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Prospects and Challenges in Setting up of New Business-A Case Analysis on Sip, Study, Succeed: A Blueprint for Your Study Cafe Business

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Abstract

The café business in India has experienced significant growth due to the rising demand for coffee and the popularity of café culture. This research aims to provide insights from various dimensions and guide aspiring entrepreneurs in creating a solid business plan for opening a successful study café in India. The researchers have conducted market research to understand the existing café landscape, including the type of audience, popular menu items, and location preferences. This knowledge will aid in differentiating the study café from competitors and meeting customer demands. The required data for the research was collected through a survey using Google Forms, and the obtained 80 responses were considered for further analysis. Creating a business plan is essential and should include a detailed overview of the café, a competitive industry analysis, and a SWOT analysis to identify strengths, weaknesses, opportunities, and threats. Moreover, it should outline the required licenses, supplier selection, equipment procurement, and interior design concepts. An emphasis on the operational plan is crucial, encompassing employee recruitment, training, and daily management routines. Financial analysis, including a cash flow statement and profit forecast, is vital to ensure the café's financial viability. Keeping these things in mind, this research outlines the essential steps and considerations to develop a well-structured and impactful business plan.

Keywords: Café, new business, prospects, challenges, case study

Introduction

The study cafe will be a modern and comfortable space for students and professionals to study, work, and collaborate. It will offer various services, including high-speed internet access, a quiet environment, comfortable seating, refreshments, and access to resources such as textbooks and study materials. The study café aims to become the go-to destination for individuals seeking a productive and supportive environment to enhance their academic and professional endeavors. Our mission is to create a vibrant and inclusive space for students and professionals to study, collaborate, and engage in meaningful conversations. We foster a culture of learning, creativity, and personal development by providing diverse resources, services, and activities. Through our commitment to educational excellence, we aim to empower individuals to reach their fullest potential, academically and personally. To create a vibrant and inclusive study environment that goes beyond serving caffeine and books, nurturing a community of motivated learners, and fostering personal growth.

Business Model

Key Partnerships

Coffee Suppliers: Partner with local coffee suppliers to ensure a consistent supply of high-quality coffee beans.

Local Universities and Colleges: Establish partnerships with nearby educational institutions to attract students as customers.

Food and Beverage Suppliers: Collaborate with local food and beverage providers to offer a diverse menu at competitive prices

Bookstores and Libraries: Forge partnerships to create opportunities for cross-promotions and cooperative events.

Digital Platforms and Delivery Services: Partner with popular platforms and services to cater to customers who prefer online ordering and delivery.

Key Resources

Physical Space: Rent or lease a suitable location with adequate space for study areas, seating, the kitchen, and storage.

Furniture and Equipment: acquire comfortable chairs, tables, shelves, study materials, computers, coffee machines, and kitchen appliances.

Skilled Staff: Hire competent baristas, kitchen staff, and customer service representatives who can provide excellent service to customers.

Digital Platforms: set up and maintain a professional website, social media accounts, and online ordering systems.

Key Activities

Creating a Conducive Study Environment: Provide comfortable seating arrangements, quiet zones, adequate lighting, and reliable Wi-Fi for students.

Serving Quality Food and Beverages: Offer a variety of coffees, teas, snacks, and meals to cater to different preferences and dietary requirements.

Organizing Study and Educational Events: host study groups, academic workshops, book clubs, and guest lectures to engage and attract a diverse customer base.

Conducting Regular Marketing and Promotions: Develop marketing strategies and campaigns to advertise the study cafe and its offerings.

Managing Operations: Oversee day-to-day tasks such as staff management, inventory control, and customer service to ensure smooth operations.

Targeted Segments

College and University Students: Attract students from nearby educational institutions who require a quiet study space and access to food and beverages.

Working Professionals: Appeal to young professionals who seek a comfortable and productive environment for work or study.

Book Lovers: Target individuals who enjoy reading and provide a cozy ambiance for book enthusiasts.

Research Methodology

The researchers have collected oral opinion with an unstructured questionnaire about the proposed plan with student and professional. The respondents were mentioned following issues and prospects in the business model

Proposed Problems and Solutions Problem

Problem Identified: Limited Seating Capacity

Proposed Solution: Consider optimizing the layout of the study cafe to make the best use of available space. This can involve rearranging furniture, introducing shared tables, or implementing flexible seating options such as bean bags or standing desks. Additionally, offering options for separate study rooms or private booths can cater to customers who prefer a quiet and focused environment.

Problem Identified: Lack of study materials and resources

Proposed Solution: Create a resource corner within the study cafe that offers access to reference materials, textbooks, and stationery supplies. Collaborate with local libraries or educational institutions to provide additional study materials and relevant academic resources. Consider digitizing some resources and making them available on tablets or through an online platform for easy access.

Problem Identified: Availability of technological updation

Proposed Solution: With advancements in technology, many individuals prefer studying remotely using digital platforms, online libraries, or study groups. The availability of these convenient alternatives may impact the demand for a physical study cafe. The business plan should take into account how to adapt to technological disruptions and still attract customers.

Problem Identified: Seasonal fluctuations

Proposed Solution: A study cafe's demand may vary throughout the year depending on the target audience. If the business heavily relies on student customers, it may experience significant fluctuations during exam periods and academic breaks. This can impact revenue stability and require the business to develop strategies to mitigate these seasonal fluctuations.

Problem Identified: Technological disruptions

Proposed Solution: With advancements in technology, many individuals prefer studying remotely using digital platforms, online libraries, or study groups. The availability of these convenient alternatives may impact the demand for a physical study cafe. The business plan should take into account how to adapt to technological disruptions and still attract customers.

Conclusion

The study cafe offers diverse services tailored to a broad customer base. Membership plans provide extended study hours, exclusive resource access, and food discounts, with monthly or annual fees based on the level of perks. Students can rent private study rooms or tables at varying rates based on size and amenities. Food and beverage sales feature a variety of snacks, beverages, and light meals, emphasizing healthy options. Special promotions encourage increased spending. Study materials, including textbooks and stationery, are available for sale or rent, with partnerships ensuring a wide product range. Printing and photocopying services are provided at reasonable rates, offering package deals for bulk printing. Study support services, such as tutoring and essay editing, are available at hourly or fixed fees based on complexity. Collaborations and sponsorships with local businesses and educational institutions offer mutual benefits and additional revenue streams. Branded merchandise, including mugs and T-shirts, serves as marketing tools and generates extra income. The ideal customer profile encompasses individuals aged 18-30, primarily male and female, including high school and college students, professionals, researchers, entrepreneurs, exam preparers, bookworms, tourists, tutors, remote workers, and creative. Located near educational institutions, the study cafe caters to those seeking a quiet, productive environment for various purposes.

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