Opening a Mexican Restaurant in Hong Kong

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Hong Kong’s Background

- Hong Kong is a culturally dynamic city known for its diverse culinary scene, but lacks authentic Mexican restaurants.
- The city is notoriously crowded, but its neighborhoods are culturally segregated.
- **Three regions in Hong Kong**: Hong Kong Island, Kowloon, New Territories.
    - The three regions are also subdivided into 18 smaller districts.

The Project’s Aim

- **Project Goal**: is to help potential Mexican restaurant owners select the prime location in Hong Kong to kick start their business.
- **Target Audience**: Entrepreneurs, especially expats, who are looking to open an authentic Meixcan restaurant or fusion restaurant serving Mexican Cuisines.

Data Acquisition & Description

- **Dataset**: “District Offices and Sub-offices” acquired from the Hong Kong GeoData Store.
- **Description**: The data include 36 District Offices and Sub-offices spread across the 18 Districts
    - This will provide a more accurate and fair representation of the geographical distribution of the city

Data Cleaning & Feature Selection

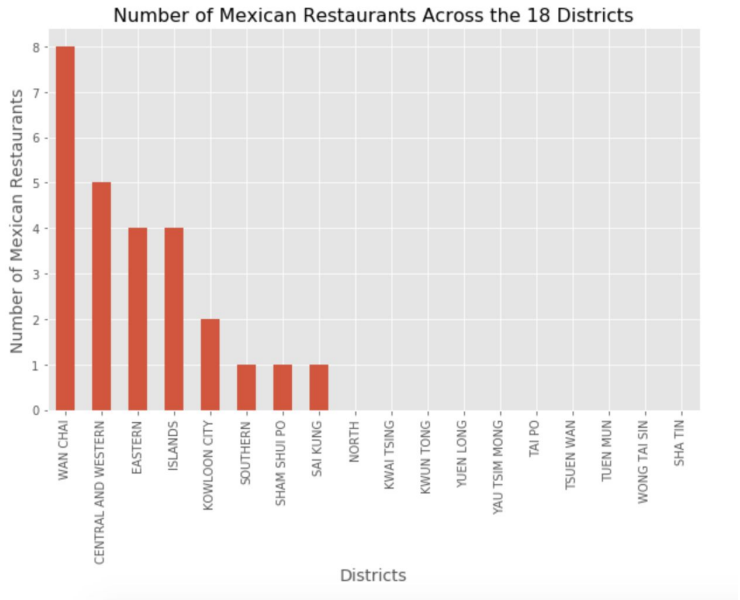
- The dataset provided 25 features in total, but only five are relevant to our study:
  - Office Name, Address, District, Latitude, Longitude

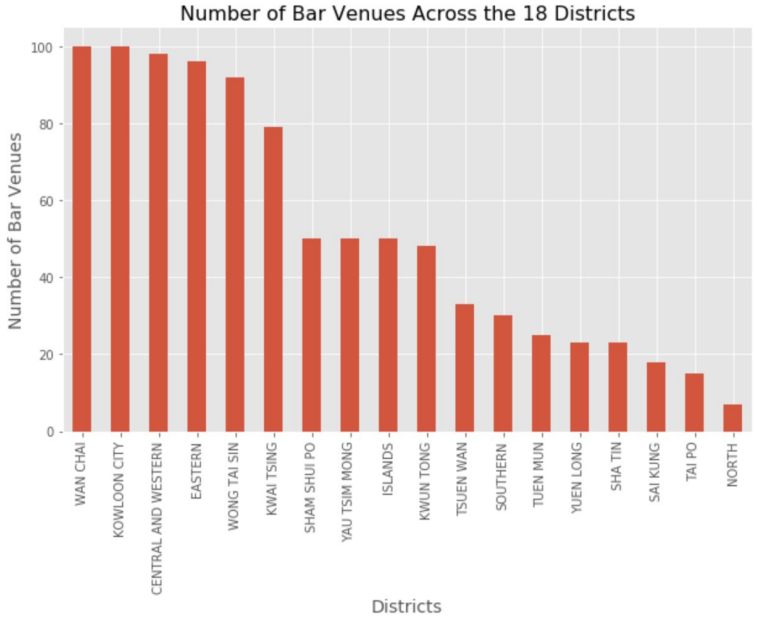
	Office Name	Address	District	Latitude	Longitude
0	Wan Chai District Office - Sub Office	G/F., 2 O'Brien Road, Wan Chai, Hong Kong.	WAN CHAI	22.27737	114.17320
1	Wan Chai District Office	21/F, Southorn Centre, 130 Hennessy Road, Wan ...	WAN CHAI	22.27726	114.17283
2	Eastern District Office - Chai Wan Sub-office	New Jade Garden, Level One, 233 Chai Wan Road,...	EASTERN	22.26391	114.23635
3	Eastern District Office - Causeway Bay Sub-office	1/F, Causeway Bay Community Centre, 7 Fook Yum...	EASTERN	22.28845	114.19106
4	Eastern District Office - Shau Kei Wan Sub-office	G/F, Eastern Law Courts Building, 29 Tai On St...	EASTERN	22.28419	114.22429

