

# Coffinsight

## Formative Research Report

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# Introduction

The cafe industry in South Korea grows rapidly. The number of cafes in South Korea had increased 15% from 2020 to 2021 even during the COVID-Pandemic. 10,000 cafes are founded annually. These statistics tell us that there are many prospective cafe owners in this country. However, there are too many steps to open a cafe as an individual like market research, real estate contact, material supply, interior construction, etc. Therefore, we are going to create a platform where self-employed cafe owners can share their own founding stories.

Currently, prospective cafe owners are trying to get insights by visiting several places to start a business. However, it takes time and money to visit many cafes alone. We are going to collect and provide stories and experiences of people who have already opened a cafe. Prospective cafe owners will get all stories, experiences, and know-how from our platform. As a result, we can save prospective cafe owners time and money.

# Background

As the non-franchised cafe self-employment rate goes higher in Korea, also the closing rate goes up due to the lack of research and marketing strategies. For these reasons, more than 50% of the cafes are closed down less than 3 years from the opening day. So our group is trying to tackle the social problem by putting the information for prospective cafe owners by providing the experiences and insights to draw customers from the current cafe owners.

There are different businesses (ChangUp-in, MyPucha, etc) to give out some of the information about some other cafes but it only provides fragmentary information and these try to get the members and just gain the commissions out of it. Also, the government-run organization, Small Enterprise Promotion Corporation Corporation, is one of the references that we found but it only provides franchised businesses and it is hard to get the consulting from it. Preexistence businesses mainly focused on franchised businesses, however, the opening rate of local cafes exceeded the rate of the franchised cafes. Due to the technologies, mainly Youtube and Internet sources, prospective cafe owners can be much more professional than before. Therefore, our project will focus on non-franchised cafes.

# Target Users

## All primary target users:

1. Prospective cafe owners
2. Current cafe owners
3. Users who visit cafes daily
4. Cafe magazine editors

## Prospective cafe owners

Prospective cafe owners' needs are gathering core information from the successful cafe owners and reflecting those insights and ideas to themselves. Coffinsight can fill their needs by collecting and sharing current cafe owners' stories, experiences, and even their data that led them to be successful (daily sales, coffee machine information, etc) to the prospective cafe owners. Prospective cafe owners do not have to visit directly to the current cafe owners, but they can scroll down on our platform to see various successful cafe owners' stories and their experiences.

## Current cafe owners

Since Coffinsight is targeting all coffee-related businesses and users, current cafe owners can expose and advertise their stories and cafes to coffee and cafe-related target users for free. Sharing their data and experiences is valuable enough for both Coffinsight and prospective cafe owners.

## Why we decided to focus on these users

Focusing on all the primary target users would lose Coffinsight's identity in the beginning stage. If our target users start to reach non-coffee users or non-cafe owners, our channel would be one of the coffee marketing channels. Our goal is to connect the prospective and current cafe owners to make a small Silicon Valley in the field of a cafe. Current cafe owners reach out to help prospective cafe owners, and the growing prospective cafe owners will be successful in the future, helping prospective cafe owners as senior cafe owners. This will create a positive circulation in the field of the cafe industry. Thus, we would like to focus more on both current and prospective cafe owners.

# Formative User Research

## User Interview

We recruited most of our interviewees from people around our teammates. All the interviewees are currently planning or running their own coffee shop which matches our target users. Interviewees shared their worries and hardships they had and what they are going through right now which helped us to consider the other aspects to solve their problems.

For the prospective users, we used Zoom since one interviewee was living in Daegu, and another interviewee caught COVID-19 at the moment. For current cafe owners, we visited them since their cafes were located in Incheon. Two interviewers from our team visited the interviewee. One interviewer from our team led the whole interview while another member took notes and recorded the interview. We prepared multiple open questions to make them talk about their hardships and experiences from their true stories.

For prospective cafe owners, we researched their hobbies and previous jobs from their Instagram and their friends to find at least one matching point. As they entered our Zoom, we talked for about 5

minutes about their hobby to make a comfortable atmosphere. We asked multiple open questions to get their needs and continued with some tailgating questions. We took notes because recording might make them feel nervous. After the interview was done, we uploaded the notes in our team chat and shared their stories and needs.

