

# Best Neighbourhood to Start a New Café in Toronto

By Ryan Tam

# Situation

Imagine a couple of friends hanging out at a Tim Hortons, talking about how much they get frustrated at work. All of a sudden, one of them noticed the huge lineup at the store, then made the suggestion.

**“Why don’t we start our own business? Maybe a café or Tim Hortons like this?”**



# Starting a Tim Hortons franchise in Toronto

## Factors to consider

- Population size (market)
- Competitors
- Traffic
- Cost

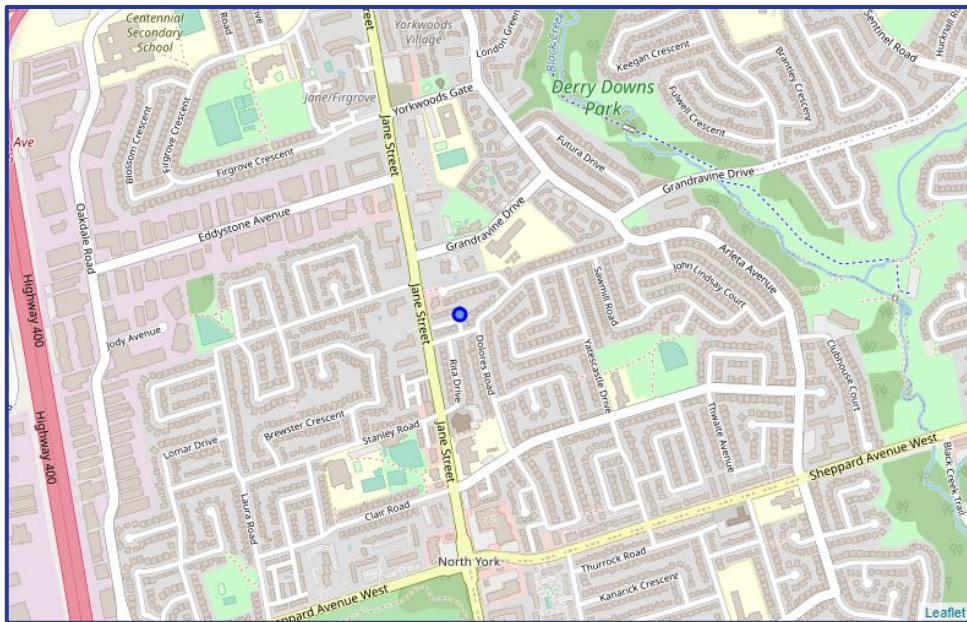
## Complication

- Toronto may be populous, but the market is saturated

**Which is the best neighbourhood to start a new café like Tim Hortons?**



# What I think is the best neighbourhood



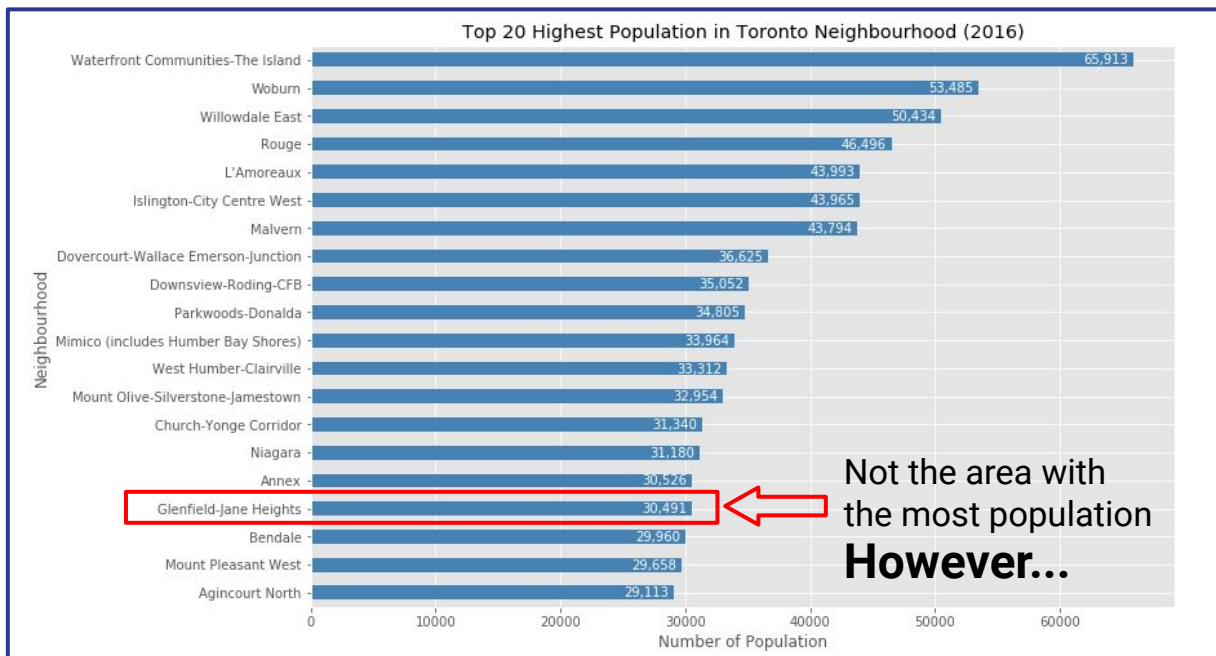
## Glenfield - Toronto

Population: **30,491**

Number of  
similar venues: **11**

# Explanation

What makes Glenfield better than the other neighbourhoods in Toronto?



