

# Problem identification and definition of marketing research plan



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**Introduction**

A marketing research plan is the document containing the information regarding the potential market. It outlines specific actions to be taken to attract potential buyers to buy products or services. It is developed as an overall part of a business plan to accomplish the objectives of the organisation (Bradley 2007). This paper will discuss the development of a marketing research plan for entry into the business of a coffee shop and the different methods to develop the plan. It will also discuss different modes of marketing research and the research instrument used to develop the plan.

**Problem Identification and Definition**

The first stage is to develop a clear and precise understanding of the research problem, to permit effective conduct of the research process. It is very important to analyse the problems to conduct the research effectively. In this scenario, a veteran market researcher wants to enter into the business of operating a coffee shop and the problem is to identify the potential market and to find the appropriate outlet and product mix for the products and services of the business. The determination of product line and the price to be charged for the product is the identified problem. At the same time, the business is also facing problems with the positioning of the shop in the relevant market.

**Research Objectives**

The objectives for this marketing research process are to find an appropriate market and potential customers for the coffee shop by identifying the buying behaviour and habits of the prospective customers.

**Research Approach**

A research approach is an important part of the marketing research plan that helps to find relevant data and information and helps to convert information and data into numeric form so that it is easy to develop the marketing plan (Jackson 2008). There are basically two types of research approaches: qualitative and quantitative, which can be used to collect data and gather relevant information.

**Qualitative research approach:** Under a qualitative research approach, the information is gathered in qualitative terms to effectively answer the questions. In this research approach, an in-depth analysis of people's attitudes and behaviour can be analysed to know their preferences. This approach also helps to understand the complexity of the prospective customers very well so that relevant information can be gathered (Hair & Money 2011). The most important thing about this research is that there is no fixed way or theory how best to gather information for the specific problem. It generally uses a small number of respondents.

**Quantitative research approach:** On the other hand, in quantitative research, the data and information is generally transformed into numeric form to answer the research questions. Using this approach, the information is gathered in a holistic view to answer the research questions (Gliner & Morgan 2000). All the people in the group are invited to answer the questions for a specific problem. This approach generally tends from general to specific to answer the objectives of the case problem.

In this case, quantitative research approach would be more appropriate to find the solution as it would be more effective in analysing customers' behaviour regarding the coffee shop business. It would also help in getting relevant information case through the data available and questionnaire. It will also help the researcher to decide the product line as well as its pricing structure.

### **Research Design**

In this stage, a model is created to conduct the marketing research. An effective research design helps in answering the problems related to the case. The descriptive way of conducting the marketing research is being considered (Creswell 2003). The research design which will be used here is of a descriptive research design, so that solutions to the issues can be obtained. The effectiveness of the research design alone can determine the success of the marketing research process that ultimately affects the quality of the marketing research plan as well.

The descriptive design of the research plan will help to provide an in-depth analysis of the situation through effectively analysing individual responses. It will also help to make the research process fast and accurate (Bynner & Stribley 2010). At the same time, it brings smoothness to the information gathering and analysis as it answers the case problems effectively. In most cases, it has been seen that due to lack of effective research design the researcher is not able to find relevant answers to problems. The descriptive research design will help to find current users of coffee as well as help to analyse the future demand of the product.

As the design is the most time-consuming stage, it needs to be developed carefully. The design will help the researcher to prepare an effective questionnaire for the research process (Maxwell 2005). This questionnaire will help the researcher to find appropriate market, product line and price. For the success of any research process, it is important to choose appropriate respondents, to maximise the chance of achieving a valid outcome.

### **Data Collection**

Data collection is one of the most important stages in a marketing research process. Different activities, such as data gathering online and questionnaires, will be used to answer the case problems effectively. (Zundel & Vignali 2003). Following are some of the ways through which data can be collected.

Online data: The online data available can help to gather information on which markets hold the most promise for a new coffee shop. Although Michael doesn't want to use the internet for this research, to answer the first question it will prove to be relevant. The number of coffee chains in a particular area, the increase in the number of percentage of coffee shops and the revenue of competitors can be collected to analyse which markets are most promising.

Online survey: The researcher also has the option of conducting an online survey to find appropriate markets and customers for the proposed coffee shop. It is less costly and much preferred in today's world, where people don't have much time to respond in person. The online survey will also help

the researcher to get several ideas from the respondents regarding the opening of the coffee shop (Becerra & Korgaonkar 2011). It also has additional benefits, such as having quick responses that can help the researcher to get relevant information rapidly and thus to start business as soon as possible. It is also believed that respondents in online surveys respond more honestly in comparison with other means of data collection and surveys. This source of information generation would be the most effective for the researcher to get relevant information.