First of all, we did not start asking them questions. We ordered coffees and desserts when we interviewed the current cafe owners. This led them to think of us as customers rather than salesmen. After we ordered, we told them we were from Coffinsight. After introducing each other, we started the interview with an easy question to make a positive interview environment: “The coffee tastes really great. Did you roast the coffee beans?” or “You look happy today. Do you have any good news?”. After collecting the data, all team members listened to the records and analyzed the notes to find their true needs.

As we adhere to in-person interviews in most cases, interviewees answered with more details and became more open to sensitive questions (ex. Weekly sales, budgets) than people interviewed via zoom. Also, in-person interviewees tended to talk about the issues that we did not expect when we asked open questions.

#### **Interview with prospective cafe owner:**

Our team conducted interviews with this interviewee via zoom, since he lives in Daegu we could not go to interview in person. The interviewee said he has been preparing the cafe for about 6 months. He explained that he faced much more hardships than he thought in the first place. He also introduced some methods and websites that he is getting the information from. One interesting thing about the interviewee was that he is doing all the interior designs and constructions by himself.

#### **Interview from prospective cafe owner in Seoul:**

This interviewee was really interesting because he seemed very experienced and a professional barista. He explained that he has been brewing coffee for about 11 years and he told us that he worked as a manager of the coffee shop for 6 years. He also won third place at a brewing competition. He said he was not planning his own cafe until a year before. Because of his long career as a barista, people around him convinced him to open his own cafe and he is now preparing to open a cafe to express himself to the public. He also mentioned his concerns regarding opening a new cafe in the COVID situation.

#### **Interview with a current cafe owner in Incheon Guwol-dong:**

One interesting thing is that he loved to talk a lot since he had no chance to talk about his life stories to anyone including his wife and friends. Throughout the interview, he said that the cafe industry for individual entrepreneurs is more boosted than before. However, without the brand identity of the individual entrepreneurs, he said that “they will not be able to maintain their cafe life long”. As expected, his needs were about the marketing and selling coffee beans that he roasted. He wanted to sell it on various platforms, but there are not many web or apps that directly connect customers to cafe owners in Korea.

#### **Interview with a current cafe owner in Incheon Songdo-dong:**

This interviewee provided us strawberry cakes and coffees for free. With a great smile at the beginning, we started to ask whether he had any difficulties when he opened this cafe. He was selling fish before, but his boss cheated about 200 million won of his money. This shocked him so much because he was too young to adapt to the situation, and he decided to travel to Australia to get some rest. In Australia,

he experienced various coffee industries and came back to Korea to open this cafe. His needs were about the menu development. Since he needed to provide various desserts, he told us he researches and sometimes reads academic papers related to customer service and menus to survive from the cafe industry. He said, “I want to run a sustainable cafe”, and suddenly and magically the cafe was full of customers at the moment.

## Google Survey

To approach the target users, we joined the Kakao open chat room for both current and prospective cafe owners in Incheon province. The purpose of an open chat room is to share information about launching and operating a private cafe that is equal to our solution. Therefore, we assumed most of the participants in that chatroom are our target users.

The purpose of this survey is to get more information to figure out the needs of both prospective and current cafe owners. Therefore, we conducted a google survey form for both groups. We conducted most of our survey questions as closed questions because we already gave enough open questions to interviewees. After creating survey questions, we shared the survey link on the chat. From March 21, 2022, to March 23, 2022, 13 people responded to our survey. The google form automatically evaluated the responses and created tables and graphs. Based on the analytics, all of our group members discussed figuring out the characteristics of the participants and their needs.

The survey is starting with the ice-breaking question. We asked, “Do you prefer iced coffee or hot coffee?”. The result was interesting because 61.5% of the respondents preferred iced coffee even though the maximum daily temperature was not exceeded 10°C. Among the respondents, 76.9% of them do not have cafe launching experience. 46.2% of the respondents prepared for their businesses for more than 6 months to 12 months, moreover, 69.2% of the respondents answered that the location of the cafe is the most important factor. Based on this, we inferred finding a proper location for the cafe takes a huge portion of time before launching. The second most important factor is the taste of the beverages. Through the preparation process, marketing and market research were the problems that surveyors experienced and prospective owners wanted to get insights regarding them. Also, the current cafe owners want to learn from other owners how they can prolong the businesses. From this survey, our project will focus on how to choose appropriate locations and produce tasty beverages to open up successful cafes for prospective cafe owners. Not only that, from cafe owners, we will get insights into the marketing strategies, how to conduct successful market research, and prolong the businesses.

