Explorer Beans Coffee Shop | Market Research Proposal

Ohio Union Building, Ohio State University, Columbus, OH

Explorer Beans is considering extending its hours into the evening—from 3 p.m. to midnight—and introducing alcoholic beverages.

Market Demand

Recent industry trends

To inform our business strategy, we will analyze current industry and consumer trends to anticipate demand and align our offerings. Specifically, we will:

- Explore expanding our beverage offerings to include both alcoholic and non-alcoholic options, which will help attract a broader customer base and support all-day operations.
- Refer to OSU undergraduate and graduate student alcohol consumption data to determine market size. This will guide our balanced beverage strategy.
- Address the growing need for cafes near campus that stay open late, as sources shows college students prefer studying between 10 a.m.–2 p.m. and 4 p.m.–10 p.m.
- Explore online community interest, including Reddit threads discussing alcohol-serving coffee shops in Columbus, to assess potential customer enthusiasm.

Insight from customers

To better understand our customer base and tailor our offerings, we will collect data through the following methods:

- Short online survey of 20 existing customers via flyers in the waiting area and on the Wi-Fi sign-in page. Respondents will be entered into a raffle for a $25 gift card to the coffee shop.
- **Analyze in-store behavior** using camera recordings to determine the average amount of time customers spend studying and the frequency of drink orders. We will also evaluate whether demand increases closer to closing time.
- Recruit up to 30 **potential customers** (students aged 21+) by emailing a survey. Participants will be entered into a raffle for a $50 gift card redeemable at Union shops.

Feedback from front-line employees

To gather operational insights and assess internal support for the proposed changes, we will:

- Interview five baristas to learn more about customer needs, preferences, and the feasibility of extending hours and serving alcohol.

Market Size

To estimate our potential market size, we will analyze student and faculty data and predict customer population for the next three years. More specifically, we will:

- Segment customer population by affiliation status at OSU: undergraduate students, graduate students, post-docs & staff, faculty members.
- Leverage university enrollment and hiring data to investigate population demographics
- Assess the likelihood of visiting coffee shops with alcohol across populations and research their consumption preferences.
- Refer to industry benchmarks (e.g., National Restaurant Association report on alcohol sales).
- Account for additional costs (e.g., Ohio alcohol licensing fees, staff training).

- Estimate target customer volume during extended service hours based on the existing volume and collected metrics.

Market Saturation

To evaluate market saturation, we will identify and analyze Explorer Beans' competitors and determine whether unmet demand still exists. Key elements will include:

- **Competitive analysis:** We have mapped all bars, coffee shops, and cafes on the OSU campus and within a 2-mile radius. Existing businesses will be compared to the Explorer Beans concept to identify any gaps in hours or offerings, as well as to determine factors that differentiate Explorer Beans from the competition.
- **Observational fieldwork:** To evaluate real-world demand and customer flow, informal foot-traffic sampling will be conducted at select locations on weekday evenings (6-9 p.m.) and weekend late-night hours (9 p.m.-midnight). Observations will focus on crowd size and customer behavior to help estimate unmet demand.
- **Online reviews:** Review sites such as Google and Yelp will be mined for common themes and customer sentiment that suggest unmet needs in the current market.