([(results['id'],
                                     results['name'],
                                     results['location']['formattedAddress'],
                                     results['canonicalUrl'],
                                     results['categories'][0]['name'],
                                     results['verified'],
                                     results['stats']['tipCount'],
                                     results['price']['tier'],
                                     results['price']['message'],
                                     results['price']['currency'],
                                     results['rating'],
                                     results['photos']['count'],
                                     results['tips']['count']
                                    )])
            except:
                 #print(vn, 'Something went wrong, critical data is missing')
        df_venues = pd.DataFrame([item for venue_list in venues_list for item in_
     →venue_list])
        df_venues.columns = ['v_id',
                              'name',
                              'formattedAddress',
                              'canonicalUrl',
                              'categories',
                              'verified',
                              'tipCount',
                              'tier',
                              'message',
                              'currency',
```

```
'rating',
                              'photos',
                              'tips'
                             ]
         return(df_venues)
[8]: df = pd.
      ⇒concat([neighborhood_venue,get_venue_data(neighborhood_venue['venue_id'])],axisu
      →= 1,join = 'inner')
     df =
      →df[['neighborhood','venue_id','venue_name','venue_latitude','venue_longitude', venue_catego
              ,'categories','tier','message','rating','photos','tips']]
     df.head()
[8]:
                                             neighborhood \
     O Islington, London, Greater London, United Kingdom
     1 Islington, London, Greater London, United Kingdom
     2 Islington, London, Greater London, United Kingdom
     3 Islington, London, Greater London, United Kingdom
     4 Islington, London, Greater London, United Kingdom
                        venue_id
                                               venue_name
                                                           venue_latitude
     0 58a576b8f8572431aec041b8
                                                Kobo Cafe
                                                                 51.534988
     1 584bfe4544587f042f5ff30c
                                              Katsute 100
                                                                 51.534286
     2 4fc9ff8ce4b087d229f75ce4 The Coffeeworks Project
                                                                 51.534254
     3 50338ecbe4b0c160f73b46d0
                                                 Giddy Up
                                                                 51.536374
     4 5a9ea6c2d03360028695111e
                                              Six Degrees
                                                                 51.535228
        venue_longitude venue_category \
     0
              -0.104149
                                  Café
                              Tea Room
     1
              -0.104540
     2
              -0.104684
                           Coffee Shop
     3
                           Coffee Shop
              -0.102930
              -0.103486
                           Coffee Shop
                                             canonicalUrl
                                                             categories tier
     0 https://foursquare.com/v/kobo-cafe/58a576b8f85...
                                                                 Café
                                                                          1
     1 https://foursquare.com/v/katsute-100/584bfe454...
                                                             Tea Room
                                                                          2
     2 https://foursquare.com/v/the-coffeeworks-proje...
                                                         Coffee Shop
                                                                          2
     3 https://foursquare.com/v/giddy-up/50338ecbe4b0...
                                                         Coffee Shop
                                                                          1
     4 https://foursquare.com/v/six-degrees/5a9ea6c2d...
                                                         Coffee Shop
                                                                          1
                 rating photos
                                  tips
         message
     0
                     8.5
                                    15
           Cheap
                              28
     1 Moderate
                     8.2
                                    17
                              64
                                   140
     2
       Moderate
                     8.1
                             360
     3
                     7.8
                              26
                                     2
           Cheap
```

4 Cheap 7.7 6 2

As you can see above, we have added to the dataframe URL of the venue, it's rating, categories, number of tiers and photos.

5. Now let's get the items and prices from the Foursquare's menu for each venue.

```
[9]: headers = {"User-Agent": "Mozilla/5.0 (Macintosh; Intel Mac OS X 10.14; rv:66.0)
     Gecko/20100101 Firefox/66.0",
               "Accept": "text/html,application/xhtml+xml,application/xml;q=0.9,*/*;

