

**MARY BROWN** 

Franchise Opportunity in West Toronto

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# **Executive Summary:**

The purpose of this report was to analyse West Toronto for a possible location for a franchise opportunity of Mary Brown. We ran our analysis to locate neighbourhoods that fall under West Toronto by postal codes we then matched geocoordinates for each postal code in West Toronto. Then with the assistants of foursquare we were able to find list of venues in each neighbourhood. We divide the neighbourhoods in to cluster to simplify are analysis and reviewed each cluster and neighbourhood. We can conclude that West Toronto as potential as location for opening a Mary Brown.

### **Introduction:**

Location, location, location, 3 of the most important things when it comes to opening a business, the purpose of this report is to analyse a location in Toronto for opening a restaurant. This report will not only look to recommend, a location of a restaurant but also type of restaurant.

Companies like McDonalds, KFC, Pizza hut have grown and expanded through franchising their brand. McDonalds success came through franchising to middle class families that lead to aggressive expansion of their brand. Unfortunately, in the current market franchisor decides the location for the franchisee.

Our investor has come across an opportunity to get a franchise of a Canadian based fast food chain, Mary Brown a fried chicken joint. However, Mary Brown has recommended West Toronto as the recommended location. Our investor is not familiar with West Toronto region and would like to know more about neighbourhoods in West Toronto and current outlets operating in West Toronto

The investor also has few hesitations of opting for a fried chicken franchise with the recent shift towards healthy food. Investor wants to know if there is still a market for fried chicken or should he/she opt for a franchise that sells healthy food such as salads in West Toronto

# Methodology:

Our Investor has already specified following our target areas as West Toronto. For this project we would be using the postal codes for the city of Toronto to find the specified target area and their respective neighbourhoods. For this we would first be importing postal codes of Toronto and cleaning the data, so we have one postal code for each area and respective neighbourhoods that fall in that area.

	Postcode	Borough	Neighbourhood
0	МЗА	North York	Parkwood's
1	M4A	North York	Victoria Village
2	M5A	Downtown Toronto	Harbourfront, Regent Park
3	M6A	North York	Lawrence Heights, Lawrence Manor
4	M7A	Queen's Park	Queen's Park
5	M9A	Etobicoke	Islington Avenue
6	M1B	Scarborough	Rouge, Malvern
7	МЗВ	North York	Don Mills North
8	M4B	East York	Woodbine Gardens, Parkview Hill
9	M5B	Downtown Toronto	Ryerson, Garden District
10	M6B	North York	Glencairn
11	M9B	Etobicoke	Cloverdale, Islington, Martin Grove, Prince.

Table 1: List of Postal Codes for Toronto City and Corresponding Neighbourhoods

### **Longitude and Latitude**

Once we have finalized our Toronto postal code data with neighbour details, we will then link longitude and latitude with respective Toronto postal codes and filter it to have a summarized table for West Toronto:

	Postcode	Borough	Neighbourhood	Latitude	Longitude
0	М6Н	West Toronto	Dovercourt Village, Dufferin	43.669005	-79.442259
1	M6J	West Toronto	Little Portugal , Trinity	43.647927	-79.41975
2	M6K	West Toronto	Brockton , Exhibition Place , Parkdale Village	43.636847	-79.428191
3	M6P	West Toronto	High Park , The Junction South	43.661608	-79.464763
4	M6R	West Toronto	Parkdale , Roncesvalles	43.64896	-79.456325
5	M6S	West Toronto	Runnymede , Swansea	43.651571	-79.48445

Table 2: List of Postal Codes for Toronto City along with Corresponding Neighbourhoods and Geocoordinate

We would then use foursquare to find details on venues in West Toronto with the help of longitudes and latitudes that were generated earlier. The output would be as follows:

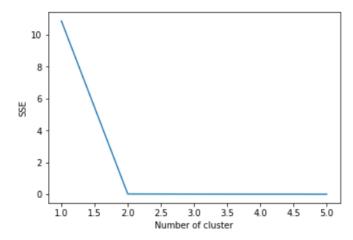
	Neighborhood	Neighborhood Latitude	Neighborhood Longitude	Venue	Venue Latitude	Venue Longitude	Venue Category
0	Dovercourt Village , Dufferin	43.669005	-79.442259	The Greater Good Bar	43.669409	-79.439267	Bar
1	Dovercourt Village , Dufferin	43.669005	-79.442259	Blood Brothers Brewing	43.669944	-79.436533	Brewery
2	Dovercourt Village , Dufferin	43.669005	-79.442259	Tre Mari Bakery	43.676666	-79.44874	Café
3	Dovercourt Village , Dufferin	43.669005	-79.442259	Three Speed	43.659293	-79.438025	Bar
4	Dovercourt Village , Dufferin	43.669005	-79.442259	Marcello's Pizzeria	43.678017	-79.442725	Italian Restaurant
5	Dovercourt Village , Dufferin	43.669005	-79.442259	Burdock	43.65947	-79.437763	Beer Bar
6	Dovercourt Village , Dufferin	43.669005	-79.442259	TuckShop Kitchen	43.66505	-79.455624	Snack Place
7	Dovercourt Village , Dufferin	43.669005	-79.442259	Propeller Coffee Co.	43.659479	-79.445086	Café
8	Dovercourt Village , Dufferin	43.669005	-79.442259	Bakerbots Baking	43.661853	-79.428099	Cupcake Shop
9	Dovercourt Village , Dufferin	43.669005	-79.442259	Contra Cafe	43.669107	-79.426105	Café

Table 3: List of Venues generated from foursquare for neighbourhoods in West Toronto

We would use this table to identify venues in each neighbourhood and the category they fall in. Furthermore, we would look at top 10 venues for each neighbourhood. Once we have done the above-mentioned process we would be dividing neighbourhoods of West Toronto in to clusters then we will analyse each neighbour separately to see what venues are operating in respective neighbourhoods.

# **West Toronto**

West Toronto has 6 Postal codes and consists of 13 Neighbourhoods. We have had divided neighbourhoods into clusters. We have used the Elbow method to determine the optimum number of clusters, the graph below is output of the elbow method recommending dividing the neighbourhoods in West Toronto in two (2) clusters.



**Chart 1: Optimal number of Cluster for West Toronto** 

Once we have divide the neighbourhood into clusters we have plotted them on map below:



Map 1: Neighbourhoods of West Toronto dividing in two clusters

Four Neighbourhoods fall in cluster one and two neighbourhoods fall in cluster 2 they are summarized in table below:

Cluster	Neighbourhood
1	Dover court Village, Dufferin
1	Little Portugal, Trinity
1	High Park, The Junction South
1	Parkdale, Roncesvalles
2	Brockton, Exhibition Place, Parkdale Village
2	Runnymede. Swansea

Table 4: West Toronto neighbourhoods with their respective clusters

Before we went into analysing each neighbourhood we tried to look up if there were Mary Brown already operating in West Toronto, based on our search through foursquare we were not able to locate any Mary Brown in the target area.

#### **West Toronto Cluster One:**

Postcode	Borough	Neighbourhood	Latitude	Longitude	Cluster Labels	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	9th Most Common Venue	10th Most Common Venue
М6Н	West Toronto	Dovercourt Village , Dufferin	43.669005	-79.442259	0	Café	Bar	Italian Restaurant	Cocktail Bar	Restaurant	Park	Beer Bar	Grocery Store	Indian Restaurant	Asian Restaurant
M6J	West Toronto	Little Portugal , Trinity	43.647927	-79.419750	0	Café	Bar	Bakery	Italian Restaurant	Cocktail Bar	Asian Restaurant	Coffee Shop	Pizza Place	Sandwich Place	French Restaurant
M6P	West Toronto	High Park , The Junction South	43.661608	-79.464763	0	Café	Park	Coffee Shop	Bar	Bakery	Restaurant	Brewery	Italian Restaurant	Indian Restaurant	Eastern European Restaurant
M6R	West Toronto	Parkdale , Roncesvalles	43.648960	-79.456325	0	Café	Park	Bakery	Bar	Italian Restaurant	Cocktail Bar	Asian Restaurant	Ice Cream Shop	American Restaurant	Cuban Restaurant