## Conclusion

The most important problem our team wanted to solve was that startup cafe's have no starting point. Our project is going to focus on sharing insights regarding cafes, choosing an appropriate location, and menu selection tips. As a whole, interviews and surveys were a good chance to assure that our solutions would work for our target users and we could set our service in concrete as we planned in the first place. Through our in-person interviews and google form surveys, we could check how potential customers think about our plan. Through sharing the experiences of the already existing self-employed cafes, new ventures could benchmark and start their own business. We expect further growth in the non-franchise cafe market and hope this could be beneficial to the cafe owners.

## References

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## Appendix

Original Questions:

Interview from prospective cafe owners

- Is this your first time opening a cafe?
- Why do you want to open a cafe?
- What kind of problems do you encounter when opening a cafe?
- Do you prefer ice coffee or hot coffee?
- How long did you prepare?
- What kind of insights do you want to get from current cafe owners?

Interview from current cafe owners

- Is this your first time opening a cafe?
- What kind of problems did you encounter when opening a cafe?
- Do you prefer ice coffee or hot coffee?
- How long did you prepare to open this cafe?
- What is the main distinction between you and other cafe owners?
- What aspects are the most important factors to be successful in this field?

Feedback from another team:

- Why do you ask “Do you prefer ice coffee or hot coffee?” it seems unrelated.

**We included this question as an icebreaking question for the relaxed interview mood.**

[Appendix 1. Formative User Research Question Feedback in-class]

