

Introduction:

Starting a new cafe has always been a challenge. Very often, we see a lot of them located very close to each other, thus creating huge competition that can affect the success of the business. Other times, we may see a populated area, but with very few shops available. To maximize the chance of the success of any business, some of the biggest factors are the location and the potential market. In this project, we would like to analyze location data to find the best location with the most potential customers in Toronto to start a new cafe. At the same time, we want a location with a lower number of other similar venues to avoid competition. Specifically, we are interested in finding out the number of competitive venues per capita within each neighborhood and decide which is the best location to start the new cafe. For this project our target audience would be any new entrepreneur or any cafe franchise such as Tim Hortons, Starbucks, and McDonalds, who may be interested in opening a new cafe or looking for an area to expand.

Methodology:

To begin our analysis, we must look at the factors that can increase our potential market and the number of other similar cafes around the area. Let's first define the cafe we have in mind first. We want to start a cafe that will sell caffeinated beverages, snacks and some baked goods to go with our favourite drinks. Consider items that we may see from a Starbucks, or Tim Hortons menu. The two main things we want for our new cafe is to have less competition in the area, and more potential customers.

In order to find the best potential neighborhood to start the cafe in Toronto, we will need the location data from foursquare as required by the capstone final project. More specifically, we want to see how many other similar cafes are concentrated within each neighborhood. This will

give us an idea of the level of competition for each neighborhood when we start our new cafe. When we use the foursquare data, we want to look for other venues with tags such as 'cafe', 'coffee shop', potentially fast food restaurants since a lot of them also sell caffeinated beverages, and 'bubble tea shop'. Since foursquare limits the result of each search by 50 each call and they limit the number of calls to 500 each hour, we will spread out our calls over a day. After every run, we will save the result to a csv file and continue until we have covered enough potential competitions.

Since our cafe is aimed at a neighborhood with higher population. To find out about that, we turn to the [toronto.ca website](http://toronto.ca) to find the neighborhood with the most population to maximize the chance of our business at success. The data from toronto.ca is from 2016, we can project the number of population to the current year using the population growth percentage for each neighborhood to see if the potential change in population will give us different results.

Once we have the information of those two potential factors, we can use them to determine which neighborhood would be the best for our new cafe with the highest potential customers and the least amount of competitions. Essentially, we are looking for the neighbourhood with the lowest number of similar venues per capita in order to determine the best location for our new cafe. To complete our analysis, we can use our venue data to determine our biggest competitors within Toronto.