Methodology

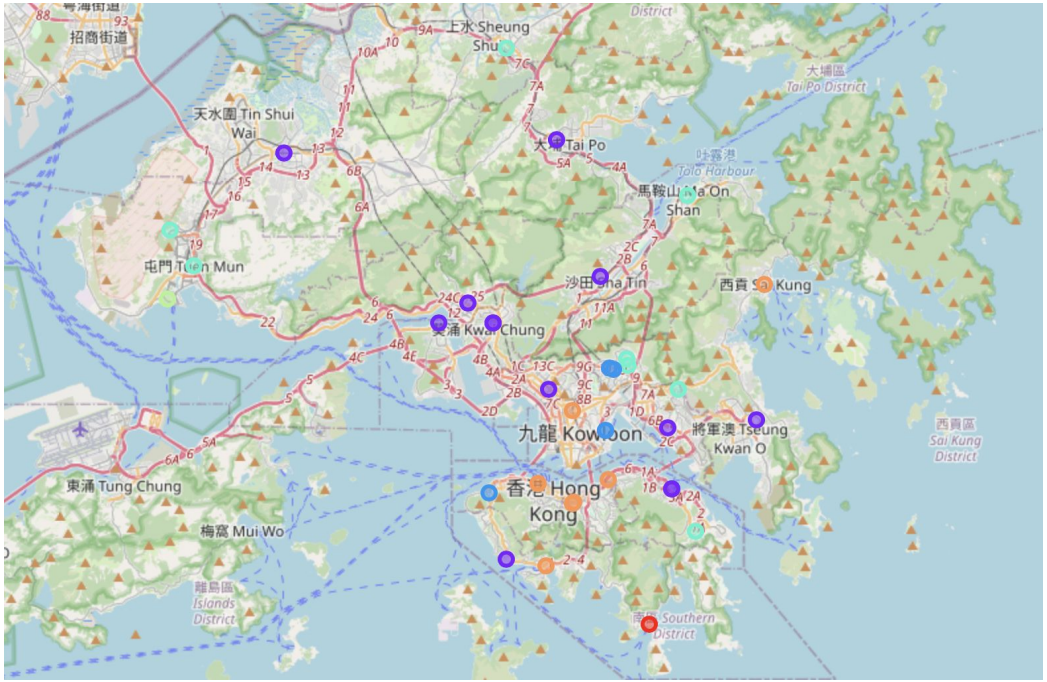
- In a preliminary scan, I looked for the number of Mexican restaurants and bar venues within 2km of each district.
- I also classified the 36 offices into six clusters using the k-means clustering technique based on the similarities of their nearby venues.
- Folium Map was used to visualize the offices, which are color-coded based on the cluster assigned.