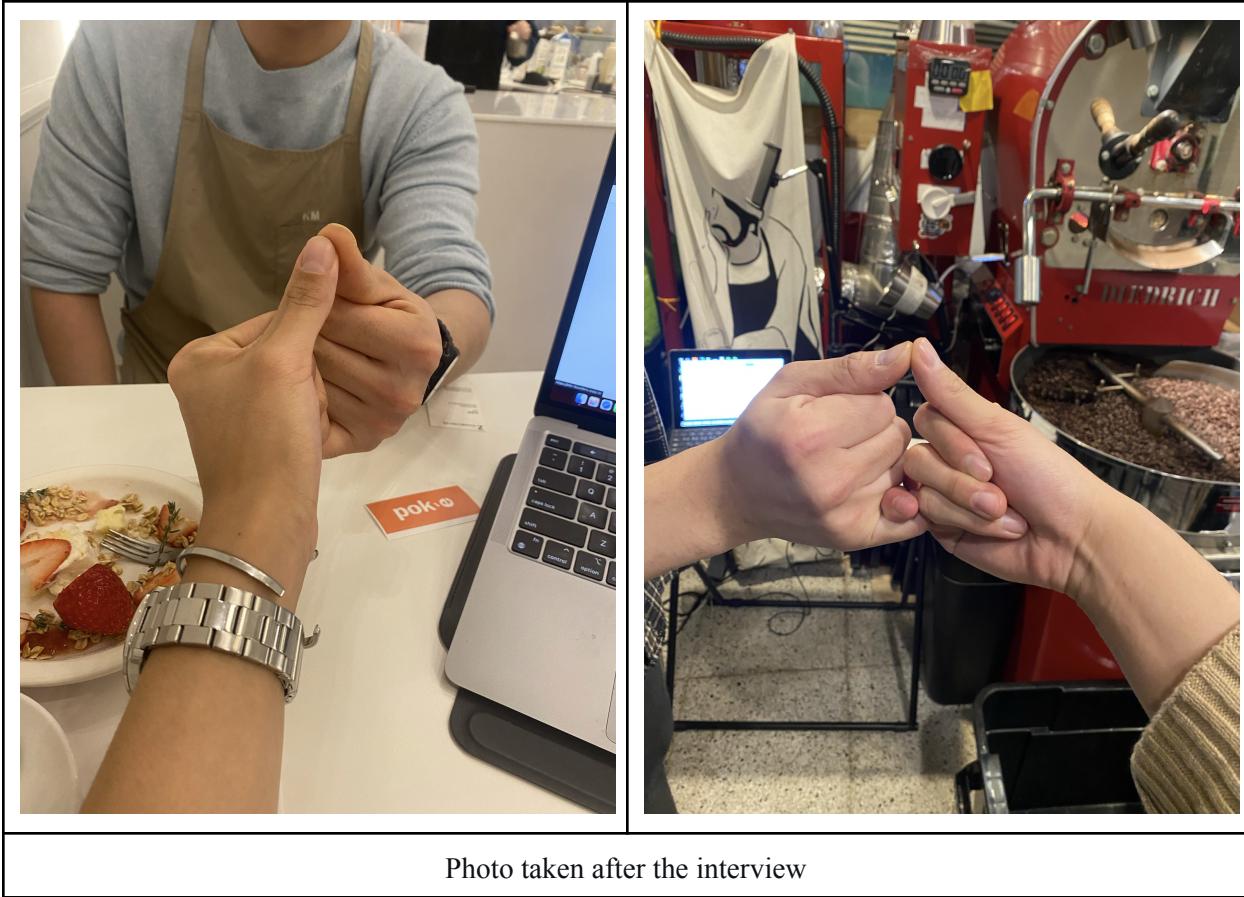


Photo taken after the interview

## [Appendix 2. Interesting moments with current cafe owners]

**1st interview - Windows 데스크톱**

파일은 편집은 서식이 보이기 때문에 도움말은  
현재 어떻게 준비하고 계신가요?

-> 저는 커피 창업을 준비하면서 정말 많은 어려움을 겪었습니다.  
제대로 된 커피에 대한 지식은 물론 인테리어, 풍선, 기구 등 단순히 커피 머뉴뿐만 아닌 전체적인 부분들을 종합하여 신경써야 했고, 이러한 경험에 부족한 저는 생각보다 꽤 힘들게 창업 준비를 하고 있습니다.

커피 관련 지식을 얻기위해 시장도 구매하고 유튜브도 찾아보며 창업준비를 하느라  
이 방법으로는 제가 정말 원하는 정보와 커피산업에 대한 이해를 하기 위해 턱없이 부족했습니다.

전국에 있는 많은 카페들, 다양한 종류의 카페들을 인터넷 블로그에서 찾아보고,  
발표들이 현장에 직접 가보며 정보를 얻는 수밖에 없었습니다.

-> 확실히 개인카페는 표현자이즈에 비해 변수가 많아보니 정보를 찾기 어렵기도하고  
대부분의 창업 사이트들도 표현자이즈에 집중이 되어 개인 커피 창업에 관한 정보를 얻기 더욱 힘들다

커피 사장님들의 스토리를 제공한다면?  
-> 먼저 막연한 생각을 가지고 있거나, 계획을 구체화하는데에 어려움을 많이 줄일 수 있을 것 같습니다.  
이미 창업하신 운영을 잘하고 계신 전국의 여러 사장님들의 인터뷰도 참고할 수 있으며  
그 매장의 분위기, 어떤 생각을 가지고 매장을 운영하시는지, 또 이런 것들을 참고하여  
내 매장을은 어떻게 만들어야 할지에 대한 고민들을 충분히 해결해 줄것이라 생각됩니다.

커피 로스팅 학원을 다니기에는 다수 대 1 이다보니 개인의 발전이 더디거나 힘들거같다  
-> 직접 푸는 커피에 로스팅 과정을 요청 할 수 있었으면 좋을 거 같다

**[카페 창업에 있어 참고중인 커피는 무엇인가요?]**  
창고형 커피는 엄청나다. 헨드드립만 하는 곳이 점점해서 약간 도전정신에 기반하여 시작하게 되었어요.  
장소의 경쟁은 점점해서 가격은 공유로 나눠서 송금과 거래처를 확장하게 되었습니다.  
접근성이 좋으면서 숨은 맛집 같은 곳이 되기 위한 공간을 찾고 있었는데 지금 자리가 꽤 있었던 것 같아요.

