

Executive Summary

Nook Café's Transformation: Bridging Coffee Culture and Nightlife

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Problem: Nook Café serves the University of Houston with nearly 48,000 students during daytime hours but experiences long periods of downtime that present an opportunity for transformation. On-campus residents—many without personal transportation—have no walkable venue serving alcohol. The city has inadequate public transit, compounding this mobility challenge. While competitors operate within a five-mile radius of Nook Café, the campus community lacks a comparable option within walking distance. Additionally, the saturated market has led to flat sales and profits. Our analyses and results are available on [Github](#).

Objective: Transform Nook Cafe into a dual-purpose destination by extending hours and introducing alcohol service, capturing untapped evening revenue potential from campus residents, particularly those with limited transportation options. To do this, we must assess student interest in an alcohol-serving coffee shop through surveys and evaluate the financial and regulatory implications of selling alcohol.

Proposed Solution: Reimagine Nook Cafe as a versatile hybrid café of coffee and alcohol, operating until midnight with a curated alcohol menu. Balance the environment between a study-friendly atmosphere and vibrant social space through strategic programming, including trivia nights, karaoke sessions, and DJ events that foster campus community.

Value Added:

- **Enhanced Profit Margins:** Alcohol offerings deliver substantially higher returns than coffee products alone.
- **Diversified Customer Base:** Extended hours attract evening patrons while maintaining daytime clientele.
- **Campus Community Hub:** Regular events will strengthen student connections and cultivate brand loyalty.

Target Market

The target market for this business proposal is the campus community consisting mainly of students with 47,980 enrolled in 2024. Besides the student population, the newly diversified Nook Cafe is expected to draw faculty and people around the campus because of the extra value added to the cafe.

Competition

The competition for the proposed hybrid coffee shop includes existing coffee shops around the campus that were in hybrid operation before Nook Cafe. There are five of these shops, the foremost being Double Trouble Caffeine & Cocktails.

Risk / Opportunity

The risks for the new hybrid business are 1) the declining rate of alcohol consumption among students, 2) the leaning toward more health-friendly recreation drinks, and 3) the competitive and saturated market at Nook Cafe's location. However, Nook is located on a campus with a huge student population. The university sits within the fourth largest city in the US.

Conclusion

Through value-added service experience, Nook can thrive in the hybrid Coffee Shop market and coast to profitability in the next three years.