Number of Mexican Restaurants and Bar Venues Across the 18 Districts



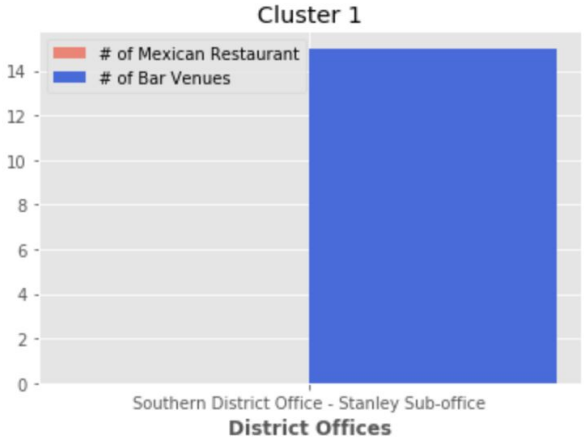


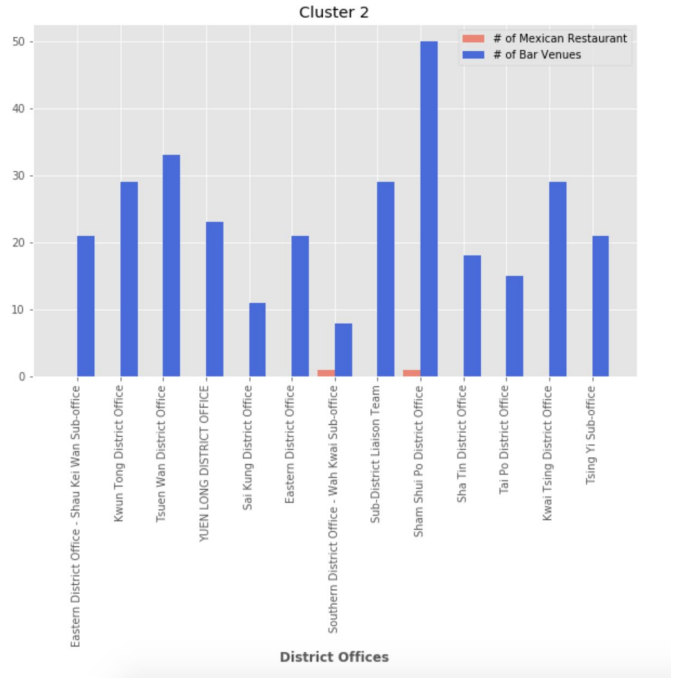
Visualization of the Six Clusters



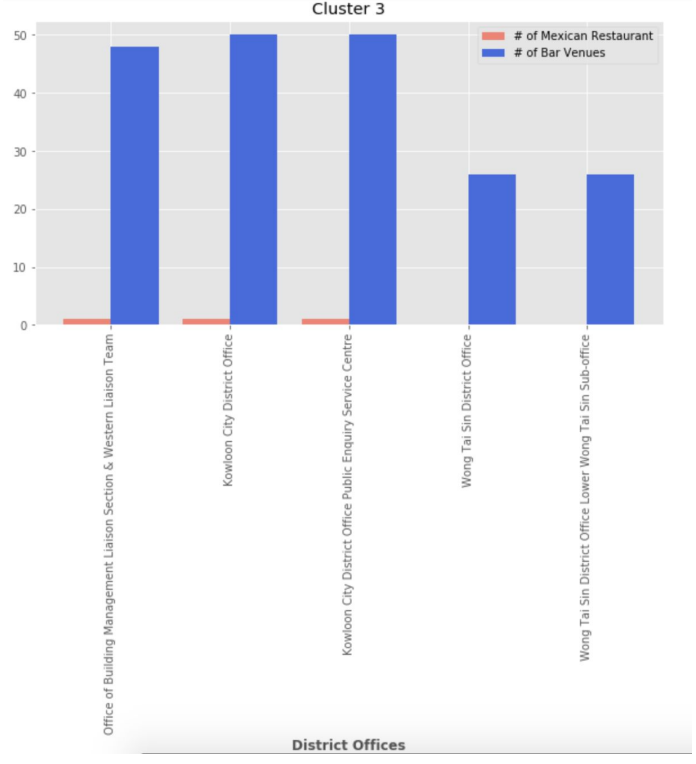
Map shows the six clusters classified by the similarity of their eight most common venues within two kilometers of the office's vicinity

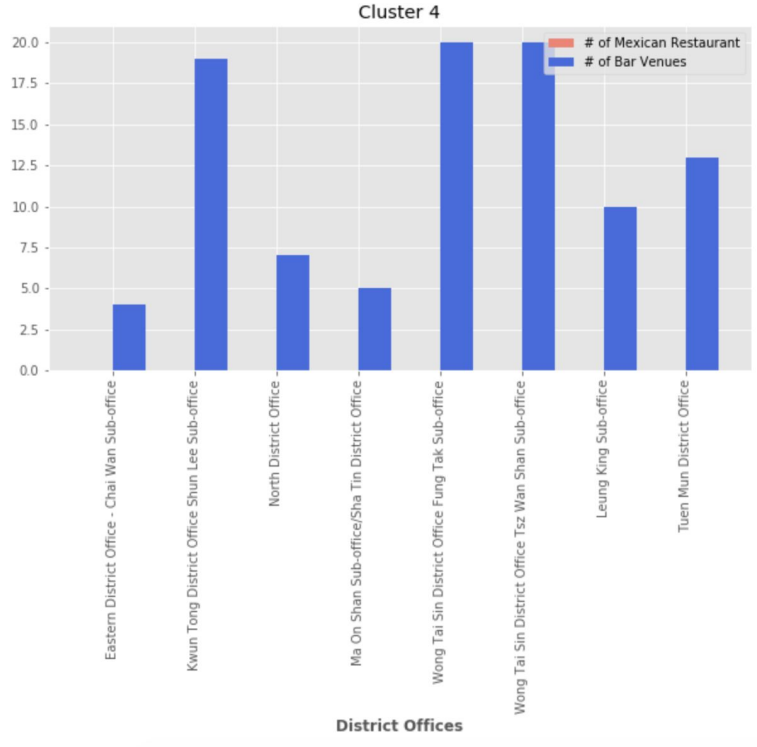
Number of Mexican Restaurants and Bars Venue for Offices in Each Cluster (Cluster 1 & 2)