¬q=0.8", "Accept-Language": "en-US, en; q=0.5",
               "Accept-Encoding": "gzip, deflate", "DNT": "1", "Connection":
     df_wm = pd.DataFrame([])
    for i in df.index:
        r = requests.get(df['canonicalUrl'][i] + '/menu',headers = headers)
            #print(i,r.status_code,'Venue''s menu exists on the Foursquare Website.
     ')
            df_wm = pd.concat([df_wm,df.iloc[[i]]],ignore_index = True)
        #else:
            #print(i,r.status code,'Venue''s menu does not exist on the Foursquare,
     → Website.')
        time.sleep(random.randint(5,10))
    df_menu = pd.DataFrame([])
    for i in df_wm.index:
        url = df_wm.loc[i,'canonicalUrl']+'/menu'
        time.sleep(random.randint(5,10))
        r = requests.get(url,headers = headers)
        soup = BeautifulSoup(r.text,features = 'lxml')
        menu_items = [i.get_text() for i in soup.find_all(class_ = 'title')]
        menu prices = [i.get text() for i in soup.find all(class = 'entryPrice')]
        df_menu = pd.concat([df_menu,pd.DataFrame({'venue_id':df_wm.
     ,'item':menu_items,'price':
     →menu_prices})],ignore_index = True)
        #print(i,r.status_code,df_wm.loc[i,'venue_name'])
```

6. Data cleaning. Let's remove the rows without prices, convert prices in decimal numbers, etc.

```
if '.' in df_venue_menu.loc[i,'price']:
              df_venue_menu.loc[i,'price'] = df_venue_menu.loc[i,'price'][:

→df_venue_menu.loc[i,'price'].find('.') + 3]
      df_venue_menu.loc[:,'price'] = df_venue_menu.loc[:,'price'].apply(pd.
       →to numeric,errors = 'coerce')
      df_venue_menu.dropna(inplace = True)
      df_venue_menu = df_venue_menu.loc[(df_menu['item'] != "House")]
      df_venue_menu = df_venue_menu.loc[(df_menu['item'] != "Soup of the Day")]
      df_venue_menu.reset_index(drop = True,inplace = True)
      df_venue_menu.head()
[10]:
                                              neighborhood \
      O Islington, London, Greater London, United Kingdom
      1 Islington, London, Greater London, United Kingdom
      2 Islington, London, Greater London, United Kingdom
      3 Islington, London, Greater London, United Kingdom
      4 Islington, London, Greater London, United Kingdom
                                                      venue_latitude \
                         venue id
                                          venue_name
      0 4d2dfe6494013704c6b0e1da Canonbury Kitchen
                                                           51.543211
      1 4d2dfe6494013704c6b0e1da Canonbury Kitchen
                                                           51.543211
      2 4d2dfe6494013704c6b0e1da Canonbury Kitchen
                                                           51.543211
      3 4d2dfe6494013704c6b0e1da Canonbury Kitchen
                                                           51.543211
      4 4d2dfe6494013704c6b0e1da Canonbury Kitchen
                                                           51.543211
         venue_longitude venue_category \
      0
               -0.102633
                                   Café
      1
               -0.102633
                                   Café
      2
               -0.102633
                                   Café
      3
               -0.102633
                                   Café
               -0.102633
                                   Café
                                              canonicalUrl categories
                                                                       tier message \
      0 https://foursquare.com/v/canonbury-kitchen/4d2...
                                                               Café
                                                                            Cheap
      1 https://foursquare.com/v/canonbury-kitchen/4d2...
                                                               Café
                                                                             Cheap
      2 https://foursquare.com/v/canonbury-kitchen/4d2...
                                                               Café
                                                                            Cheap
      3 https://foursquare.com/v/canonbury-kitchen/4d2...
                                                               Café
                                                                            Cheap
                                                                        1
      4 https://foursquare.com/v/canonbury-kitchen/4d2...
                                                               Café
                                                                            Cheap
                                                                        1
                                                                             item \
         rating photos
                        tips
            7.1
                            7
                                                           Fresh Soup of the Day
      0
                     10
            7.1
                            7
      1
                     10
                                              Tiger Prawns W/ White Wine & Chili
      2
            7.1
                            7
                                           Grilled Whole Calamari W/ Salsa Verde
                     10
      3
            7.1
                     10
                            7 Beef Carpaccio W/ Shaved Parmesan & White Truf...
      4
            7.1
                                Warm Goats Cheese, Speck, Rocket & Mint Crostini
                     10
```

for i in df\_venue\_menu.index:

```
price
0 6.0
1 8.5
2 8.5
3 9.5
4 9.5
```

7. Let's find top 10 of the most popular items across the analyzed venues.

