

VOM2 TASK 1: RESEARCH PLAN

MARKET RESEARCH — D374

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Overview and Research Objective

A1: BENEFITS OF MARKET RESEARCH

The French Press coffee shop has been a staple in the small town of Honeysuckle, Louisiana for over two decades now. Honeysuckle is a popular tourist destination known for its historic charm, eclectic shops, and great restaurants. Owned and operated by Ms. Martel, The French Press was once the only shop serving premium coffee. With minimal competition, the small Louisiana-based coffee shop flourished and expanded into a chain of 10 locations. However, in recent years, Ms. Martel has noticed a decline in sales due to several key factors, which will be discussed in this paper.

Market Research is the key to regaining clarity when businesses face uncertainty and challenges. In this case, market research is essential to understanding why The French Press has been experiencing declining sales and how it can regain its competitive edge. As the market research firm hired by Ms. Martel, our goal is to analyze customer preferences, market trends, and competitive influences to help The French Press make more informed decisions about product offerings, pricing, and marketing strategies. Three key factors have been discovered that highlight the need for in-depth research. First, increased competition. National coffee chains have arrived and have drawn customers away with the promise of convenient drive-thru options and brand recognition. Second, the original customer has changed through an increase of new residents with diverse backgrounds and preferences. Third, several once-popular menu items have declined in sales, suggesting a shift in customer tastes. By understanding these factors through targeted research, the goal is to help The French Press develop effective strategies to attract new customers and reconnect with its existing base.

A2: RESEARCH OBJECTIVE

The research objective is to identify why The French Press has been experiencing declining sales and provide the owner with recommendations to turn this trend around. By analyzing customer preferences, competitive influences, and sales trends, three key strategies have emerged that can help restore The French Press to its former glory. This paper will explain how we arrived at the conclusion that adopting the menu, pricing, and marketing strategies can attract new customers and retain a loyal customer base.

A2A: JUSTIFICATION OF THE RESEARCH OBJECTIVE

This research objective is necessary because “Ms. Martel has noticed that The French Press shops’ sales have been declining over the past two years, which has affected the overall profitability of the chain,” but “there is a lot of information she does not know.” According to the scenario, the competitive landscape has changed dramatically; the town’s demographics have shifted, and popular items are not performing as they once did. Without understanding these factors, any attempt to “come up with solutions to the declining sales and profitability on her own” would be futile. This research will provide Ms. Martel with the insights she needs to align her company with the evolving market.

A3: RESEARCH POPULATION

The research population here includes **current customers** of The French Press, those who regularly visit. **Former customers** of The French Press, who left for reasons that are essential to know to win them back. **New residents** of the town and surrounding regions, whose preferences might differ from current residents. Lastly, since Honeysuckle is a tourist destination, it is wise to consider this potential revenue stream from **tourists and visitors**.

A3A: WHY THE RESEARCH POPULATION IS SELECTED

The selected research population represents a mix of crucial perspectives that can help understand the decline in sales. Current customers can provide feedback on what drives them back and what can be improved from the eyes of those inside. Former customers are included because they can shed some light on what caused them to leave and in what ways they can be won back. New residents because they reflect what the town is becoming and what it will be in the future. Considering their effect on The French Press may help identify how the coffee shop can attract a wider range of demographics, similar to how their competitors do. Lastly, given Hoey's tourist destination standing, understanding how The French Press can better cater to visitors could access more revenue opportunities. By gathering and studying this population, The French Press can identify trends, address gaps, and refine its strategies to boost sales.

Research Questions

A4: RESEARCH QUESTIONS

1. What are the main factors contributing to the decline in sales at The French Press?
2. How have customer demographics and preferences changed over the past decade?
3. How does The French Press compare to its competitors when it comes to pricing, quality, and convenience?
4. What marketing and product strategies can be implemented to help The French Press regain its share in the market?

