

# ***Research on Whether Influencer Coffee Shops Could Operate as Chains***

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**Abstract:** In recent years, influencer-driven coffee shops have become a prominent trend in the food and beverage industry. The trend involves brands capitalizing on the growing influence of social media platforms. The different establishments are not only selling coffee but also creating a lifestyle brand that appeals to the millennial and Gen Z markets. The convergence of influencer marketing and café culture has significantly reshaped consumer behavior, leading to the rapid expansion of these niche businesses. This study examines the business models of influencer-driven coffee shops, which have gained significant traction through their innovative concepts, curated ambiance, and strategic use of social media marketing. The research aims to identify the critical factors contributing to the success of these establishments in a highly competitive industry, with an emphasis on their strategies to attract and retain a dedicated customer base. Through a SWOT analysis, the study assesses the strengths, weaknesses, opportunities, and threats that influence their operations. Key strengths include strong brand equity and adaptability to trends, while weaknesses are tied to challenges in scalability and operational efficiency. Opportunities for expansion lie in franchising and international market entry, whereas threats stem from intense competition and economic volatility. The paper concludes with strategic recommendations for fostering sustainable growth and addressing the complexities of scaling influencer-driven coffee shops into larger chains.

**Keywords:** Internet celebrity coffee, Chain store, Business model.

## **1. Introduction**

### **1.1. Background**

The rise of influencer coffee shops has been a notable trend in recent years, especially in urban areas. These shops are known for their beautiful interiors, unique themes, and heavy use of social media to attract customers. Unlike traditional coffee shops, they often rely on visual appeal and experiential marketing to create a sensation and attract a younger crowd. The significance of studying their profit model lies in understanding how they use social media and experiential marketing to achieve commercial success. Given the competitive nature of the coffee shop market, it is crucial to explore how these businesses remain profitable and what strategies help them continue to remain attractive.

## 1.2. Related Research

The emergence of influencer-driven businesses has transformed various industries, with coffee shops being one of the sectors seeing notable activity. Influencer-led coffee shops leverage the personal brand and social media influence of individuals to attract a loyal customer base, offering aesthetic and experiential appeal. However, the question remains: Can these businesses transition into scalable chains?

### 1.2.1. The Power of Influencer Branding in Coffee Shops

Influencers, particularly those with large online followings, have become adept at shaping consumer preferences, especially among younger demographics like millennials and Gen Z [1]. Influencers are known for their ability to create an engaging narrative around their personal brand. In the context of coffee shops, they provide a distinct customer experience, often characterized by creative ambiance, Instagram-worthy aesthetics, and unique, trendy products that set them apart from traditional cafes [2].

The success of an individual influencer coffee shop can be attributed to the influencer's ability to establish an emotional connection with their audience. Customers often feel personally invested in the influencer's journey, viewing the coffee shop as an extension of their identity. This intimate relationship between brand and consumer gives influencer coffee shops a competitive edge in terms of customer loyalty and word-of-mouth marketing [3].

### 1.2.2. Challenges of Scaling an Influencer Coffee Shop

While the model works well for single-location cafes, scaling into a chain presents unique challenges. A key concern is scalability: influencer-driven businesses often thrive on personalization, yet scaling up requires standardization, which can dilute the brand's unique appeal. For instance, as a coffee shop expands to new locations, maintaining the influencer's personal touch and ensuring the same level of aesthetic appeal can become increasingly difficult [4].

Another challenge lies in management expertise. Many influencers, while successful in marketing and branding, may not have the operational experience needed to manage a chain of businesses. Running multiple coffee shops requires expertise in logistics, supply chain management, human resources, and quality control, areas where influencers may not have sufficient knowledge [5].

### 1.2.3. Opportunities in the Expanding Coffee Shop Market

Despite these challenges, the coffee shop industry continues to grow globally, creating opportunities for influencer brands to scale. The global coffee market is expected to exceed \$500 billion by 2027, driven by increased consumer demand for premium, unique coffee experiences [6]. Influencer-driven coffee chains can capitalize on this trend by positioning themselves as boutique, experience-driven cafes with a clear differentiation from traditional chains like Starbucks or Costa [7].

Successful examples of brands transitioning from a single-location business to a chain exist, suggesting potential pathways for influencer-driven coffee shops. Brands like Alfred Coffee and Bluestone Lane started as boutique coffee shops in specific cities but expanded by building a loyal customer base and delivering a consistent, high-quality experience. Influencer cafes can mimic this approach by leveraging their global audience and social media platforms to attract interest in new markets [8].

## 1.3. Objectives

The primary objectives of this paper are as follows:

This paper aims to explore the profit models of influencer-driven coffee shops by examining how they generate revenue through social media marketing, aesthetic appeal, and experiential branding. Additionally, it conducts a SWOT analysis to assess the strengths, weaknesses, opportunities, and threats influencing their success in a competitive market. Lastly, the paper offers strategic recommendations for sustaining growth and scaling these businesses while preserving their unique appeal and competitive advantages. Overall, the study seeks to provide a comprehensive framework for understanding the dynamics and scalability potential of influencer-driven coffee shops.

