

Proposal: Nook Café's Transformation – Bridging Coffee Culture and Nightlife

Khanh Nguyen Tawfiq Abdullah Victoria Simon Mykhailo Kuian
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Introduction

Nook Café is considering expanding its business by introducing alcoholic beverages. To ensure the potential success of this transition, it is necessary to conduct a thorough analysis of market demand, size, and saturation. This proposal outlines our approach to collecting and analyzing data to provide an understanding of potential customers and competitors.

We aim to evaluate not only the student population but also faculty members at the University of Houston, who represent a significant and often-overlooked customer base. This dual-focus will help Nook Café develop a more complete strategy for product and service diversification.

Methodology

To determine the market demand, size, and saturation, we propose the following approach:

1. Data Collection from the University of Houston

We will gather student and faculty demographic data from the University of Houston website to analyze historical trends. This data includes:

- Total enrollment figures from 2014 to 2024.
- Breakdown by gender (male, female).
- Racial demographics (White, Hispanic, African American, Asian American, etc.)
- Faculty population by race and gender (2014–2024).

Analyzing this data will allow us to predict future enrollment and employment trends and estimate the potential number of alcohol consumers based on demographic preferences.

2. Alcohol Consumption Trends

We will utilize national and regional studies to determine the likelihood of alcohol consumption based on gender, age, and race. Specifically, we will apply:

- Probabilities of alcohol consumption by demographic groups (from Gallup and NIAAA reports).
- Preferences for beer, wine, and spirits among different consumer segments.

- Recent shifts in alcohol consumption behavior, particularly among young adults and academic professionals.

3. Competitive Analysis

To understand market saturation, we will examine competing businesses within a 5-mile radius of Nook Café. We will:

- Identify existing coffee shops and bars offering alcohol.
- Compare their operating hours and pricing structures.
- Evaluate customer reviews and consumer preferences.

This analysis will provide insight into Nook Café's positioning and competitive advantage.

Expected Outcomes

By analyzing enrollment and faculty trends, alcohol consumption probabilities, and competitive analysis, we will:

- Estimate the total market size for alcoholic beverages at Nook Café.
- Identify key consumer segments most likely to purchase alcohol, including students and faculty.
- Assess potential risks and opportunities associated with market entry.
- Provide recommendations for pricing, product selection, and marketing strategies.