**[커피를 시작하시는 이유는 무엇인가요?]**  
커피를 한정하는 11년 되었습니다. 2011년 대학교를 졸업하고 커피를 공부하기 시작했어요.  
대학교에 서비스으로 카페를 목표로 시작했던 커피였는데,  
좋은 소스를 만난 덕분에 기계적으로 블루나스 커피가 아닌 전문적이고 게임으로 한 커피에 대하여 공부를하게 되었습니다.  
2012년에는 블루나스컵 국가대표선발전에서 우승을 했어요.  
덕분에 부모님과 주변인들에게 커피를 막론하고 좋아하는 게기가 되었고, 더불어 제 실력을 향상시키기 위해 노력을 기울리 하지 않았습니다.  
저는 인생을 식재료로 만든 호프와 밀로스터의 커피에서 빠져나오지 않았고, 그간 많은 왕성한 커리어를 바탕으로 커피창업사로 있었습니다.  
가게를 오픈하기 전에는 도록하여 있는 오카피드는 커리어에서 2년 반동안 매니저로 근무했습니다.  
코로나로 인하여 어려운 시기에 직장을 나온게 되면서 많은 고민을 했어요.  
그다가 커피를 한정 10년만 되면 끝이라는, 주변에서 이제 나의 가치를 해야한다고 말도 많이 해주시고,  
제가 직접 로스팅하고 직접 내어드리는 커피에 대한 인정받고 있는 축구도 있었구요.

**[인테리어는 어떻게 진행 하셨나요? (공간 구성을 그 이유에 대해 적어주세요.)]**  
로스팅을 중심으로 공간을 째기로 했었습니다. 축제문화제조업과 휴가용식당(카페)을 병행하다보니 10평정도의 작은 공간을 번으로 나누어졌어요.  
풀 부르고 사무실로스터를 공간으로 알아보죠. 그래서 최소한의 금속을 접고 인테리어를 시작하였습니다.  
인테리어는 업체에 맡겨서 했는데 하이트로 나무 느낌을 잘 살린 깨끗하고 맑은 느낌의 커피가 나오게 되었어요.  
간단한 크기 일정한 금기지 살피 물품은 느끼오로에서 위에 조명을 달아 어두울 때 더 빛나게 하고 커다란 통장을으로 커피 앉이 훤히게 보이게 했어요.  
전장에 간접조명이 은은하게 들어가서 최대한 따뜻한 분위기를 연출하였습니다.  
테이블이나 의자도 분위기 맞게 선택했는데 디자인은 좋아해주면서 디자인이라고 생각해요.  
언후온 작곡공간이었으나 크게 손은 곳은 없었고 가운데 서버장을 차지 있어서 저작분야 부분은 최대한 안보이고 가운데 살짝 로스터기가 보이도록해서 호기심을 자극하고  
많은 불들이 궁금해하세요. 저간 무슨 공간이나고 살명드려면 엄청 신기해하세요.

## Note: Prospective Cafe Owners (Zoom)

## [Appendix 3. Note takings from interview with prospective owners]

## Note: Current Cafe Owners (In-Person)

## [Appendix 4. Note takings from interview with current cafe owners]

# Coffinsight survey for prospective cafe owners

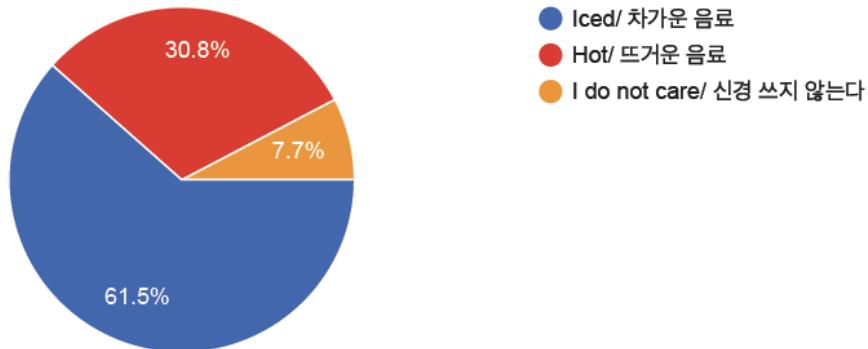
응답 13개

[통계 게시하기](#)

What type of coffee/beverage you prefer? / 어떤 커피 또는 음료를 선호하시나요?

