Preliminary comparison of targeted the bakery shop locations

- ## Introduction

Two of my friends asked me to be their investment partners in the bakery shop in the downtown area. One whom lives in NYC suggests a place near his apartment. Another one suggests a spot near his office, in Toronto. Unfortunately, with my own limitation, I can choose only one option so I need to quickly analyze which location is better. As I would be only the passive investor, and it is not large amount of money involved, I would only like to estimate the demand and supply for this market to support my decision.

To expect the demand, we would roughly imply the addressable market size from the office buildings around the areas. If more congested office areas, that might reasonably implied for the stronger demand.

For the supply side, we estimate by counting the availability of existing shops which can be our competitors in the same area.

We already have two target locations in two cities (NYC and Toronto), as street addresses listed below:-

Toronto

372 Bay St
Toronto, ON M5H 2W9, Canada
(43.651063, -79.381433)
https://goo.gl/maps/aWMbF7ie2f82

NYC

249 W 49th St
New York, NY 10019, USA
(40.761633, -73.985935)
https://goo.gl/maps/tzVu2r9V2782

- ## Data

In this example, we would compare two shop location targets, those we can negotiate for the reasonable rent, one in NYC and another one in Toronto.

- Location data (latitudes, longitudes) from street addresses
- Number of office buildings around the areas, within 0.5-mile radius, of both two target locations (NYC and Toronto)

  In order to better estimate how many people live in the area, we should take into account of the building size also. However, in this preliminary stage, we neglect that and count only the number of office building in the vicinity of our target location. If congested office areas, we would implied that the demand could be strong.

- Number of existing shops (same categories as bakery) which could be our competitors, within 0.5-mile radius, of both two target locations (NYC and Toronto)

- **Methodology**
  - Compare the numbers of office buildings at those two locations. The more is better.
  - Compare the numbers of bakery shops at those two locations. The less is better.
  - Conclude the better location

- **Results**

As we obtain the data from FourSquare API, we can plot the locations of nearby places (within the vicinity of 0.5 miles) of our target locations to open our bakery shops in NYC, as well as, in Toronto.

Picture: The bakery shops around the vicinity of target NYC location

We then conclude that, based only on these two parameters, Toronto is the better choice, as number of office buildings nearby are equal of 30, while in Toronto seem to has less competition from lower number of bakery shops nearby (data shown in table below).

	Location	no.of Bakery nearby	no.of Office Building nearby
0	NYC	18	30
1	Toronto	13	30

- **Discussion**

We categorize the competitors only by the keyword ‘bakery’, while the coffee shop, café, sandwiches kiosk could also be our indirect competitors which we should also be considered in our further analysis.

- **Conclusion**

After try to compare two locations to open a bakery shop. We found that Toronto provide the better business opportunity, as the much higher numbers of office buildings in the area which could imply for stronger demand, as well as fewer existing competitors.

However, we need to explore for more descriptive data, such as the proximity to the subway station which can draw more of people on the walkway in that specific area.