## **2. SWOT Analysis of Influencer Coffee Shops**

### **2.1. Strengths**

**Established Brand Equity:** Influencers often bring a pre-existing loyal customer base, giving their coffee shops a strong starting point with less need for traditional marketing campaigns [9]. **Authentic Customer Engagement:** Influencers excel at building relationships with their audience, which translates into high customer engagement, both online and offline [10]. **Trend Responsiveness:** Influencers are adept at identifying and adapting to market trends, allowing them to stay ahead of competitors by quickly introducing new products or concepts. **High Visibility on Social Media:** The influencer's extensive reach ensures that their coffee shop gains immediate exposure, driving foot traffic and boosting online orders [2].

### **2.2. Weaknesses**

**Limited Scalability:** A significant challenge is maintaining the personal touch and unique ambiance that makes an influencer cafe stand out, especially as new locations open. Each additional shop could dilute the brand's authenticity. **Operational Inexperience:** Influencers may lack the operational and managerial skills needed to scale a business effectively, especially when it comes to supply chain management, logistics, and maintaining quality across multiple outlets [5]. **Overdependence on the Influencer:** The business's success is often tied to the influencer's reputation. A decline in the influencer's popularity, controversies, or shifts in their online presence could directly impact the coffee shop's success [3]. **Cost of Replication:** The aesthetically driven, trendy nature of influencer coffee shops may be costly to replicate in multiple locations, limiting profit margins in an industry already known for thin margins [6].

### **2.3. Opportunities**

**Franchising Model:** Expanding through franchising allows the brand to scale without directly managing every location, reducing the operational burden while maintaining a high level of control over the brand's identity and experience [7]. **Global Expansion:** With an influencer's broad online reach, their coffee shop has the potential to expand into international markets, targeting urban areas where consumers are looking for novel and premium experiences [8]. **Partnerships and Collaborations:** Influencer coffee shops can collaborate with other brands, influencers, or local suppliers to create unique offerings that differentiate their product lineup and appeal to a broader audience [5]. **Innovation in Products and Services:** The ability to quickly respond to emerging trends, such as eco-friendly practices or health-conscious menus, can give influencer coffee shops an edge in the competitive coffee market [2].

### **2.4. Threats**

**Brand Dilution:** Rapid expansion without careful attention to quality and brand consistency could result in brand dilution, alienating the core audience that originally supported the business [9].

**Economic Downturns:** Coffee shops are sensitive to economic fluctuations. In times of financial uncertainty, consumers may reduce discretionary spending on premium or experiential coffee products [6]. **Intense Competition:** The coffee shop industry is highly competitive, with well-established brands such as Starbucks, Costa, and Dunkin' dominating the market. Local specialty shops also pose significant competition in specific regions [7]. **Shifts in Consumer Preferences:** Changing consumer habits, such as a growing preference for at-home coffee brewing or health-oriented alternatives, could reduce demand for coffee shops as a whole [8]. In conclusion, while influencer-driven coffee shops have strong potential to develop into chains, the ability to scale will depend on careful operational management, strategic expansion, and maintaining the unique aspects of the influencer's brand across multiple locations.

### **3. Factors Influencing the Success of Coffee Shop Chains**

#### **3.1. Standardization and Management**

For influencer-driven coffee shops to scale effectively, standardization across multiple locations is crucial. Standardized processes ensure consistent customer experiences, which is essential for brand reputation. For instance, maintaining uniformity in drink quality, service, and aesthetic appeal across locations helps foster brand loyalty. According to Brakus, Schmitt, and Zarantonello, maintaining a strong brand experience across locations is crucial for customer retention and loyalty [9].

Management plays a pivotal role in overseeing these processes, especially when scaling from a single cafe to multiple locations. Effective management involves not only ensuring consistency but also dealing with staffing, training, and customer service at scale.

#### **3.2. Supply Chain**

An efficient supply chain is fundamental for the success of any coffee shop chain, particularly when sourcing high-quality ingredients like coffee beans. As influencer coffee shops expand, establishing reliable suppliers is critical to maintaining consistency and controlling costs [6]. Additionally, implementing centralized logistics systems ensures that multiple locations receive the necessary products without delay. A streamlined supply chain also minimizes waste and manages inventory more effectively, which is essential in a competitive industry with slim margins [5].

#### **3.3. Brand Positioning and Target Customers**

Brand positioning is key to standing out in a crowded market. Influencer coffee shops often appeal to younger demographics by offering unique, experiential environments and trendy products [2]. To transition from a single location to a chain, the brand must continue to resonate with its target customers while appealing to a broader audience [1].

By emphasizing the influencer's personality and values, coffee chains can differentiate themselves from more traditional competitors. However, ensuring that this connection remains strong as the business scales is critical to maintaining customer loyalty [3].

