

Project Proposal - “Coffee On the Geaux”

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1. Executive summary:

Coffee-to-Geaux (Coffee on the Geaux?) offers an opportunity for students and faculty alike to order hot/iced coffee online via a site which allows access for order processing by staff and order creation by customers. It will allow for the customer to specify a pick up time of their choosing (which can be updated within a valid time) and eliminate in-store processing/queueing delays which could impact their busy class schedule.

Our initial target audience are café's and other retailers selling hot/iced beverages both on-campus and within the local community for both students and faculty members who live on campus or commute to LSU. The success of the program in the local area will influence how far geographically we choose to try and expand the usage of the software.

2. The vision:

We believe a resource like this is relatively unique and could provide smaller establishments which are not franchised the opportunity to compete for business.

We also believe that the creation of this software will drastically increase the efficiency and reduce the overall time spent grabbing coffee when customers are too busy. This system may also encourage customers to use this service when they now know that it takes less time to get coffee. Therefore, increasing revenue to the business.

3. Gap in the market:

Many contemporary coffee shops and stands are solely reliant on a non-digital system to operate and function.

The use of a paper-based system can result in inefficient management and a waste of material items such as paper. With the implementation of our infrastructure we propose a system with zero wastage and maximised efficiency.

This is an outdated business model and is decades behind other industries such as the retail and travel industry. There is great potential for software developers in the hospitality industry.

4. Meeting the market's needs:

As mentioned above the cafe market is outdated and our software aims to bring it in to the 21st Century and improve the appeal in terms of a wider range of people of all ages being exposed to their services.

5. Implementation:

Our software is used in conjunction with portable electronic devices.

Marketing Strategy: The most important aspect of a successful marketing campaign for our product is to ensure we show that the website has been created specifically to help the students and staff of LSU. We will use various techniques of marketing with a heavy focus on social media in order to appeal to the huge student body here at LSU. Ease of use and the website's ability to spare valuable time for the customer are very important aspects which we intend to highlight throughout the marketing process.

Developing Strategy: The product will be built from scratch with our own web page and interactive elements created for purpose. This method will enable us to return to, add to and fix code as the requirements evolve due to all elements of the program being our own work giving us a full understanding of each part.

Financial Strategy: The idea for our program/site would be to sell the software at a small fee to the businesses. Profit would not necessarily be the central ambition to start with as we see the program as a public service for the community more than anything, both for the customers and the smaller café's.

Management: There is unlikely to be a clear management structure in terms of one person taking some kind of lead, our team of four students through regular meetings will manage the project as a group.

6. The problem:

Cafes are decades behind in their infrastructure, still using a paper-based system. This is creating unnecessary wastage, long queue time, and, ultimately, decreased customer satisfaction. The typical process of a barista taking orders, processing payment, and delivering the beverage is simple but not very efficient. This is especially the case when cafes have a large number of would be customers and a small number of baristas. Staffing additional personal is not economically reasonable as that would raise the cost of operation significantly resulting in a more expensive product.

7. The solution:

One solution is a shift from the traditional one on one cycle of processing orders to a more streamlined version that utilises software which can function as a replacement to the usual methods. This software would allow the cafe's customer to order ahead of time by way of a web-based application.

8. We provide the solution:

Our software is versatile and allows for the propulsion of the café industry into the digital age. With this type of shift, the potential of new customers and continued customers to use the service we provide would increase. The quickness of getting coffee would save the hassle of determining if the customer has enough time to go to a cafe to get a cup of coffee.

9. Industry need for our technology:

Our technology is able to combine the everyday tasks of a coffee shop along with statistical analysis of customers including customer satisfaction, demographic and popular orders. These tools combined create a powerful intelligence system that can be used to boost sales and ensure maximum customer satisfaction, propelling a regular cafe to a thriving business model.

10. Market analysis:

Currently, there are few competitors to our software. The most direct competitor is CUPS. It has been active in the U.S. since 2014 and has expanded immensely since. However, CUPS is only part of our software idea. CUPS is also based solely in a few large urban cities keeping away from smaller towns allowing us ample room to expand. Our main objective will be to convince the coffee shop owners to try our approach and explain why it is better than their current process.

11. Primary market:

Our primary market focus would be small locally owned cafés without the means to develop their own in-house software/app as well as larger chains that have not yet implemented a web-based ordering system.

12. Market size:

According to statistics provided by statista® there are over 31,000 coffee shops in the US alone. Some cafes already have a pre-existing program so they cannot be included in our market. However, apart from major chains it is reasonable to assume that 80% of these cafes do not have a digital service. The vast majority of these cafes have the potential to be upgraded to a faster and more efficient service which leaves us with a huge number of potential customers.

13. Secondary market:

Our secondary market would be concession stands. They would be able to use our software however, it would not be as directly applicable as a cafe.

14. Competition:

Several major franchises have similar styles of our software implemented and this could be sold. However, our software is designed specifically for smaller cafes and can be tailored to the specific needs of the cafe.