복사

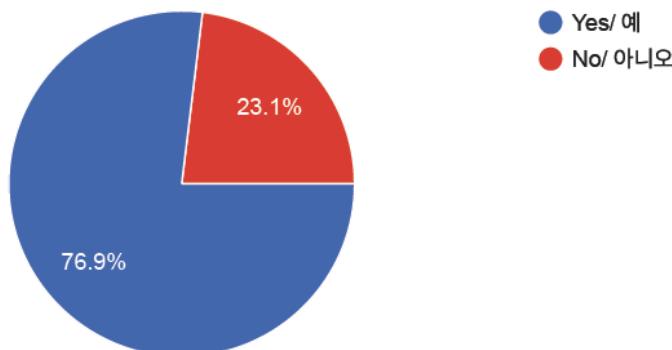
응답 13개



Is this your first time opening a cafe? / 카페 창업이 처음인가요?

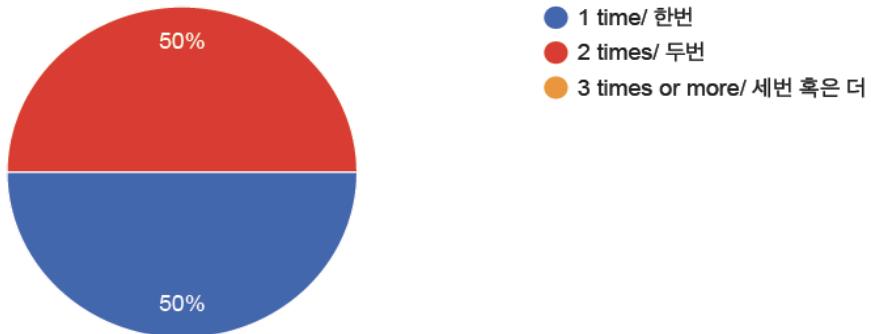
복사

응답 13개



If yes how many times you opened cafe before?/ 만약 카페 창업을 해본 경  
험이 있으시면 몇번째 인가요?

응답 4개



제목 없는 섹션

Why do you want to opening a cafe?/ 카페를 창업하고 싶으신 이유는 무엇인가요?

응답 13개

돈을 벌기 위해서

Why not? Its a great way to experience the whole process of running a business if you enjoy and have a skills to create and produce (bake) something to others.

퇴직 후 돈을 벌기 위해서

나만의 자유로운 공간에서 고객들에게 내가 경험한 것을 전달하고 싶어서.

커피를 좋아하기도 하고 나만의 가게를 열고 싶어서.

나만의 색을 나타낼 수 있는 공간을 사람들과 공유하고 싶어서

내가 가지고 있는 브랜드 이야기를 오프라인에서 표출하고 싶어서

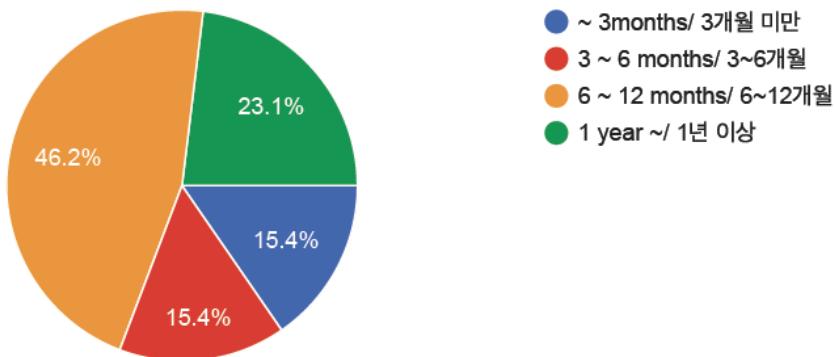
회사다니다가 너무 힘들어서 100만원을 벌더라도 저만의 일을 하고 싶어서입니다.

연속된 실패를 통하여 나만의 성공 공식을 찾았고 그것을 적용하기 위해서.

How long did you prepared to open a cafe? / 카페를 창업하기 위해 어느 기간 동안 준비하셨나요?

