Restaurant Rating Analysis – Mexico

Data-Driven Insights for Business & Investment Decisions

Dataset: Restaurant Rating Dataset (Mexico, 2012)
Objective: Extract actionable insights to support restaurant entrepreneurs and investors.

Dashboard Validation

The dashboard successfully answers the analytical questions by:

- Identifying top-rated restaurants
- Linking consumer preferences to service ratings
- Profiling consumer demographics
- Highlighting demand vs supply gaps
- Revealing investment-worthy restaurant characteristics

Question 1

What can you learn from the highest rated restaurants?

Do consumer preferences affect ratings?

Key Insights

Top-rated restaurants (e.g., *Emilianos, Michiko Restaurant, Restaurant las Mananitas*) consistently score higher on average ratings.

From the dashboard:

- **Alcohol service matters**
   Restaurants offering Wine & Beer or Full Bar receive higher service ratings than those offering no alcohol.
- **Parking availability impacts ratings**
   Restaurants with dedicated parking or public parking outperform those without parking.
- **Smoking policy influences perception**
   Restaurants with clear smoking policies (No or Bar Only) perform better than unrestricted environments.
- **Cuisine preference is critical**
  - **Mexican cuisine dominates consumer preference** by a wide margin.
  - Restaurants aligned with popular cuisines enjoy stronger demand and better ratings

Conclusion

Consumer preferences clearly affect ratings.
 High-performing restaurants align with:

- Preferred cuisines (especially Mexican)
- Value-added services (alcohol, parking)
- Comfortable dining environments

Question 2

What are the consumer demographics?

Does this indicate bias in the data sample?

Key Insights

❖ **Age Distribution**
  ● **Young Adults:** ~90.6% of consumers
  ● Very small representation of elderly, seniors, teenagers
❖ **Occupation & Budget**
  ● Majority are **students**
  ● **Medium budget consumers dominate** (91 consumers vs 35 low, 5 high)
❖ **City Distribution**
  ● Highest concentration in **San Luis Potosí**
  ● Other cities are underrepresented

❖ **Bias Assessment**

Yes, the data shows sampling bias

● Overrepresentation of:
  ○ Young adults
  ○ Students
  ○ Medium-budget consumers
  ○ A single city

❖ **Implication**

Findings are most reliable for casual, youth-oriented, mid-priced restaurants, and may not fully reflect:

● Fine dining markets
● High-income or older consumer segments
● Broader national trends

Question 3

Are there demand & supply gaps to exploit?

Key Insights

❖ **Demand vs Supply Analysis**
  ● Demand score increases faster than restaurant supply
  ● Indicates underserved demand, especially in:
    ○ Medium-priced restaurants
    ○ Popular cuisines (Mexican, Cafeteria-style dining)

❖ **Price Distribution**

- Medium price restaurants: **60**
- Low price: **45**
- High price: **25**
- ❖ **Consumer Budget vs Restaurant Pricing**
    - Most consumers have medium budgets
    - Fewer restaurants serve this segment optimally

Market Opportunity

- ❖ **Clear demand–supply gap exists**:
    - Medium-priced
    - Youth-focused
    - Mexican cuisine restaurants
    - With parking and alcohol service

This gap presents a strong opportunity for new entrants.

Question 4

If you were to invest in a restaurant, what characteristics would you look for?

Data-Driven Investment Criteria

Based on the insights derived from the dashboard, my ideal restaurant investment would have:

- ❖ **Cuisine**
    - **Mexican cuisine** (highest consumer preference)
    - Secondary: American, Cafeteria-style
- ❖ **Pricing Strategy**
    - Medium price range
    - Matches dominant consumer budget
- ❖ **Target Market**
    - Young adults
    - Students and employed professionals

- ❖ **Service Features**
    - Alcohol service (Wine & Beer or Full Bar)
    - Clear smoking policy (No or Bar Only)
    - Parking availability (Onsite or Public)

- ❖ **Location Strategy**
    - Cities with high demand but limited supply

- Expansion beyond oversaturated areas like San Luis Potosí

Final Conclusion

The dashboard effectively shows that:

- Consumer preferences strongly influence restaurant success
- The dataset reflects a youth-centric, mid-budget market
- There is an exploitable gap in medium-priced, high-demand dining
- Investors should focus on service quality, accessibility, and popular cuisines

This analysis equips entrepreneurs and investors with the insights needed to minimize risk and maximize market fit.