```
[11]:
                                    venue_id-nunique
                   item price-mean
      0
             Americano
                           2.267143
                                                    11
                                                    10
      1
            Cappuccino
                           2.345000
      2
              Espresso
                           1.686667
                                                    10
      3
             Macchiato
                           1.856250
                                                     7
      4
                 Mocha
                           2.617500
                                                     6
      5
        Hot Chocolate
                           2.492500
                                                     6
      6
                 Latte
                           2.411250
                                                     6
      7
                                                     4
                Cheese
                           3.050000
      8
                                                     4
               Lasagne
                           6.225000
           Mixed Salad
      9
                           3.383333
                                                     3
```

All right, so we see, as the feasibility check, Americano, Cappuccino, and Espresso are the most popular items.

8. Let's look at the map of the analyzed coffee shops.

Blue markers represent all the venues which have been found around neighborhood center.

Black icons represent venues with published menus, which will be analyzed in the next section.

```
[12]: all_venues_map = folium.Map(location = [neighborhood_venue['venue_latitude'].

→mean(),

neighborhood_venue['venue_longitude'].

→mean()],zoom_start = 12)

for venue,lat,lng,v_id in_u

→zip(neighborhood_venue['venue_name'],neighborhood_venue['venue_latitude'],

→neighborhood_venue['venue_longitude'],neighborhood_venue['venue_id']):

label = folium.Popup('{}'.format(venue),parse_html = True)

if v_id in df_venue_menu['venue_id'].unique():
```

[12]: <folium.folium.Map at 0x7fac57cef4d0>

# 0.7 ## Data Analysis

In this section we will analyze data. As was stated in the beginning, the aim of this research project is to determine if the connection between Foursquare Rating and availability of the most popular items in a coffee shop menu exists.

1. Let's prepare the data for the analysis.

As we want to analyze *popular* items, let's remove items which available only in three or less venues. Also, as we need to focus only on the availability of popular items, let's remove all columns, excluding popular items columns.

```
[13]: df vm proc = df venue menu.copy()
      df vm proc.drop duplicates(keep = 'first',inplace = True)
      df_vm_proc.reset_index(drop = True,inplace = True)
      df_vm_proc = df_vm_proc.groupby(df_vm_proc.drop(['price'],axis = 1).columns.
      →values.tolist(),as_index = False).agg({'price':['min']})
      df_vm_proc.columns = df_vm_proc.columns.map('-'.join).str.strip('-')
      df_vm_proc.rename(columns = {'price-min':'price'},inplace = True)
      df_vm_proc.reset_index(drop = True,inplace = True)
      df_rep = df_vm_proc.copy()
      df_rep = df_rep.pivot_table(index = ['item'], aggfunc = 'size')
      df_rep = df_rep.to_frame()
      df_rep.reset_index(level = df_rep.index.names,inplace = True)
      df_rep.columns = ['item','count']
      df_vm_proc = pd.merge(df_vm_proc,df_rep,how = 'inner',on = 'item',sort = False)
      df_vm_proc = df_vm_proc.loc[df_vm_proc['count'] >= 4]
      df_vm_proc.reset_index(drop = True,inplace = True)
```

```
,columns = ['item'],aggfunc = np.sum,fill_value = of of of the columns in the columns of th
```

In the 'x' dataframe we put all columns of the given dataframe except Foursquare Rating. The 'y' will reresent Foursquare Rating column.

Our goal is to find the connection between Foursquare Rating and available popular items in coffee shops ('x' dataframe).

[15]:	Americano	Cappuccino	Cheese	Espresso	Hot Chocolate	Lasagne	Latte	\
0	2.00	2.10	0.0	1.60	2.10	0.0	2.10	
1	0.00	2.55	0.6	1.75	2.55	0.0	0.00	
2	2.50	2.50	0.0	2.00	2.70	0.0	2.50	
3	2.00	2.20	0.0	1.50	0.00	0.0	2.20	
4	2.99	2.99	0.0	1.99	2.99	8.5	2.99	
5	2.00	2.50	0.0	1.50	0.00	0.0	2.50	
6	2.00	2.60	0.0	2.20	0.00	0.0	0.00	
7	2.20	2.30	0.0	1.30	0.00	0.0	2.30	
8	1.90	1.90	4.0	1.20	1.90	4.4	0.00	
9	1.95	0.00	3.8	0.00	0.00	6.0	0.00	
10	1.95	0.00	3.8	0.00	0.00	6.0	0.00	
11	2.50	2.00	0.0	0.00	2.50	0.0	0.00	
12	0.00	0.00	0.0	1.70	0.00	0.0	0.00	

	Macchiato	Mocha
0	1.80	0.00
1	1.75	0.00
2	2.50	2.50
3	1.50	2.75
4	2.60	2.99
5	1.70	2.80
6	0.00	0.00
7	1.50	2.40
8	0.00	0.00
9	0.00	0.00
10	0.00	0.00
11	0.00	2.50
12	0.00	0.00

2. Linear regression.

Let's construct multiple linear regression and check if we can predict venue rating, based on the available in the venue items.

