Week 2 team paper

The paper " Design and Introducing a Cheaper New Product by Starbucks Café -the Largest Coffee Pot in the World" is a worthy example of a research proposal on business. The use of statistics can help corporations make better operational decisions. A company that has grown to become the largest coffeehouse in the world is Starbucks Café. Starbucks café offers its customer a variety of premium coffees made fair trade coffee. The firm is a socially conscious enterprise that has grown tremendously due to the ability of the managerial staff to guide the company towards success. The managers of the firm can use statistics in order to perform research to improve the operations of the company.

Starbucks is the largest coffee house in the world. Despite its global dominance, the firm faces competition from McDonald's who is in the process of establishing 1, 200 McCafe stores to compete directly with Starbucks. These stores are able to offer coffee drinkers a better price point on a premium coffee product. Due to the imminent competition from McDonald's and other competitors Starbucks Café needs to introduce an alternative coffee solution. The problem the company faces is the need to introduce a cheaper product without hurting the brand image of the firm. The new product has to be accepted by the customer base of Starbucks. The research question for this dilemma would be; can Starbucks Café introduce a cheaper coffee solution that the customers accept? To determine the viability of the project the use of statistics can help out a lot.

In order to determine the viability of introducing a cheaper coffee product at Starbucks, the managers must design research for the project. The emphasis

of the research is to determine if the Starbucks clientele would accept the product. In order for the research to have validity, the firm has to select a sample that is representative of the customer population at Starbucks. One of the primary variables that influence the customer's acceptance of its coffee drinks is taste. Taste in the research would be the dependent variable. Some independent variables in the study could be the packaging of the drink and marketing of the new product.

Starbucks has to design a sample that is representative of the customer base of the firm. Due to the fact that Starbucks has over 16, 000 stores across 49 countries, the firm has a large population to deal with. The sample should include at least one store from every country in which Starbucks is located. Each store then has to perform the taste test of the new coffee to its customers. The firm can perform the taste test on 500 customers. The total size of the sample is 24, 500 participants.

Despite the global dominance of Starbuck café, the company realizes that competition is a factor that the firm has to pay close attention too. Due to the changes in the marketplace the company has to make changes to its product offering to stay competitive and maintain a high customer retention rate. The firm realizes it needs to introduce a cheaper new product. One of the attributes that distinguish the products Starbuck offers its taste. Using statistics the company developed an experiment to test the viability of introducing a new product.