

Experimental research

Business



The simple experiment will take place at Target stores in St. Louis and Kansas. The goal of the experiment is to find if the price promotion and the tissue sales have a relevant relationship and association with each other. The data that will have to be taken into account can be analyzed following the conceptual framework shown in Figure 1.

In the month of November, a 50 cents-off coupon will be initiated. The sales will then be monitored. In this case, the number of quantity of tissue sold during the month while the price promotion is ongoing will be recorded. In the month of December, the “ buy-one-get-one-free” coupon will be employed. The quantity of tissue disposed during this time will be also monitored.

Each day, as the experiment progresses, the total number of sales (in quantity basis) will be recorded so that at the end of the week, the average quantity or number of sales will be recorded.

On the other hand, the prevailing data just prior to the initiation of price promotion will also be gathered. This is to ensure finding the potential impact of price promotion on the number or average number of tissues sold each week for the two-month-period experiment. In other words, there must be a comparison of data, because this is one of the ways in order to know if there is an existing relationship between the price promotion and the number of items sold for tissue.

Figure 1. The Conceptual Framework of the Experiment Showing the Relationships of the Variables

The 50 cents off-coupon should be denoted “ 1”. The buy-one-get-one-free promotion should be denoted “ 2”. And finally, the no promotion or regular

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price offering should be denoted as “ 3”. In this way, the actual data should look like what is presented in Table 1.

Table 1. The Sample Data

Price Promotion

Mean Quantity Sold (Pieces)

Week

1

456

Week 1

1

450

Week 1

2

500

Week 1

2

540

Week 1

3

300

Week 1

3

250

Week 1

The point of denoting the price promotion into numerical values is to be able

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to use a quantitative method of analysis that will determine the relationship or the cause and effect of price promotion and the number of items of tissue that will be sold. If there is an existing relationship this means that there should be either a higher positive or negative correlation between the chosen variables, the price promotion and the number of quantity sold for tissue product as shown in Figure 1.

After conducting a correlation analysis, the regression analysis will also be conducted in order to determine the actual model showcasing the actual relationship between the chosen variables. In other words, the experiment will not only test the relationship of the variables, but their actual associations. This is one way of knowing or representing the cause and effect relationship of the dependent and independent variables of the experiment. Furthermore, the experiment will be initiated in selected stores. This means that there will be more than a single data coming from a specific target, making the experiment varied in its approach.