Several other programs that are used for the same functionality are:

- Cheftec: which allows for recipe management, sales analysis and inventory control. However, this software is not designed specifically for cafes and is therefore not as useful as ours.
- Toast
- CUPS (Discussed above)

15. Marketing strategies:

Our marketing strategies include networking with local cafes. If our product is accepted by the market and received positively, we expect the idea to spread by word of mouth. We will be advertising on social media such as Twitter, Instagram and Facebook. For the implementation by the cafes and speak directly, in terms of advertising for the cafe's customers we will advertise our software on twitter, instagram and facebook as this is the most common form of advertising for the demographic of cafe-goers.

16. Developing strategy:

To develop our product we will start by creating a plan in which we will analyze the requirements of building our software, design the overall system architecture, and break the work required down into various components. Once the system plan and design is finalized we will distribute the work of each component equally, while making sure to play to each individual programmer's strength.

On code completion it will be thoroughly tested and checked against the requirements. It will then be rolled out to the customer.

17. Barriers:

When creating new ideas for improvement/efficiency there are always barriers to overcome. We will face many barriers such as:

- Popularity/Recognition
- Customer Satisfaction
- Ease of Access/Use

But, we develop our software service to outweigh the barriers and provide a more efficient way to order coffee regardless of the negative feedback we may receive.

18. Critical risks:

Our software requires the input of personal information such as Name, email, card/bank details for ease of access and maximum efficiency. Cyber security will have to be implemented so as to keep these details private and to prevent a data breach. This should be relatively simple to implement with some open source software to analyse data traffic on the network. Also, the vast majority of the cafe's that would be likely to use our software are unlikely to be targets of cyber criminals but nevertheless this precaution will still be taken.

Another risk is that our software is similar to already existing software and we are at risk of intellectual property theft. This will mean we will need to be wary of updates and improvements we make being properly logged so that the subtle differences that make our software unique are not re-used by our competitors.

19. Customer Discovery

Questionnaire Emailed to each prospective customer:

Q1. What's your busiest period of the day?

Q2. How many customers do you get a day on average?

Q3. What would you say is the average wait time for a coffee/tea at the café?

Q4. What aspect of the ordering process takes the longest? (i.e. communicating with customer, taking down order, communicating order from waiting staff to chef/barista)

Q5. How do you receive feedback on the customer's experience at the café?

We chose a consistent script of questions for each customer to enable us to compare and contrast their feedback with one another. Below are the responses of the 10 café's in Louisiana that we approached:

La Divina, Baton Rouge

Q1. 11am – 1pm

Q2. 80

Q3. 3-5 minutes

Q4. Creating beverages of choice

Q5. Direct feedback, Facebook, Google

Sólo Espresso Bar, New Orleans

Q1. 9am - 11am

Q2. 100

Q3. 2-3 minutes

Q4. Money transaction usually

Q5. Business or Yelp typically.

The Station, New Orleans

Q1. Between 7:30am-10am

Q2. 225

Q3. 90 seconds

Q4. Preparing Orders

Q5. Face to face

Magpie Cafe, Baton Rouge

Q1. Most days it's between 9am and 11am

Q2. 170

Q3. Usually less than 3 minutes

Q4. If the order is fairly substantial then receiving it from the customer will be the most time consuming part of the process

Q5. Tripadvisor is our most used source

The Blue Rose, Baton Rouge

Q1. Between 11am and 2pm

Q2. 90

Q3. Around 3 minutes

Q4. Communicating orders

Q5. Facebook is the most used website by customers

Cafe Carmo, New Orleans

Q1. Our big rushes of customers are around 9:30am and 1pm

Q2. 200

Q3. No more than 3 minutes per order usually but depends on the number of drinks ordered

Q4. Quite often the payment due to card issues often being a problem

Q5. Yelp, Zagat, Tripadvisor

Maple Street Cafe, New Orleans

Q1. Around 2:30 and 18:30

Q2. 60

Q3. Under 2 minutes

Q4. Ensuring the correct order is transferred from the cashier to the barista

Q5. Face to Face and Yelp

Avenue Cafe, New Orleans

Q1. Between 7am and 9am is our busiest time Monday to Friday but we get a second busy period between 11am and 1pm.

Q2. 200 but weekends are much busier so we see quite a few more customers than that average.

Q3. Approximately 4 minutes

Q4. Taking the customers orders can be the longest if orders are complex

Q5. Facebook and Tripadvisor are our most popular sources for customers to review our cafe

City Cafe, Baton Rouge

Q1. 6pm - 9pm is common for people to come in after work

Q2. 110

Q3. 5 minutes is about average

Q4. Communicating with customer

Q5. Zomato is a popular way for customers to supply feedback but in-store conversations are also useful.

Louie's Cafe, Baton Rouge

Q1. The weekends tend to be much busier generally we have an early busy period 9am - 12pm and then we have a late busy period 11pm - 2am.

Q2. 240

Q3. 2 minutes for drinks orders

Q4. Often the communication with customers can take the most time, particularly in the early hours of the morning on a weekend.

Q5. Yelp