

Battle of Neighbourhoods: Introduction

Background

Due to the COVID pandemic that started in January 2020 in China, shopping habits have suffered a dramatic change.

We can observe an exponential increase of the online channel (Amazon results at the end of the third quarter show a 69% Year-on-Year benefit increase) and also a greater demand of home delivery service (in some countries these services were so demanded during lockdowns that there was a 2-week delay in supermarket order deliveries).

Nevertheless, there are population groups that, due to different reasons, can't or don't want to use the online channel. On the other hand, some groups (for example elder people) need the home delivery service from the supermarket, they can't use the online channel and they have to minimize the number of times per week they go shopping (as they are an especially vulnerable group), but they can't carry the shopping for a whole week by their selves.

In this context, to help these groups of population that need to minimize the number of times they go shopping and, at the same time, optimize the home delivery service, there's a need to increment the number of commercial establishments (more in the case of first need goods) in those areas that are not properly served.

Business problem

We would like to define clusters of neighbourhoods based in the type and quantity of shopping establishments in their area, in order to detect underserved areas and also areas with high number of competitors. The idea is using these results to help business decisions regarding opening, moving or closing different kind of commercial establishments.

Target audience

This study is interesting for several stakeholders, due to different reasons:

- Investors might be interested in opening franchise branches in underserved areas.
- Big companies that want to decide about openings or closures of establishments might study the level of competition in each area as one of the criteria.
- City authorities might be interested in knowing which are the underserved areas in order to ease the procedure for getting an activity license and any other administrative process needed for establishing a new establishment.

This study will be performed in London City, but can be replicated in any other area of interest.