# Methodology

Competitors using location data within a 2km radius of every neighbourhood in Toronto...

Group and count the same neighbourhood

Retain venue for information on competitors

Leave out the other less relevant information

	Neighbourhood	Neighbourhood Longitude	Neighbourhood Latitude	Venue	Venue Category	Unnamed: 0
0	West Humber-Clairville	43.716180	-79.596356	Starbucks	Coffee Shop	Na
1	West Humber-Clairville	43.716180	-79.596356	Williams Fresh Cafe	Café	Na
2	West Humber-Clairville	43.716180	-79.596356	JJ Cafe	Café	Na
3	West Humber-Clairville	43.716180	-79.596356	Humber Cafe	Café	Na
4	West Humber-Clairville	43.716180	-79.596356	GH Cafe	Café	NaN
...	...	...	...	...	...	...
16	Guildwood	43.748829	-79.195055	Tim Hortons	Coffee Shop	4513.0
17	Guildwood	43.748829	-79.195055	Tim Hortons	Coffee Shop	4514.0
18	Guildwood	43.748829	-79.195055	Gateway On The Go (Guildwood GO/VIA Station)	Coffee Shop	4515.0
8319	Guildwood	43.748829	-79.195055	Tim Hortons Drive-Thru	Coffee Shop	4516.0
8320	Guildwood	43.748829	-79.195055	Starbucks	Coffee Shop	4517.0
8321 rows x 7 columns						

Lots of potential competitors, easier to organize with charts and diagrams

# Result

After searching and cleaning up the data, this is what I found...

	Neighbourhood	Number of Competitions
1	University	149
2	Annex	149
3	Kensington-Chinatown	144
4	Palmerston-Little Italy	144
5	Bay Street Corridor	142
...	...	...
131	Kennedy Park	12
132	West Hill	11
133	Guildwood	11
134	Bayview Woods-Steeles	11
135	Glenfield-Jane Heights	11

Although **Glenfield** doesn't have the most population out of all the neighbourhoods in Toronto, the number of competitors is ranked one of the lowest!



# Result Cont'd

Neighbourhood	Population	Competitions	Competition per Capita
Rouge	46496	6	0.000129
Glenfield-Jane Heights	30491	11	0.000361
West Hill	27392	11	0.000402
L'Amoreaux	43993	18	0.000409
Malvern	43794	19	0.000434
Downsview-Roding-CFB	35052	16	0.000456
Eglinton East	22776	12	0.000527
Woburn	53485	29	0.000542
Cliffcrest	15935	9	0.000565
Mount Olive-Silverstone-Jamestown	32954	19	0.000577

Glenfield's population to competition is one of the best for its population size.

But why did I choose Glenfield instead of Rouge?



# Closer look...

Rouge

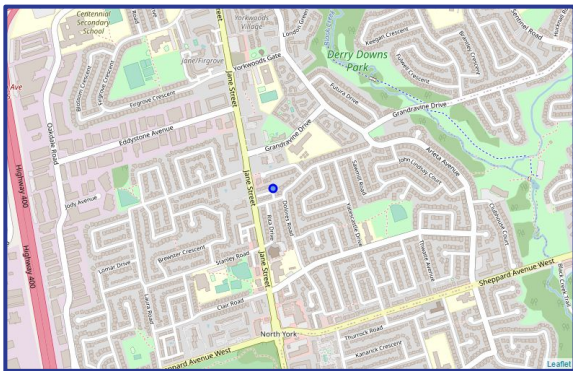


The problem with data gathered for Rouge is that it is centered at the zoo. This ratio is a potential outlier.

