



## CASE STUDY: Restaurant industries

Market analysis to determine the most appropriate location for a new restaurant

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#### Introduction

The investor of a prestigious restaurant group employed the City Intelligence system in order to find the most viable location for the opening of its new premises. The data on the platform was used to inform the decision-making process and provide objective support for choosing the location with the greatest potential.

#### Context

The group currently manages eight restaurants, each one with its own concept that creates a wide variety of target customers. The group's new proposal was to open an organic cafeteria aimed at young people from a medium-high socioeconomic level. The investor had two prospective locations, from business connections, in which to establish the new premises and needed to objectively evaluate the key aspects of each of the locations to make the best decision.



## Solution

The City Intelligence machine learning tools helped contextualize the factors that are most relevant to client success. The spatial data provided by the platform allowed them to assess, at the urban block level, which of the two study areas has a greater concentration of the target market based on the sociodemographic characteristics. The analysis also determined how concentrated the target market is and the type of competition that existed, evaluated the points of interest and attraction not related to its line of business, compared the reference rental prices by area and the traffic dynamics that determine the accessibility levels of the specific location. With this and more data, an analysis was generated that revealed the potential of the locations of interest.

## Findings and results

- Zone A had a 15% higher concentration of residents from the target market, 24% less traffic volume and accessibility, and an average concentration of points of interest and attraction.
- Zone B had a lower population density, but the points of interest were better suited to the target market, which increased traffic flow. The concentration of competitors was a 37% higher, although this also served as a cluster that made the area more attractive. Rental costs were 18% higher.



## Conclusions and how City Intelligence can help the retail industry

Based on the results found, the client decided that zone B was ideal for the new premises, since it is an attractive reference site, with a greater flow of people seeking recreational and leisure activities. That is why this area was the most suitable for its business and its market segment. Despite higher rental costs, the advantages of locating the premises in this cluster of restaurants, combined with its value proposition and experience in restaurant business management, presented the ideal motivation to choose this option.

Using the system, the client was able to appreciate the competitive potential of each area where the new premises could open. From the survey of the target audience to the contextualization of the flow within each area, the competitive dynamics between businesses, and the rent reference prices, City Intelligence was the key ally supporting the decision-making process.

If your enterprise focuses on restaurants and food and beverage preparation services, using City Intelligence you can:

- Get to know the competitors in the area in order to offer a high quality, innovative service.
- Analyze the polygon or area where your business is located, in order to determine if it is the most suitable for your business.
- Identify areas with similar behaviors and markets.
- Make use of large databases to find out how many consumers are in the area and how easy it is to access your establishment.
- Know the characteristics of consumers in the area where your business is located.
- Locate suppliers and strategic allies close to the location of your business.

We complement the services of City Intelligence with other marketing research tools to offer you more detailed studies that are tailored to your needs.

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