

# Coop case study

Business



There were three key parts to Bushmaster'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, Bushmaster was considering implementing potential growth opportunities: (1) cooperating with Marge's Muffins and (2) offering a home delivery service. Bushmaster 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. Bushmaster 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 cash register in each Coop restaurant, and satisfied or unsatisfied guests could fill out the surveys as they pleased. Bushmaster is looking to have his dollar stretch the farthest, while also gaining insights on a small sample of customers' perceptions.

Michael'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. Michael 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 teams. 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 loneliness of the facility, the quality of the food, etc. Michaels proposal is focused on quality control. OFF (1) using Brand Image Monitoring Surveys (SIMS) and (2) implementing Customer Experience Studies.

The BINS would gather quantitative data on The Coops brand image visit-visit its competitors. A market research supplier would interview customers and potential customers by telephone. BINS 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 (SEES). 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 Wallach'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 Bushmaster'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 Bushmaster's ideas should be implemented as they are both relatively inexpensive (focus groups and comment awards) but they must be supplemented by a larger and more in-depth form of market research.

I believe that Michaels 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 Michaels Quality Inspection Program should be eliminated, because quality control elements are included as part of Wallach'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. Bushmaster 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 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 Marge's Muffins. I think that it will confuse consumers, and not help The Coop's sales enough to justify it.

Who wants fried hickey early in the morning? Hardly anybody.

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However, I do agree with Michael 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 Bushmaster 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 Bushmaster 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.