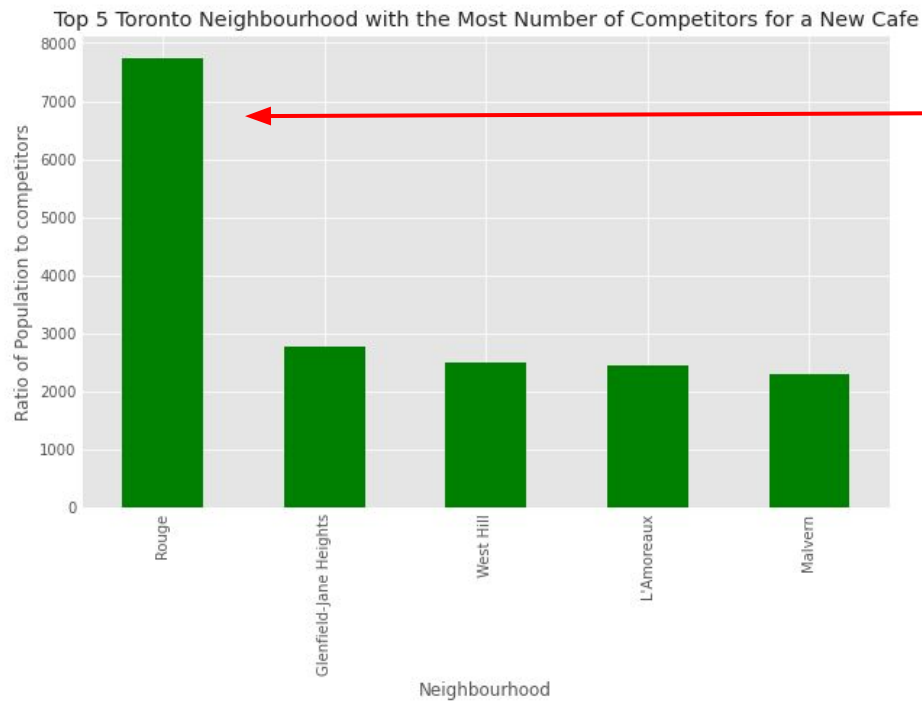
Whereas Glenfield is in the middle of a residential area.

Therefore, I consider Glenfield to be the best neighbourhood for a new café!

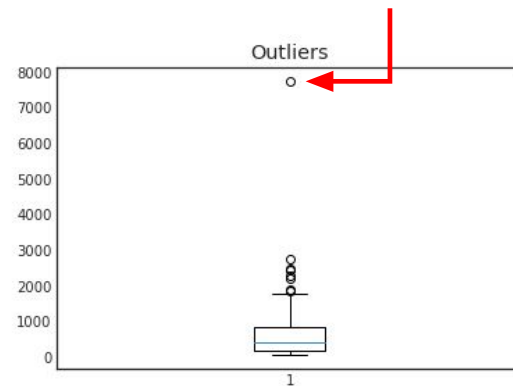
Glenfield



# Outlier



These 2 charts confirm **Rouge** being the biggest outlier compared to the rest of the data set.

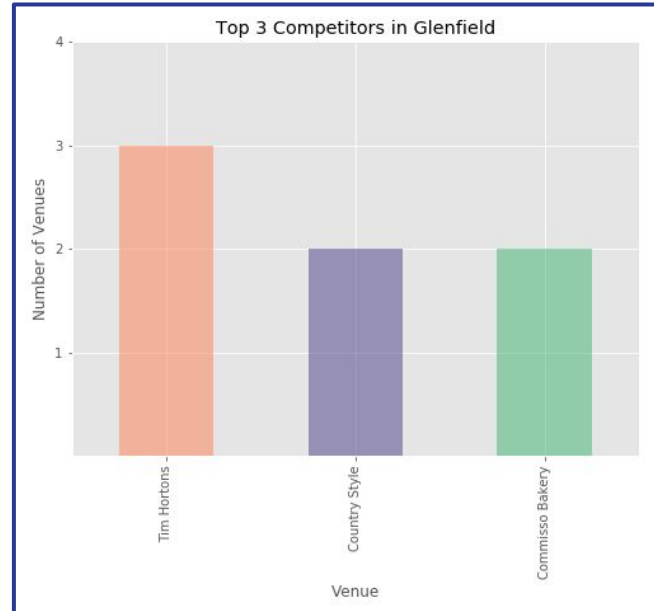


# Starting a Tim Hortons franchise in Toronto

**Which is the best neighbourhood to start a new café like Tim Hortons?**

## Glenfield - Toronto

- Top 20 population
- Low level of competition
- Accessable



# Limitations

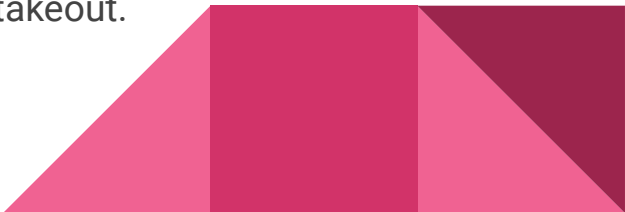
This study only looked at population and competition.

## Factors to consider

- Population size (market)
- Competitors
- Traffic
- **Cost**

## Further studies

- Traffic is an important factor that will require access of another data source.
- **Cost** can be mitigated by either having a bigger or smaller venue. A café like Tim Hortons can have a smaller store and focus on takeout.



# Other Considerations

## Risks

Depends on neighbourhood, certain part of Toronto may have a higher crime rate. That can also become another potential factor for future studies as well.



**Thank you!**