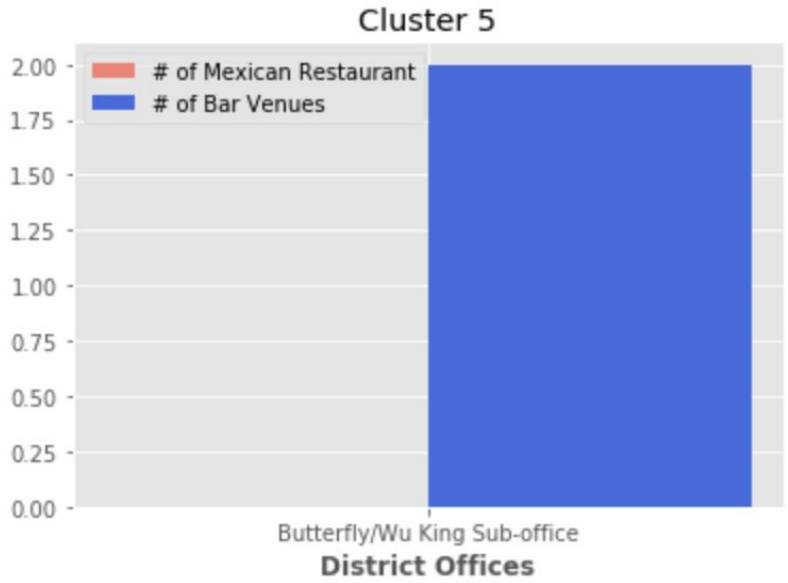


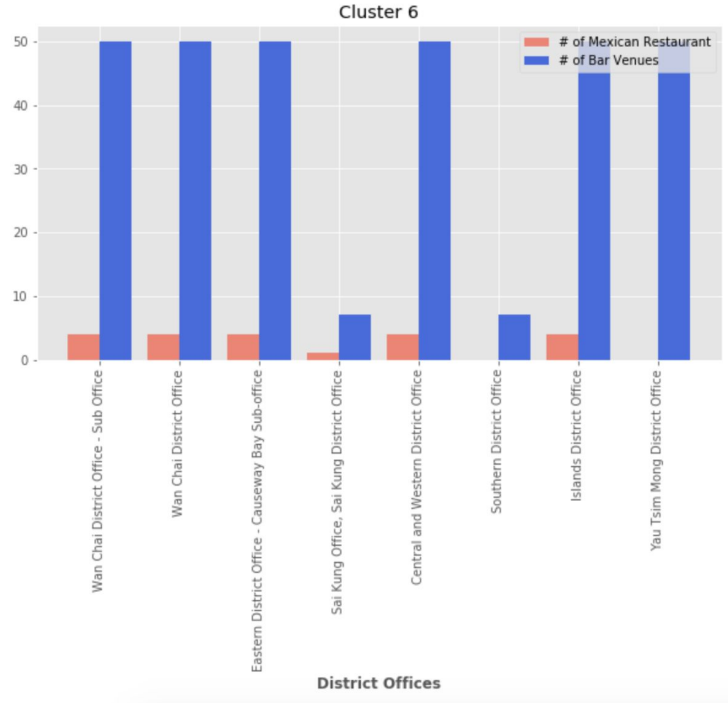
Number of Mexican Restaurants and Bars Venue for Offices in Each Cluster (Cluster 3 & 4)





Number of Mexican Restaurants and Bars Venue for Offices in Each Cluster (Cluster 5 & 6)



