

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 enrollment data from the University of Houston website to analyze historical trends in demographics. This includes:

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

This will help predict future enrollment trends and estimate the number of potential alcohol consumers based on demographic preferences.

2. Faculty Demographics and Trends

We will also analyze faculty data by gender and race to estimate additional demand from faculty members.

3. 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

4. **Customer Survey Insights**

To supplement our data analysis, we conducted a survey of Nook Café patrons to explore their alcohol-related preferences and values. The positive response confirmed demand for alcohol offerings and informed the value-driven approach referenced in the Executive Summary.

5. **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 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
- Assess potential risks and opportunities associated with market entry
- Provide recommendations for pricing, product selection, and marketing strategies