

Open a New Coffee Shop

Where to open a new coffee shop in Toronto

- A person wants to open a new coffee shop Toronto
- Which place?
- Too much competition?

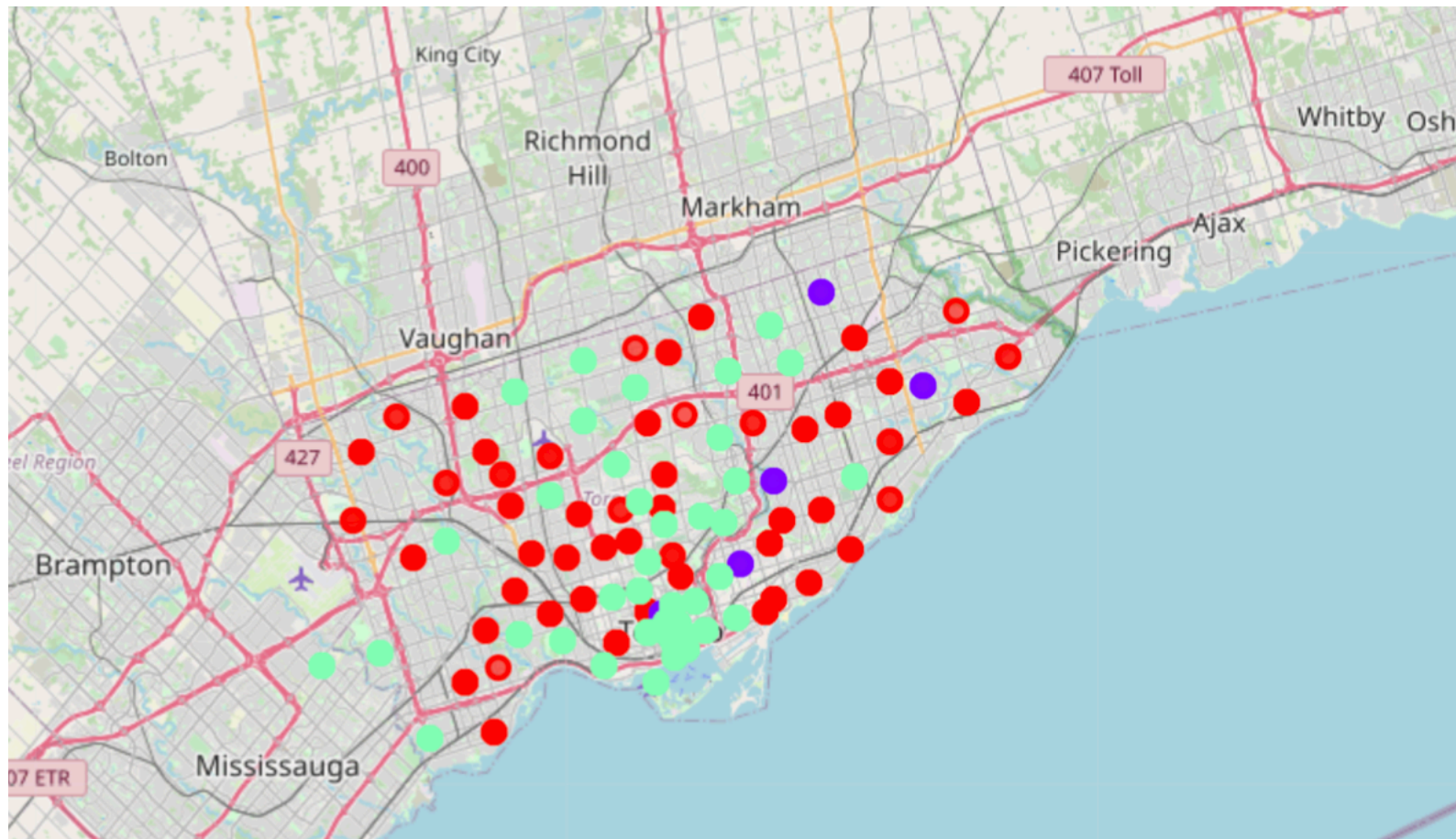
Data acquisition

- List of neighborhoods in Toronto, Canada
(https://en.wikipedia.org/wiki/List_of_postal_codes_of_Canada:_M)
- Latitude and longitude of neighborhoods in Toronto. (csv file provided by Coursera)
- Venues in Toronto area. (from Foursquare API)

Methodology

- Unsupervised machine learning: K-means clustering
- Get top 100 venues within 500 meters radius from Foursquare API
- Classified neighborhoods in Toronto to 3 clusters based on frequency of occurrence of coffee shops.

Result



Result - continued

- **Cluster 1**: neighborhoods with few or no coffee shops.
 - High Park, The Beaches West, India Bazaar, Trinity, Lawrence Park
- **Cluster 2**: neighborhoods with highest number of coffee shops.
 - Woburn, Queen's park, East Toronto, Victoria Village, Milliken
- **Cluster 3**: neighborhoods with a few coffee shops.
 - Berczy Park, St. James Town, Swansea, Runnymede

Recommendation:

- Median size, median level coffee shop – **cluster 1**
- Few competitor, little competition
- Large size, famous, cyberstar coffee shop – **cluster 2**
- High traffic, many people, our new coffee shop is famous enough that we don't need to worry about competition.