### **4. Suggestions and Inspirations**

#### **4.1. Focus on Brand Consistency and Expansion Management**

One of the biggest challenges that influencer coffee shops face when expanding is brand consistency. When successfully opening multiple chain stores, the core appeal of the brand often weakens due to expansion. Therefore, during the expansion process, it is recommended that store owners strictly standardize management to ensure consistency in terms of beverage quality, service 2 level and

decoration design. By introducing automation and training systems, the uniformity of stores in various places can be effectively improved. Standardized operating procedures will help coffee shops maintain the unique experience of the brand while reducing the uncertainty caused by expansion. In addition, management needs to introduce experienced operations teams, especially after the scale expansion, and needs to focus on expertise in areas such as supply chain, logistics, and human resources. Influencers themselves may lack these professional skills, so by hiring a team with management experience, they can better support the long-term development of the store.

#### **4.2. Consider Adopting a Franchise Model**

Faced with the challenge of scaling up, Influencer coffee shops can expand through a franchise (franchising) model. Franchising can reduce the pressure on companies to directly manage multiple stores while ensuring consistency in brand image and experience. Through the franchise model, brands can quickly expand globally, especially into other cultures and markets. To ensure the success of the franchise model, it is recommended to establish strict franchise standards and review mechanisms to ensure that each franchise store can maintain the uniqueness of the brand and provide customers with a consistent consumer experience.

#### **4.3. Innovative Products and Services**

Influencer coffee shops must continue to innovate in products and services to continue to attract customers. As market trends change, coffee shops can consider launching healthier and more environmentally friendly products, such as plant-based ingredients, sustainable packaging, etc., to cater to consumers' pursuit of health and environmental awareness. At the same time, they can also launch limited edition co-branded products in conjunction with other brands or influencers to further increase the diversity and appeal of the brand.

#### **4.4. Improve the Efficiency of Supply Chain Management**

As the number of stores increases, the efficiency of the supply chain is crucial for brand expansion. Influencer coffee shops should establish a stable and efficient supply chain system as early as possible to ensure the timely supply of raw materials and cost control. By cooperating with multiple suppliers or developing an internal logistics system, brands can effectively reduce risks in the supply chain during the expansion process. In addition, a centralized procurement and inventory management system will also help reduce waste and improve operational efficiency.

#### **4.5. Use Social Media to Maintain Customer Stickiness**

Social media is the core marketing tool for influencer coffee shops, and continuous online exposure is essential to maintaining customer stickiness. Therefore, it is recommended that coffee shops regularly publish content through platforms such as Instagram and Douyin, and keep interacting with fans. For example, by launching online and offline promotions, or showcasing new products through live broadcasts, the brand's connection with fans can be further strengthened. Influencer coffee shops can also use customer-generated content to encourage customers to share their consumption experiences, thereby forming secondary dissemination.

#### **4.6. Implications**

This research study reveals the challenges and opportunities that influencer coffee shops face in the process of expansion, especially in terms of brand consistency and supply chain management. For influencer coffee shops that want to expand into chain stores, standardized operations, franchise

models, and product innovation will be the key to future success. At the same time, using social media to maintain interactive relationships with customers and paying close attention to market trends and consumer preferences will help these coffee shops stay invincible in the fierce competition.

## 5. Conclusion

In conclusion, the findings indicate that influencer-driven coffee shops have plenty of novel advantages that make them well-suited for the modern market. These businesses especially stand out for their ability to successfully capitalize on the power of social media and experiential marketing to create profitable niche businesses. Leading firms in this niche attribute their success largely to the vast presence of younger demographics, such as millennials and Gen Z, and their ability to design spaces, experiences, and products that appeal to these demographics. Attributes such as aesthetically pleasing spaces, unique, Instagram-worthy products, and association with popular influencers are major attractions in the modern social media-driven market. For example, coffee shops such as Alfred Coffee in Los Angeles are famous and have grown rapidly due to their strength in creating a strong online presence and leveraging influencer partnerships to develop a loyal customer base.

Unfortunately, a major issue is the scalability of such businesses, which presents significant challenges. While these businesses tend to thrive on personal branding and localized experiences, expanding them into a chain often requires standardization. Unfortunately, standardization associated with scaling up tends to dilute the distinct appeal of these businesses. However, there are examples of companies that have successfully scaled while maintaining their distinct appeals. For example, Bluestone Lane is a great example of how to beat the scalability problem. The boutique coffee brand successfully expanded into a chain and served as a model for growth for the many influencer coffee shops. Bluestone Lane has maintained its appeal across multiple locations by ensuring brand consistency. The company carefully manages its aesthetic and customer experience across locations to ensure a consistent experience and products. Such a strategy can be adopted by many other influencer-led businesses when scaling. To sustain growth, influencer coffee shops must adopt strategic approaches that balance personalization with operational efficiency and an ability to replicate its brand's promise consistently across different locations.

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