



Cheap vs. Expensive Restaurants in GTA Region

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Abstract:

Different types and prices of restaurants are like classes, they appear in different geographical locations, and restaurants that are more isolated are distinctly different from those that are in the center of town. This article attempts to explain the relationship between high and low restaurant prices and their geographical location. We use reviews on Yelp to filter popular restaurants, which we believe are more representative. By comparing a large amount of data, according to the central place theory, we believe that restaurant prices and their location show a positive relationship. In other words, more expensive restaurants are more likely to be found in downtown locations.

Key words: *Sociology, Food, Yelp Reviews, Toronto, Cheapest, Most Expensive, Central Place Theory*

Introduction

Toronto is a highly landmark city in Canada that combines the most diverse cultures, which also leads to a great deal of food and food culture in Toronto. With such a cultural background, people can look for different restaurants according to their preferences. In our spatial analysis blog post, we found that downtown Toronto restaurants have the most steakhouses, Italian and Canadian cuisine for a variety of reasons, one of which is that all of these restaurants are ranked as the most expensive. Outside of downtown, we also found a pattern of cheaper restaurants scattered across the space, including Chinese, Korean and Mexican restaurants. Obviously, with these findings, restaurants can be clustered together or not. But we were more interested in seeing the reasons for the clustering or dispersal of restaurants, so we re-analyzed the data and finally determined the applicability of the central place theory. We found that expensive restaurants had a higher probability of clustering downtown, while cheaper restaurants were scattered throughout the neighborhoods. This may stem from people's search

costs, meaning that people are not willing to spend more time driving for cheaper restaurants and instead randomly find a restaurant close to home to dine at. However, the Downtown area, as the center of Toronto, has a much higher population density and spending than other surrounding areas, so perhaps this could be a breakthrough to determine the problem of expensive restaurant locations.

Background

The choice of location for larger and more expensive restaurants is based on location, or internal agglomeration, which is the gathering of similar types of companies or restaurants in key locations. This is a key factor in the success and distribution of these types of restaurants clustered together. Our hypothesis is supported by the work of Jung and Jang (2019), who explain the idea behind central place theory in terms of why expensive things tend to cluster together, which is based on external agglomeration, where these types of establishments cluster in crowded hubs such as central business districts and downtown areas due to the fact that consumers' travel time and costs will be reduced. A key point is that distance is an important consideration for consumers, as the length of time people travel and their spending levels are consistent. For expensive restaurants, it is similar in that they are clustered together in a space where the logic is that people can find them more easily and choose one of them to spend money on. This reduces and consumer search costs if many similar restaurants are clustered together, with similar price ranges, images and concepts, which will target a specific audience and demographic to a central location for selective consumption.

Methods

Our general idea was to focus on the most expensive and cheapest restaurants in the GTA, and we narrowed our search through Yelp to come up with 50 expensive and 50 cheap restaurants. These restaurants distributed in our spatial analysis were reused in our coding system.



The same 100 restaurants were used in this study and briefly analyzed for five variables: type of restaurant, rating of the restaurant, location of the restaurant, language used by the restaurant, and reviews received by the restaurant. We believe that these may exist as predictive variables and that consumers may change their consumption patterns based on these variables. Therefore, we collected and summarized the data, mainly through the Yelp platform, and analyzed the data to draw some conclusions that support our view.

Findings

It turns out that all variables have some relationship with our findings, although some of them have only a weak relationship. We believe that the most important relationship is the geographical location where the restaurant is located, since the geographical location, unlike other characteristics of the restaurant, has the most direct correlation with the price of the restaurant. We noticed that many restaurants chose to specialize in steak, Italian and Japanese cuisine. When we relate this to our latest findings from our spatial analysis and contextual research, we find a common trend that these three cuisines are the most expensive restaurants that consumers will visit. These expensive restaurants were also shown to be located in downtown areas, which is related to our central location theory and location choice hypothesis.

For the most expensive restaurants, most of them are concentrated in the city center, with few restaurants in Scarborough and other places. And for the cheapest restaurants, the distribution of restaurants in Scarborough becomes more numerous. In other words, the distribution of cheap restaurants is relatively irregular, and their distribution throughout the GTA is relatively random. This result is consistent with our expectation of restaurant location and illustrates the importance of the central place theory on restaurant distribution. Expensive restaurants are located in downtown areas because people are willing to spend more time traveling in central areas and busy places. As the center of the GTA, the population is more

concentrated in Downtown, and people are more likely to consider Downtown when considering fine dining, while cheaper restaurants are more likely to be distributed across communities to make it easier for everyone in the community to eat nearby.

There is actually only a weak link between language and reviews and restaurant location. More expensive restaurants may choose to use more languages to meet the needs of a wide range of consumers, and there is more cultural diversity present in downtown. Reviews are only used as a basis for consumer choice of restaurants, not as a determinant of restaurant location, and restaurants located in downtown may be more visible.

Conclusion and Recommendation

Overall, the results were in line with our expectations. There is a link between the distribution of restaurants in the GTA and consumer choice; a more expensive restaurant may not be geographically advantageous, but consumers are more willing to take the time to learn about it.

However, the flaws are there and in my opinion are huge. First, reviews are overly subjective, which greatly influences our choice of restaurants. Second, the data is too narrow. There is no excuse for the relatively few expensive restaurants. But for the cheap restaurants, just relying on 50 data to judge the distribution, I think it is unrealistic, which only exists in the ideal experiment. Future research should focus more on the distribution of cheap restaurants to determine the impact of consumer preferences on restaurant location, rather than on the comparison of expensive restaurants and cheap restaurants. Just as the difference in consumer groups determines the difference in restaurant prices, I think the comparability between the two is very small and includes so many uncontrollable variables that the research is actually in a very uncritical state.



