Comparing Cheap Vs Expensive Restaurants in the GTA.

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Abstract:

Our research investigates the comparison of cheap and expensive restaurants in the greater Toronto area. We focused on the concept of clustering and the central place theory to draw reasonings for why certain restaurants are spatially located in particular areas. We collected a spatial analysis of 100 restaurants, and this was based on using web applications such as Yelp and Blogto with the ratings and star reviews to decide what was considered either cheap or expensive. We furthered our research with background research on the topic and to hypothesize why or why not restaurants cluster. We concluded with our coding analysis and comparing our restaurants with various variables to conclude our research question of why certain restaurants cluster. Through our research and analysis, we were able to discover that expensive restaurant tends to cluster in the downtown area due to central place theory and cheap restaurants clustered near neighborhoods. Our main argument was that restaurants are spatially located in certain places based on being cheap or expensive.

Key words: ***Restaurants, GTA, Clustering, Central Place Theory, Yelp, Cheap, Expensive, Spatial***

Introduction

As Toronto is known for being a multicultural and a diverse city. Our goal with this research was to discover patterns and findings associated with restaurants and where they are located in the GTA, and mostly if there was a strong connection to price and the spatial location of a restaurant. Our prime research question was if specific types of restaurants locate in certain places, and if they did why was that so? Our thesis was that this was in fact true that restaurants do cluster, and we would find more expensive restaurants located Downtown in comparison to cheaper restaurants. The value of this research is to educate and inform about the spatial reasoning and rationale of why restaurants do or do not cluster in specific locations and what is driving these forces. In terms of our research design, we compiled 100 restaurants in total through the web-based applications of Yelp and blogTO and came up with 50 cheap and 50 expensive restaurants. With these restaurants we put each one on a map and discovered where all our restaurants were spatially located. We then conducted background research looking into literature that could explain the clustering we were analyzing. We then used our data to complete a coding analysis to link our restaurants with various variables like ratings and type of restaurant to test our hypotheses that were created in our background research. Our main findings were that restaurants did seem to be clustering and that price was an indicator of this. In this brief, we will continue to discuss the background, methods, and findings of our research.

Background

Our cases focused on restaurants in the GTA, and this included creating a fine line of what the GTA incorporated. This includes limiting our cases to Peel region, York region, Durham region, and the City of Toronto. These were our boundaries and confines of where the restaurants could be located. Our core concept was clustering, and we looked into different research that explained this idea. Such as the idea that restaurants cluster based on marketability, (Smith 1985) explained that clustering can happen due to business logic and the use of financial gain

for smart marketing, and so clusters of restaurants form due to a firm calculated location selection process. As well Zhang (2015) explained that clustering exists based on ethnic landscapes which explains that due to location design, areas would influence the location of restaurants and where they would be situated. Our main theory was central place theory, this idea supported by our thesis that expensive restaurants would cluster together spatially as (Jung & Jang 2019) explain why this mainly happens is due to external agglomeration and it would be easier for consumers to travel to central districts for specific range of restaurants that are similar, thus existing in a central place. As well Jung and Jang (2019) explained the logic for clustering of less expensive restaurants and why they would not be located in the central districts as much as expensive restaurants because they are likely more sporadically clustered. Our literature review explained the background and fundamental rationale for clustering and why restaurants would be spatially located in specific places for different yet interconnected reasons that backed up our reasoning and assessment of our cases and their spatial distribution in the GTA that explained why cheap and expensive restaurants cluster.

Methods

Within our spatial analysis we complied the 100 restaurants, the way in which we were able to operationalize cheap and expensive was by cross referencing between Yelp and blogTOs' ratings reviews, and price indicators to confirm if a restaurant was labelled as either cheap or expensive. We were able to find that most expensive restaurants were located in the downtown area and that cheaper restaurants on our map were more spatially spread out in general. Our research was answered if a clustering effect was indeed happening and restaurants were most likely clustering together in specific areas. It is important to note that downtown Toronto is known for its bustling aura and is a central place for people of the city so it is not surprising why a lot of traffic and concentration of consumers would primarily exist in this area. It was interesting to see a comparison to a bustling place like downtown to other areas in the GTA. In terms of our coding process, we decided to use 7 variables and compare with our 100 cases. They were type of restaurant, number of ratings, language, website, number of reviews, expensive or cheap, and region. We felt that only 5 variables were salient enough for our research and coincided with our goal to understand the clustering and spatial distribution of our 100 cases. We also used a codebook to label our data and defining what are codes were.

Findings

Our main findings of our research project were that initially with our background research we found that expensive restaurants were more spatially located and clustered in the downtown area and that cheaper restaurants were more sporadic over our map, confirming our thesis that clustering and the price indicator of a restaurant showcased a connection. Furthermore, we were able to find with our literature search that various reasons of clustering can exist in a city, and we wanted to link our findings with clustering effects and central place theory to our 100 cases. Finally, through our coding analysis, we were able to find a connection with our variables and cases that linked to our hypothesis on clustering, location selection, and our central place theory. Confirming that through our vigorous analysis that cheap and expensive restaurants clustered for underlying reasons in the GTA. This matters as it explains clustering and the effect it has on business sectors like restaurants and showcases that a pattern

exists through central place theory and that restaurants and central districts as well as location matter to consumers and this is considered when restaurants cluster.

Conclusion and Recommendation

In conclusion, our research displayed that there is a correlation between the price of a restaurant and where they would be spatially located. I do acknowledge that our research does have limitations such as our sample size which was narrow and not generalizable to every population as well that our work is based on subjective rationale. This can be improved in further research using bigger samples as well comparisons between different cities as well as looking at more objective markers this can be done using different data collecting measures. When opening up a restaurant it would be important to look at such concepts like clustering and what affect this has on the type of restaurant you have and where it could do better being spatially located to other similar restaurants when it comes to price ranges.

References

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