```
intercept:
                                           8.52910
                                          coefficient: 0.07865
feature:
                             Americano,
feature:
                            Cappuccino, coefficient: -0.77256
                                         coefficient: -0.19312
feature:
                                Cheese.
feature:
                              Espresso, coefficient: 0.18615
feature:
                         Hot Chocolate, coefficient: 0.02006
                               Lasagne, coefficient: 0.09155
feature:
feature:
                                 Latte, coefficient: -0.41440
feature:
                             Macchiato,
                                         coefficient: -0.57753
feature:
                                 Mocha, coefficient: 0.62853
```

# Rating predictions:

```
rating predicted rating
0
       5.4
                     5.494202
1
       5.8
                     5.809447
2
       6.4
                     6.312305
3
       6.7
                     7.216487
4
       6.8
                     6.801621
5
       7.0
                     6.776319
6
       7.1
                     7.087285
7
       7.1
                     6.856304
8
       7.1
                     7.102519
9
       8.5
                     8.497928
10
       8.5
                     8.497928
       8.8
                     8.802092
11
       8.9
12
                     8.845563
```

```
mean absolute error: 0.10 residual sum of squares (MSE): 0.03
```

As we see above, our model quite well predict the rating at Foursquare, based on the popular items availability and their prices.

3. Let's construct Random Forest Regression. This analysis will help us to identify the most influenceable products for the coffee shop ratings.

For this we will use impurity-based feature importances. The higher, the more important the feature. The importance of a feature is computed as the (normalized) total reduction of the criterion brought by that feature. It is also known as the Gini importance. Gini Importance or Mean Decrease in Impurity (MDI) calculates each feature importance as the sum over the number of splits (across all tress) that include the feature, proportionally to the number of samples it splits.

```
[17]: rf = RandomForestRegressor(random_state = 5)
      rf.fit(x,y)
      importance = rf.feature_importances_
      1 = []
      for i,v in enumerate(importance):
          l.append([x.columns[i],v])
      df l = pd.DataFrame(l,columns = ['feature','importance'])
      df_1.sort_values(by = 'importance', ascending = False, inplace = True)
      df_l.reset_index(drop = True,inplace = True)
      df_1
      print("R2-score: %.5f" % rf.score(x,y))
      pyplot.rcParams["figure.figsize"] = (12,6)
      pyplot.bar(df_1['feature'],df_1['importance'])
      pyplot.xticks(rotation = 'vertical')
      pyplot.tight_layout()
      pyplot.show()
      df_1
```

R2-score: 0.88029

<IPython.core.display.Javascript object>

<IPython.core.display.HTML object>

```
Γ17]:
               feature
                         importance
      0
            Cappuccino
                           0.440019
      1
              Espresso
                           0.189613
      2
             Macchiato
                           0.114489
      3
                 Cheese
                           0.064827
      4
        Hot Chocolate
                           0.051881
      5
             Americano
                           0.050652
      6
                  Latte
                           0.048136
```

7 Mocha 0.031874 8 Lasagne 0.008510

# 0.8 ## Results

- Cappuccino has the highest influence power on the venue's rating and guest loyalty.
- Despite the fact, that Americano is the most popular item among the coffee shops, it is only on the fifth place of the products, ranked by importance.

# 0.9 Discussion

Clearly, before the research was obvious, that the coffee shops owners have to have available in café most popular coffee drinks, such as Cappuccino, Macchiato, Espresso, Hot Chocolate, and Americano. But which items are more important for their guests was undetermined.

Now, entrepreneurs precisely know that the mentioned above 5 items are most important and their prices have an influence on the overall customer's rating. So, the recommendation for business owners is to keep the mentioned items on stock and carefully track their prices.

### 0.10 Conclusion

To sum up, in this research, we have determined the connection between venue's rating and availability of the most popular items (incl. their prices). We have identified the most important for coffee shop's rating items and numerically described their influence on the overall venue's rating.