Questionnaire: The questionnaire will help the researcher to collect relevant information. It is one of the most critical aspects of the research and a good questionnaire must meet the two basic criteria of accuracy and relevance. It should be carefully designed to ensure the answers are relevant: thus, how the questions are framed, the sequence of questions and pretesting of questions (Zikmund & Babin, 2007).

### **Research Instrument**

There are various research instruments available to be used for this research to find appropriate solutions to the problems. The use of effective research instruments is very important to determine the success of the marketing research plan. The effective use of the research instrument will help to analyse the situations effectively. To get a solution for the problems, the researcher can use a questionnaire (Gama 2011). This is an effective instrument to find solutions to the issues raised. It will help the researcher to find appropriate markets and customers for the coffee shop. Following is the description of how this instrument can help the researcher to find the appropriate market

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Questionnaire: A questionnaire is the most common research instruments used to find solutions to research questions. It is a set of questions through which the respondents' preferences and taste are determined by the researcher. It will help the researcher to get relevant information. It is very important to prepare effective questions, so that appropriate information can be generated from respondents. Here, the effectiveness of the questionnaire will help the researcher to find the right market as well as potential customers (Katono 2011). The wording, form and ordering of questions really matters a lot in an effective questionnaire as these factors determine the success of the questionnaire. It should also be considered, while determining what questions should be included, that each question should focus on the problems described in the present case.

Research measures are an important part of a research question that help to solve the research questions effectively. The measure items for research question 1 are as follows.

High density of customers: The high density of potential customers would be effective in finding the most promising market for a coffee shop, as the maximum amount of users will ensure the success for the new coffee shop (Herzog 2010).

Maximum coffee users: The number of users who consume coffee is another measure item for the question one. The maximum amount of coffee users will ensure maximum business.

Low competition: Low competition is another important measure item for this research question, as it will ensure the opportunity for growth of this coffee shop in the particular market.

The first key research question and the measure items are listed below.

**1) What markets in the USA hold the most promise for a new coffee shop?**

1. Please specify the city you belong to .....

2. Where do you drink your coffee the most?

- Starbucks
- Coffee Bean & Tea Leaf
- Local barista
- Other (Please specify) .....

3. How often do you drink coffee outside?

- Every day
- Once in 2-3 days
- Weekly
- Fortnightly
- Other (Please specify) .....

The following are the measure items for research question 2.

Central location: A centrally located place would be more appropriate to attract the maximum number of customers for the coffee shop, as people would be willing to go there because it would be within ready access by the customers.



Shopping mall: A shopping mall can also be one of the best places for the coffee shop as the number of people visiting malls will enhance its popularity.

The second key research question and the measure items are as follows.

## **2) What type of location is best for a coffee shop?**

1. 1. Where do you usually have/pick up your coffee?

- Shopping Mall
- City Centre
- Close to workplace
- Petrol station
- Train/bus station

2. 2. When do you most often buy coffee?

- On the way to work
- Morning break
- Lunch time
- Evening

3. 3. Which type of coffee shop do you prefer?

- Sit-down coffee shop
- Drive-thru

The following are the measure items for research question 3.

Coffee quality: The quality of the coffee helps in making a coffee shop popular in a specific market. It will help to increase customer base for the shop, as most people prefer quality in everything (Herzog 2010).

**Price:** Price is another important aspect that determines popularity of the coffee shop in the market. The researcher can have competitive prices in comparison to its competitors to make the coffee shop popular among the users.

**Service:** Service is another important aspect that determines success of a business. If the services provided by the coffee shop are not up to the level of its competitors, it will not be able to attract customers.

The third key research question and the measure items are listed below.

### **3) What is it that makes a coffee shop popular?**

1. Which is the most important factor while choosing a coffee shop?

- Price
- Quality
- Service

2. What do you generally purchase at the coffee shop?

- Only coffee
- Snack
- Toastie
- Snack and coffee combo
- Snack and toastie combo
- Other (Please specify) .....

3. What kind of service do you prefer?

- Self-service
- Table service
- Take-away

The following are the measure items for research question 4.

Taste: The taste of the coffee determines the preferences of the users of coffee.

Quality: Quality again becomes the reason for the preferences of one product over the other (Miller & Strang 2010).

Habit: Habit is another important aspect that determines the preferences of Americans regarding the use of coffee. It is in the habit of people to prefer a particular type of coffee.

The fourth key research question and the measure items are listed below.

#### **4) What coffee do Americans prefer?**

1. Which type of coffee do you prefer?

- Flat
- Cappuccino
- Mocha
- Black
- Espresso
- Other (Please specify) .....