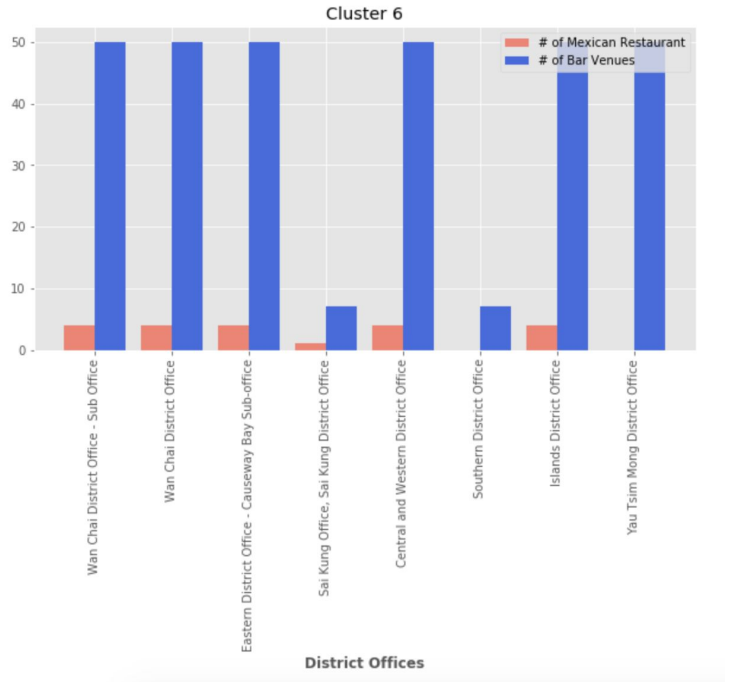


Cluster 1 & 5 - the Least Suitable

- Both clusters only contain one district office.
- **Cluster 1**: located in a relatively outlying area of the city, where most people go there for beaches and more sporty adventures
- **Cluster 5:** located in a very local and traditional region filled with a mix of Chinese cuisines.

Cluster 6 - Too Many Pre-Established Mexican Restaurants

- **Cluster 6** has significantly more pre-existing Mexican Restaurants than other clusters, which generates a high competition for new restaurants to break in.



Cluster 4 - Commuter Hub, Not as Many Bar Venues

- **Cluster 4** falls short on the number of bar venues nearby comparing to the remaining cluster.
- It is also surrounded by transportation hubs and fast-food restaurants which tend to attract fast-paced commuters.

Cluster 2 - Skews Towards Traditional HK Everyday Lifestyle

- **Cluster 2** is still a recommendable option, with a decent number of bar venues nearby.
- However, the most common venues nearby are geared more towards Hong Kongers' day-to-day life, which makes the neighborhoods less desirable as hangout spots.

Cluster 3 - Top Choices

- **Cluster 3** comes out on top, with a very minimal number of pre-existing Mexican restaurants and a high average number of bar venues.
- The neighborhoods are surrounded by diverse eateries and have relaxing venues such as cafes, hotels and dessert shops

	Office Name	District	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	# of Mexican Restaurant	# of Bar Venues
7	Office of Building Management Liaison Section ...	CENTRAL AND WESTERN	Coffee Shop	Park	French Restaurant	Supermarket	Japanese Restaurant	Thai Restaurant	Harbor / Marina	Garden	1	48
10	Kowloon City District Office	KOWLOON CITY	Hotel	Coffee Shop	Chinese Restaurant	Café	Japanese Restaurant	Dessert Shop	Thai Restaurant	Toy / Game Store	1	50
11	Kowloon City District Office Public Enquiry Se...	KOWLOON CITY	Hotel	Coffee Shop	Chinese Restaurant	Café	Japanese Restaurant	Dessert Shop	Thai Restaurant	Toy / Game Store	1	50
31	Wong Tai Sin District Office	WONG TAI SIN	Coffee Shop	Dessert Shop	Thai Restaurant	Café	Japanese Restaurant	Park	Fast Food Restaurant	Noodle House	0	26
32	Wong Tai Sin District Office Lower Wong Tai Si...	WONG TAI SIN	Coffee Shop	Dessert Shop	Thai Restaurant	Fast Food Restaurant	Café	Chinese Restaurant	Asian Restaurant	Noodle House	0	26

Conclusion & Future Improvement

- **Kowloon** seems to be the best out of the three regions to seek for neighborhoods.
- Offices in **Cluster 3** are the prime locations for potential Mexican restaurant owners to kick start their businesses
- **Limitations and Future Improvement**
  - Foursquare Data seems to have a larger database for Hong Kong Island, which might generate inaccuracies for the final recommendations.
  - Rental cost is not factored into this study, but a future analysis including this element will be extremely beneficial for potential entrepreneurs' decision-making process.

End of Presentation