복  
사

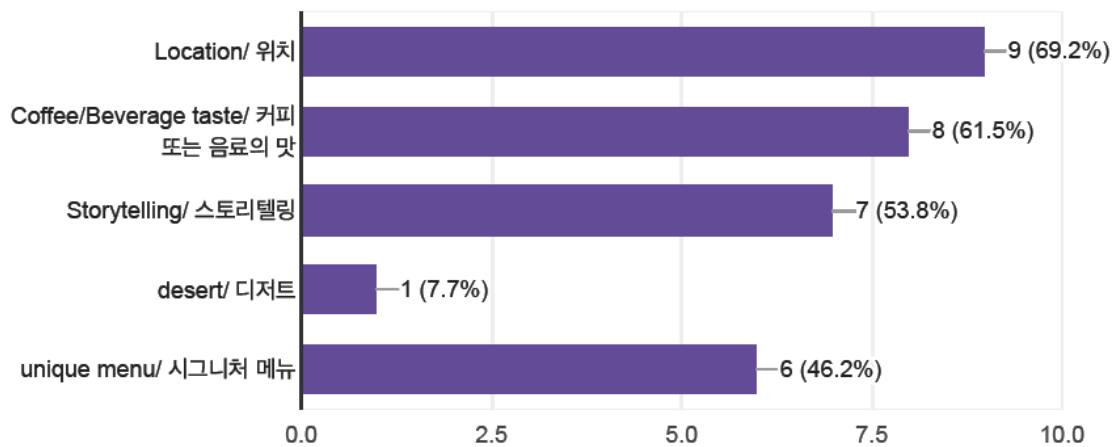
응답 13개



What is the most important aspect to be successful cafe? / 성공적인 카페 창업을 위해 무엇이 가장 중요하다고 생각하시나요?

복  
사

응답 13개

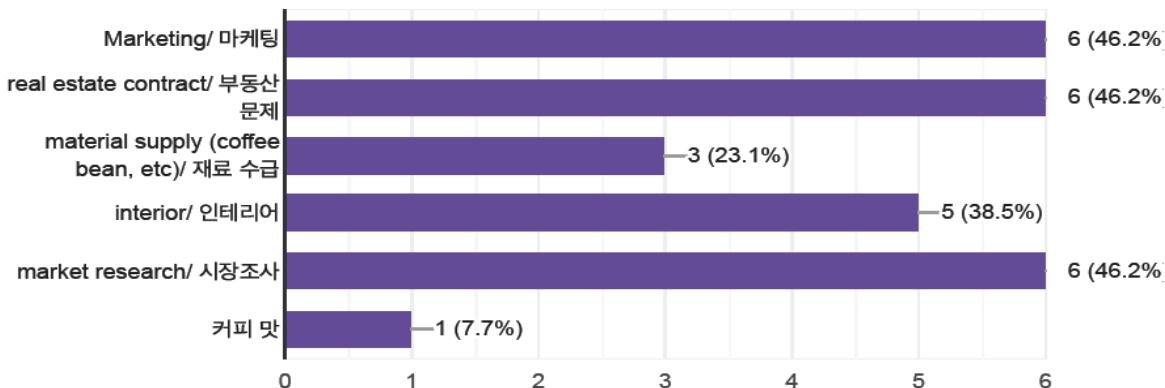


[Appendix 7. Google survey 3]



What kind of problems do you encounter when opening cafe or during the preparation step? / 카페 창업 또는 준비 기간 동안 어떤 문제를 맞닥뜨리셨나요?

응답 13개



What kind of insights do you want to get from current cafe owners? / 현재 카페 사장님들에게서 어떤 조언을 받길 원하십니까요?

응답 13개

신메뉴 개발은 어떻게 하는지?

Profit margin, 재료수급처

카페 재료 수급업체 컨택방법

다른 카페 사장님들의 경험에서 현실적인 문제를 마주했을때의 처치법

시그니처 메뉴나 음료의 발전을 위해서 어떤식으로 노력하고 있는지

자신의 취향에 맞는 인테리어 구상이나 업체 선정방법

대중적인 맛을 포기하고 본인만의 커피를 위해 끝까지 포기하지 않으셨던 분들의 이야기

작은 평수에서 큰 매출을 지속적을 끌어내는 분들의 팁

어떤식으로 카페를 지속해 나갈것인지.

[Appendix 8. Google survey 4]

What is the main distinction between you and other cafe owners? (current cafe owners only)/ 다른 카페들과의 차이점은 무엇인가요?(현재 카페 사장님들만)

응답 4개

Products we sell to the customer and interior concept

커피와 공간에 대한 경험을 고객들에게 알려주는것

우리 가게만의 시그니처 메뉴를 만들고 적극적으로 홍보함

The whole interior of the cafe is designed by me and I have a vision to make people happy and relax when they visit my cafe.

[Appendix 9. Google survey 5]