2. Which of the following coffees do you prefer?

- Hot
- Cold
- Iced

3. Would you prefer to buy any other type of beverages (other than coffee)?

- Yes, please specify.....
- No

### **Sample Plan and Size**

Sample size is an important step in the marketing research process that determines the success of the marketing research plan. In quantitative research, a large sample size is taken to get solution to the problems (Cacic & Markovina 2011). Here, a large sample size of respondents will be taken to derive the effective outcome of the problems. Many people often visit the coffee shop and mostly take tea instead of coffee (Usui 2011). Taking their response in a small sample size can affect the outcome of the case and the researcher would be unable to determine the exact market for the coffee shop as well as the potential customers for the shop.

At the same time, the large sample size will help to effectively manage the responses of the people to derive a positive outcome. The large sample size will also help in minimising the sample errors associated with small sample sizes. Further, it will help to minimise non-responses in a small sample size (Grossberg 2011). In this case, it is very important to get relevant information regarding coffee users, so that it can capitalize on the information. This is only possible when a large number of customers are being asked about their likes and dislikes. At the same time, it will also require extensive analysis of potential customers to choose an appropriate place for the coffee shop.

### **Data Structuring and Analysis**

In this stage, the data and information collected will be analysed to derive a positive outcome. It is important as it helps to arrange data in a systematic <https://assignbuster.com/problem-identification-and-definition-of-marketing-research-plan/>

way. It will help in identifying the specific group of people using coffee. Data structuring helps to analyse the data properly so that effective results can be derived from the data and information gathered (Alexander & Rhodes 2011). The ways through which data structuring can be followed to help a researcher to derive a positive outcome include the following.

**Data mining:** Data mining is the process of analysing the data from different perspectives to derive exact information. In data mining, data is analysed from different angles to find appropriate markets and customers for its coffee shop. Here, mining the data would be effective to get relevant information regarding potential customers (Fichet 2011). The data gathered through collection will effectively help to analyse relevant information regarding customer tastes and preferences. Data mining will further help the researcher to establish a strong customer base for his coffee shop, considering customer tastes and preferences and to give guidance on product positioning and fixing prices.

**Data clustering:** Data clustering is the process of separating the data gathered into different groups according to their needs and preferences. Data that has some similarities are kept in a group to help the researcher to analyse it effectively. Here, the data gathered for the coffee shop will be separated based on prospective customers' tastes and preferences, so that a researcher can readily derive the necessary information (Mehlhorn & Sanders 2008). Data cluster helps to get information regarding not only the number of customers consuming coffee but also helps to find other relevant information regarding those potential customers.

**Perpetual Mapping:** Perpetual mapping is an effective tool that analyses the market conditions and the buyers' buying behaviour. It also helps to analyse the complexity among competitors in the market. It is an important tool for the data structuring as it provides complete market knowledge regarding any particular issue or problem. In this case, perpetual mapping would be most effective to analyse the data, as it will provide information regarding the competitors in the market (Alexander & Rhodes 2011). Perpetual mapping helps to analyse strategies regarding competitors and provides insight how to satisfy the customers through analysing their buying behaviour.

**Statistical graph:** The researcher also has the option to make a statistical graph to analyse the data gathered. These graphs would effectively analyse the data to enable the researcher to find suitable place for his business. The design of the graph is based on the amount of data and frequency of the questionnaires used for getting relevant information. These statistical graphs will help the researcher to find relevant information regarding potential customers (Mehlhorn & Sanders 2008). There are different types of graphs that can be used by the researcher to analyse the data like pictograph, pie chart, map chart, bar graph etc.

### **Report Generation and Presentation**

With this stage, the whole process of marketing research process is summarised and its conclusions included in a brief document. The result derived with the data and information gathered during this process is analysed to answer the research questions associated with the case study.

Effective documentation of the whole process gives an overall idea about the <https://assignbuster.com/problem-identification-and-definition-of-marketing-research-plan/>

possible solutions of problems (Belk 2006). Important elements of the research process are included in this section to help the researcher to find an appropriate market. It will help the researcher to make effective decisions on the basis of the marketing research process.

In this case, the documentation of the process will help researcher to find out his potential market and customers for the coffee shop, as well as help him to position the coffee shop in the best market. The researcher will be able to find answers to questions raised with the help of effective report generation and presentation (Gliner & Morgan 2000). The report will include the number of potential customers, their consumption habits, the numbers and types of competitor etc. Thus, it is important to have effective and relevant presentation of research finding to help the researcher to find appropriate markets and potential customers for the coffee shop.

## **Conclusion**

From the above discussion, a marketing research plan is very important for the success of a business. It provides an overview of the whole market condition to find appropriate markets and customers for its business. The effective analysis of the marketing research process is an important part of the marketing research plan that helps businesses to get established in a particular market. In this case, the marketing research plan may help the researcher to find appropriate market and customers for his coffee shop. The plan may effectively help him to find solutions to the issues regarding the location and preferences for the style of coffee shop.