Table 5: Top 10 most common Venue in Cluster One in West Toronto

Based on our initial analysis of neighbourhoods in cluster one we were able to find top 10 common venues in the neighbourhoods as shown in the table above cafés are very popular in cluster one followed by bars parks we also found different types of restaurants were also in the top 10 list.

#### **West Toronto Cluster Two:**

Postco	de Borough	Neighbourhood	Latitude	Longitude	Cluster Labels	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	9th Most Common Venue	10th Most Common Venue
M	K West Toronto	Brockton , Exhibition Place , Parkdale Village	43.636847	-79.428191	1	Café	Bar	Italian Restaurant	Bakery	Sandwich Place	Asian Restaurant	Park	Pizza Place	Beer Bar	Cocktail Bar
М	SS West Toronto	Runnymede , Swansea	43.651571	-79.484450	1	Café	Coffee Shop	Park	Bakery	Bar	Italian Restaurant	Brewery	Gastropub	Ice Cream Shop	Restaurant

Table 5: Top 10 most common Venue in Cluster Two in West Toronto

We ran the same analysis for cluster two to find top 10 common venues although there were few common categories as cluster one we noticed difference in cluster two. Cluster one had more cuisine specific restaurants where as cluster two did had more bars and pubs.

Furthermore, found the top 5 venues by category operating in each neighbourhood by cluster.

The table below summarizes the top five venue category for neighbourhoods that call in *Cluster 1*:

Category	Dovercourt Village, Dufferin	Little Portugal, Trinity	High Park, The Junction South	Parkdale, Roncesvalles
Cafe	10	10	11	8
Bar	8	6	6	6
Italian Restaurant	4	5	-	4
Cocktail Bar	4	-	-	-
Park	4		6	7
Bakery	-	5	5	6
Asian Restaurant	-	4	-	-
Coffee shop	-	-	6	-

Table 6: Top 5 most common Venue operating in Cluster One in West Toronto

The categories mentioned in the table able are also visible in 10 top common table for cluster 1 as however, it is interesting to note that although cuisine specific restaurant and pizza place are in 10 most common venues but there are not many in operating in neighbourhoods in cluster 1.

The table below summarizes the top five venue category for neighbourhoods that call in *Cluster 2*:

Category	Brockton, Exhibition Place, Parkdale Village	Runnymede, Swansea
Cafe	7	8

Bar	6	5
Italian Restaurant	5	-
Park	4	6
Bakery	5	5
Coffee shop	-	8

Table 6: Top 5 most common Venue operating in Cluster Two in West Toronto

The same can be noted for Cluster two, although top 5 categories of venue operating in cluster 2 are in most common table there are few venues that are less in number but fall in top 10 most common list.

## Recommendation

Based on our analysis we can conclude that opening a Mary Brown in a neighbourhood of West Toronto would be an interesting opportunity as there is clear market gap for fast food/ fried chicken joint in the target area.

We also noted the presence of only one Five guys in Cluster 2 and a decent presence of BBQ joint in Cluster 1. However, we were not able find any presence of fast food restaurant in West Toronto.

We would not recommend opening a Mary Brown in neighbourhoods in Cluster 1 as our findings show that people in Cluster 1 prefer cuisine specific/fine dining restaurants. However, we would recommend looking at Cluster 2 a potential location.

## Limitation

Our analysis will be based on information available from Foursquare and Statistics Canada. We have not been provided any financial information that can help in making a better decision as this information is of confidential nature. Furthermore, we would be analysing only the target areas specified by our Investor and would not be looking at other areas. Our recommendation would be based on best option available with the target area this includes, neighbourhood and type of restaurant.