

Topic 1.1: What Is a Business?

LO: 1.1.A, 1.1.B | Skill: 1.A, 2.A | Canvas: Task 1

Brew & Brood — Picking the Right Customer Problem

An original BizPath case. No CB-protected business is referenced.

Background

Riley Chen is a high school senior in a college town. State University, with about 18,000 students, sits a 12-minute walk from a strip of older buildings where rent is still affordable. Riley wants to open a small café when she graduates. Her idea: **Brew & Brood — a tea bar and board game lounge**. Customers buy tea and snacks and can borrow board games (Riley owns over 90 of them) for as long as they sit there.

The decision Riley faces

Riley believes her business will succeed because she's solving a real customer problem. The challenge: she sees three different customer problems her café *could* solve. Before she designs the menu, sets prices, or talks to landlords, she needs to pick the ONE problem that anchors the business. The wrong choice now will haunt every other Decision later.

Riley's three options

Option A — Anchor on boredom. Riley positions Brew & Brood as a fun alternative to scrolling phones on weeknights. She'd market it as 'where Tuesdays don't have to be boring.' Tea is cheap. Games are free. The focus is entertainment.

Option B — Anchor on the 'third space' need. Riley positions Brew & Brood as a non-bar, non-library hangout — a third space where students who don't drink (or don't want to spend \$12 on cocktails) can still gather. The focus is community and belonging.

Option C — Anchor on group-hangout cost. Riley positions Brew & Brood as the cheapest way for a group of friends to spend three hours together: tea is \$3, games are free, and tables fit four to six. The focus is affordability for groups.

Data Riley has collected

Figure 1. Survey of 80 State University undergraduates (non-random convenience sample at the student union).

Why would you come to Brew & Brood?	% of 80 students who chose this as their #1 reason
I'm bored at night and need something to do	28%
I want a chill hangout spot that isn't a bar or library	41%

I want a cheap way to hang out with friends in a group	23%
Other	8%

Figure 2. Same 80 students' answers to follow-up questions.

Question	% answering 'yes'
Would you visit alone?	31%
Would you visit with one friend?	62%
Would you visit with a group of 3 or more?	78%
Would you bring family who isn't a college student (e.g., a visiting parent)?	44%

Reading questions

- 1 Describe Brew & Brood's product. Is it a good, a service, or both?
- 2 Identify the customers Riley is considering. Are her customers and her consumers the same people? Use a specific example.
- 3 Riley believes she is creating value for State University students. List two ways the data supports this and one way it raises doubt.

Analysis questions

- 1 For each of the three options, identify the customer problem Riley would be solving. Which option does the data most strongly support? Explain.
- 2 Explain why Riley cannot anchor her business on all three problems at once. Reference the concept of problem-solution fit.
- 3 Brew & Brood plans to charge \$3 per tea. Riley estimates her cost per tea is \$1.40. Explain whether Brew & Brood is set up to capture value, and what one piece of MISSING information you would need to be more confident.

AP-Style Writing Prompt (5–7 minutes)

Recommend one of the three options for Riley to anchor Brew & Brood on, and **explain** why your choice creates the strongest problem-solution fit for her customer base. Use at least two specific pieces of evidence from the data tables to support your recommendation.