

S2: USER RESEARCH

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Project Description

Nacho Average Team will assist family-owned restaurant owners, who often struggle to compete with larger food chains. These owners may face challenges when navigating the logistics of opening and maintaining a restaurant, including the decision to hire family members, how to track profits and losses, and getting the word out. Family-owned restaurant owners may feel intimidated by the funding, resources, and entrepreneurial experience that many established food chains have access to. Our team will design a mobile application to help family-owned restaurant owners feel more confident and capable in the culinary scene.

Competitive Product Analysis

In 2009, the CEO of Twitter, Jack Dorsey, launched a payment processing service in San Francisco; today, Square is used to process over one million dollars in transactions every day [1]. Square offers three primary products: a magstripe card reader (Figure 1), a contactless and chip card reader (Figures 2 and 3), and an iPad stand with a built-in long track card reader (Figure 4). Another popular feature of the service is the Square Point of Sale app (Figure 5). The tool supports a number of capabilities, including, but not limited to, accepting various forms of payment, providing digital or printed receipts, reporting sales and analytics, displaying real-time inventory management, and supporting refunds, tips, taxes, and discounts [2].



Figure 1: The free magstripe card reader works with iOS and Android.



Figure 2: Inserting a card into the chip reader.



Figure 3: Tapping NFC payments to the card reader.



Figure 4: Swiping a card in the stand's built in long-track reader.



Figure 5: The Point of Sale application displayed on an iPad stand [2].

Considering the service's mobility, ease of use, transparent and inexpensive pricing, and extensive feature set, Square is a valuable tool for many growing businesses. Cost, in particular, is considered the company's most significant advantage. Because of the service's low transaction fees—2.75% per swiped transaction, 3.5% per keyed-in transaction, and 2.9% per online transaction—Square allows sellers of all sizes to cultivate their business [3]. Moreover, the service requires no activation costs, monthly minimums, monthly fees, annual fees, or long-time contracts [4]. Square simplifies credit card processing without sacrificing functionality.

Despite Square's success, the service fails to meet customer standards on several fronts. For one, Square neglects to verify the credit card history of its customers before approving each account; instead, the service relies on an error-prone, confidential algorithm to spot risk factors and place holds on supposedly suspicious transactions [3]. As a result, some merchants have been subject to Square placing lengthy holds on their funds, even for completely legitimate transactions. While attempting to solve this issue, many users have criticized Square's almost nonexistent phone support [3]. Another limitation of Square is the lack of barcode scanning support. For boutiques, souvenir shops, and other small businesses with many items, finding each product in a digital directory can be tedious and time-consuming. In summary, though Square encompasses many impressive features that work in favor of small businesses, the service is still flawed, primarily in its security policies.

User Interview

Q: Tell me about yourself - where do you live, and where are you from?

My restaurant is in Minneapolis, but I live in St. Paul. I'm originally from Pennsylvania. I'm 31 years old, and also married.

Q: What food (and services) does your restaurant provide?

We offer full Italian food service and high end dining. We serve brunch on the weekends, but not lunch. Total, we have a menu of about 40 items or so.

Q: How many people are working here?

About 60 to 70 total .

Q: Are any of them family?

Just my wife actually. She handles most of the office work and marketing tasks. Otherwise we hire external employees.

Q: Do you own other restaurants?

No, just the one right now. But for a while I was part of a consulting company, so I helped operate probably about 30 to 40 businesses, many of them restaurants. Having that experience was pretty crucial in the success of our current restaurant. I think I'd like to own more in the future, though.

Q: What do you do when you're not running the restaurant?

Mostly eat, honestly. But my wife and I like to travel when we can.

Q: When did you open your restaurant?

It was just about 2 years ago, in November of 2015

Q: Why did you want to own a restaurant?

I guess I liked the idea of working with different people. I like the leadership that's involved. You wear a lot of hats when owning a restaurant, so I spend my time doing all sort of different things. Plus, I actually have ADHD, so it keeps me moving and on my toes.

Q: Can you describe your everyday workflow, if there is one?

Honestly . . . there isn't one. Every day is different. I guess most days I focus on the leadership side of things, so making sure the staff and management are up to speed.

Q: How do you bring people into your restaurant?

So we're different from a lot of normal restaurants in that we use a four-walls marketing strategy. Which means we really don't spend money on advertisements or social media to bring people in. Instead, we treat every diner as someone who is going to tell 30 more people about our restaurant. That involves focusing on the experience, and doing everything we can to make customers enjoy it. We give our service staff and management team the freedom take care of guests however they feel they need to, to make them feel special. We think if we make someone's night feel special, that's how word of mouth will spread—that's the approach we take.

[Following up on his own thought]

We are very hypersensitive about how we're a neighborhood restaurant, so we only really focus on anything within three miles of us. We know that's our customer, we know our customer very well. We know that's where longevity comes from. We're really not trying to obtain customers outside of that. We just want the people within that radius to keep coming back. However, usually biannually, we'll hold some event to draw the masses in. That's sort of our way to reach more of the community,

but we are still having that event for the good of the neighborhood. It's a good way to get our brand message across and introduce ourselves to more people.

Q: What kind of events do you organize?

So every Fourth of July, a lot of people stay in town, because they have kids or they don't have cabins. We try to have kid-friendly events, because our restaurant isn't normally very kid-friendly. In the past we've done a big pig-roast and one a bazaar in the market. We had about five to seven hundred people come through.

Q: What do you like about owning a restaurant?

It requires a lot of leadership, and I really enjoy leadership. You get to work with all different types of people, who have been through all different walks of life. And then you also get to have customers enjoy the product you're giving them—and you get to see the result, right there.

Q: What are some challenges of owning a restaurant?

Currently, the hard thing is staffing. There's a big national shortage of professional kitchen help. It's putting a lot restaurants in a tough spot, and we're trying to figure out how to navigate that.

Q: What motivates you to keep this running?

The benefits outweigh the challenges. Despite the obstacles we face every now and then, it's a very rewarding job,

Q: What tools or technology do you rely on to make your restaurant a success?

Every restaurant uses a POS [Point of Sale] software, so we rely on that. We use a reservation software. Back at the house, we also use accounting software, and inventory and ordering software, which is pretty new to the market. We also have management and scheduling software to communicate with our staff. If anything helps with communication and efficiency, we'll invest in it.

Q: What are some things your restaurant values?

People. That's it, really.

Q: What would you change about your restaurant?

If anything, I'd like to expand. The building we own is a large space right now, so we're planning on changing some of the format of our restaurant. We're going to change some of it into a quick, casual deli, just because that's something the neighborhood has been wanting. I think it would be a good change, really different from what we have now.

Q: What are you most proud of regarding your business?

My staff.

Resources

[1] J. Ankeny, "How Square Is Helping Businesses Save on Transaction Fees," Entrepreneur, 07-Jun-2011. [Online]. Available: <https://www.entrepreneur.com/article/219739#>. [Accessed: 14-Oct-2017].

[2] "Square Point of Sale," Square, 2017. [Online]. Available: <https://squareup.com/pos>. [Accessed: 14-Oct-2017].

[3] M. Johnson, "Square Review," Merchant Maverick, 09-May-2017. [Online]. Available: <https://www.merchantmaverick.com/reviews/square-review/>. [Accessed: 14-Oct-2017].

[4] P. Parker, "Square Review," CPO, 29-Aug-2017. [Online]. Available: <https://www.cardpaymentoptions.com/credit-card-processors/square-review/>. [Accessed: 14-Oct-2017].