

The coop: market research essay sample

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Daryl Buckmeister was facing a difficult problem that many business owners encounter. After much success, his quick-service chicken restaurant, The Chicken Coop, was seeing a sales decline in 20 of The Coop's 76 stores. The average decline in sales for these 20 stores was 6%. His top two managers, Anita McMichael, VP of Quality and Trevor Wallace, VP of Marketing, were working with Buckmeister to figure out why customers weren't spending as much money in those stores and to determine the best way to correct this problem. There were three key parts to Buckmeister's decision: (1) should he invest in market research, and if so, (2) how much money should he spend and (3) which programs should he fund. Additionally, Buckmeister was considering implementing potential growth opportunities: (1) cobranding with Margie's Muffins and (2) offering a home delivery service.

Buckmeister himself believed that focus groups were an appealing option. They were a cheap, fast, way to talk to consumers in the areas where Coop store sales were slumping. Each focus group would contain 8-12 consumers and would last about two hours. The supplier would write a report, and The Coop management team could also observe the interviews. Three focus groups would cost about \$15, 000. Buckmeister also was in favor of implementing the use of customer feedback cards to help gather information on customer satisfaction. The feedback cards were small and inexpensive questionnaires to be placed in a conspicuous location near the case register in each Coop restaurant, and satisfied or unsatisfied guests could fill out the surveys as they pleased. Buckmeister is looking to have his dollar stretch the farthest, while also gaining insights on a small sample of customers' perceptions.

McMichael's proposal focused on two primary methods of getting to the bottom of the declining sales problem: (1) performing taste tests and (2) implementing a Quality Inspection Program. The purpose of the taste tests would be to gather objective information about the quality of The Coop's menu items relative to the competition. McMichael wanted to hold the taste tests in the R&D kitchens and recruit loyal customers from nearby stores to visit the kitchens and give their opinions about food items. It would cost about \$6000 for one taste test involving 8-12 customers. The second element of her proposal was the implementation of the Quality Inspection Program. The purpose of these inspections were to gather information about the quality of the food, service, and facilities provided by individual restaurants, and to ensure that all stores met Coop's high performance standards. A member of a team of quality inspectors would visit each Coop restaurant a minimum number of times per quarter and would systematically measure the speediness of service, the cleanliness of the facility, the quality of the food, etc. McMichael's proposal is focused on quality control.

Wallace's proposal advocated for two different methods in addition to focus groups: (1) using Brand Image Monitoring Surveys (BIMS) and (2) implementing Customer Experience Studies. The BIMS would gather quantitative data on The Coops brand image vis-à-vis its competitors. A market research supplier would interview customers and potential customers by telephone. BIMS was the most expensive option the The Coop was considering. Proposals from market research suppliers ranged from \$20,000-\$50,000. The minimum sample-size recommended by any researcher was 450 interviews. To obtain detailed breakdowns, most vendors were

suggesting approximately 900 interviews. The second element of his proposal included Customer Experience Studies (CES). This idea was adapted from a similar method of research conducted by Au Bon Pain. “Mystery shoppers” would visit company stores three times over four weeks, during breakfast, lunch, and dinner shifts.

Anonymous non-company affiliated customers would buy a meal and fill out a 60 question questionnaire about the restaurant, the food, and the service. There exists the potential of using the results of the surveys to pay bonuses to everyone from line employees to vice-presidents. Such an incentive scheme could help focus employee attention on quality and customer satisfaction issues. The purpose of these Customer Experience Studies would be to gather information on how customers viewed their visits to The Coop restaurants. The program would involve using an outside company, which would hire individuals to visit Coop restaurants and the individual would have no knowledge of who was paying for the research. The cost of this would be approximately \$20 per visit, or a total of \$45,600 for an entire year. While Wallace’s ideas are expensive, they will provide The Coop with the most in-depth research.

When offering recommendations, one has much to consider. Primarily, while Buckmeister’s ideas have some potential to be effective, market research cannot be approached with the mindset of providing the business with a quick and easy fix. To truly understand consumers, both of his options are not in-depth enough and contain too small of a sample size. I think that each of Buckmeister’s ideas should be implemented as they are both relatively

inexpensive (focus groups and comment cards) but they must be supplemented by a larger and more in-depth form of market research. I believe that McMichael's suggestion of taste tests should be eliminated from consideration. Sales at The Coop are not declining solely because of food quality. Performing taste tests would not enlighten The Coop regarding any other customer perceptions of the brand, the restaurants themselves, and the employees that the customer encounters.

I also believe that McMichael's Quality Inspection Program should be eliminated, because quality control elements are included as part of Wallace's Customer Experience Studies, which also provide The Coop with market research data. I believe that the Customer Experience Studies will be the most beneficial for The Coop. The Coop really needs to focus on the customer experience and customer perceptions of The Coop brand.

Buckmeister and his team must understand how exactly a customer feels during and after their purchase, and I believe that Customer Experience Studies are the best way to do that. Additionally, if Customer Experience Studies have been working for the successful chain Au Bon Pain, then the studies will most likely be beneficial for The Coop as well. I also believe that Buckmeister should completely eliminate that Brand image Monitoring Surveys from consideration.

Not only are they extremely expensive, but they are highly outdated. Nobody enjoys talking to telemarketers, and people will immediately begin to resent the brand if they find out that The Coop is behind annoying phone calls. Regarding growth opportunities mentioned earlier, I believe that the

Coop should steer clear of co-branding with Margie's Muffins. I think that it will confuse consumers, and not help The Coop's sales enough to justify it. Who wants fried chicken early in the morning? Hardly anybody. However, I do agree with McMichael and feel that future growth opportunities lay in the home delivery market. Meals consumed away from the restaurant are continuing to increase, and people value things that reduce their required effort. I believe that The Coop should slowly begin to introduce the home-delivery option to specific markets that have been tested to show that it is a service that customers would use.

Overall, my recommendation is that Buckmeister primarily implement (1) focus groups and (2) customer feedback cards. These are both a cheap and easy way to gain customer insights. I also believe that Buckmeister should bite the bullet and spend the \$45, 000 on the (3) in-depth Customer Experience Studies. The customer insights he gains will be well worth it in the long run. Finally, I believe that The Coop should slowly introduce the (4) home delivery service in specific markets where they believe customers will value the service. The Coop has much potential for future growth and sales increases if the company better understand its customer and offers its customers service that they find truly valuable.