A4A: EXPLANATION OF RESEARCH QUESTIONS

1. What are the main factors contributing to the decline in sales at The French Press? “It can sometimes be difficult to discern the root cause of a complex problem after you have generated an exhaustive list of causes.” This research question is essential for understanding the root causes of Ms. Martel’s issue. Sales have been declining, but without knowing exactly why, any solution would be a shot in the dark. This question should help identify whether competition, preferences, etc., are what is driving customers away. By nailing down the exact reason, The French Press can make informed decisions to address them.

2. How have customer demographics and preferences changed over the past decade? “Modern consumers are changing, but there is no fundamental rewiring of their behavior. Instead, they are operating in a new economic and competitive environment, where demographic shifts have played a major part in creating a fragmented marketplace.” This second research question is important because Honeysuckle has seen a shift in its population. New residents with diverse demographics and purchasing habits have moved in, and their preferences may not align with The French Press’s current offerings. Understanding these changes will allow the coffee shop to tailor its approach to these individuals to better appeal.

3. How does The French Press compare to its competitors when it comes to pricing, quality, and convenience? “In many cases, a balanced combination of price and quality can be the most effective strategy for gaining a sustainable competitive advantage in the market.” This question helps assess how the coffee shop stacks up against the national chains. Customers are potentially being drawn away by larger chains with drive-thru convenience and strong brand recognition. If The French Press is losing business due to higher prices, less convenience, or differing quality, this research question will help identify those gaps and help the company better compete.

4. What marketing and product strategies can be implemented to help The French Press regain its share in the market? “Capturing a dominant share of a market is likely to mean enjoying the highest profits of any of the companies serving that market. It can also mean

winning the leadership, power, and glory that go with such dominance.” Once the factors behind the decline in sales are discovered, this research question will guide the development of strategies to attract new customers and retain old ones. Whether it’s adjusting pricing, changing menu items, or changing marketing strategies, the goal is to create a plan that helps The French Press reclaim its place in the local market and increase sales.

Research Methodology

A5: TYPE OF RESEARCH

The best approach for this case is **Descriptive Research**. Descriptive research describes “demographic characteristics, psychographic behaviors, as well as opinions held by a market, including consumers and other stakeholders. Descriptive research is also used to help describe phenomena taking place in the marketplace itself, such as competitor behaviors and market trends. Descriptive research helps answer questions related to who, what, where, why, and how ” (Stromp, 2019). Descriptive research is the most suitable approach because The French Press needs to understand both existing conditions and potential solutions. This method should provide a strategic way to gather meaningful insights.

A6: RESEARCH METHODOLOGY

The recommended research methodology for this project's data collection is online **customer surveys**. Surveys will help target all the segments previously mentioned in the research population section (current and former customers, new residents, and tourists). These surveys will include both qualitative and quantitative questions exploring menu, pricing, service satisfaction, and why a customer might prefer a competitor over The French Press. Also, sales data analysis will be used to identify trends in product popularity and purchasing patterns as customers' shifting tastes are a concern.

A6A: JUSTIFICATION OF RESEARCH METHODOLOGY

This research methodology is best for a few reasons. It aligns directly with the research objective, answers key research questions, and is cost-effective. Online surveys support the research objective by providing direct customer insights on preferences, competition, and sales trends, helping the team pinpoint why sales are declining and what changes can bring customers back. Online surveys also help answer our four research questions. First, what are the main factors contributing to the decline in sales at The French Press? - we can learn about customers' habits and preferences directly from the source. Second, how have customer demographics and preferences changed over the past decade? - we can find this answer by comparing survey responses from loyal customers to new residents. Third, how does The French Press compare to its competitors when it comes to pricing, quality, and convenience? - can be answered by assessing customer opinions on pricing, quality, convenience, and service. Fourth, what marketing and product strategies can be implemented to help The French Press regain its share in the market? - can be discovered by analyzing customer feedback and suggestions and searching for emerging preference patterns. Lastly, online surveys are cost-effective and fit within the \$5,000 budget.

References

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