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RFG Analysis

**Introduction**

Running for Glory (RFG) is asking for analysis on the advantageous of creating new business opportunities by marketing or adding locations in the suburbs of Seattle. It is believed by one of the four partners that by targeting a younger population the business will continue to be successful in the future. RFG is being proactive and exploring potential problems before they come to fruition. The company data available to use in this research project is total sales figures, and past inventory records. The potential problem as is that RFG will not grow if they do not begin marketing to the outer suburbs. The hypothesis thus becomes, if RFG doesn’t market to the outer suburbs, then it will be disadvantageous to RFG, as younger people, an integral revenue stream, are moving to the suburbs. There are several variables in this problem that need to be addressed. Our dependent variable in the case is the success of the business. The independent variable is marketing to the suburbs and the two moderating variable is that first young people are an integral revenue stream for RFG, and the second that young people are leaving Seattle for the suburbs.

To properly analyze the RFG’s situation there will need to be a collection of data to aid in decision making to make evidence-based decisions and to obtain knowledge for the purpose of studying long-term profitability. The first data collection needed is the demographics that support the revenue stream. The second is the change of demographics in Seattle as compared to the Suburbs of Seattle. There are a few processes changes the business needs to make for a research analysis to take place. First the company needs a website that that user log into so that the user profile information can be gathered, as well as information from google analytics as to what demographic is visiting the site. A POS system with greater sales tracking needs should be used to gather data on the type of purchases and determine what areas the business is most profitable in. Other concept that will gather data on the demographic of current customers would be contests or giveaways that require contestants to answer age related questions, online surveys, event sign up information or from monitoring social media activity on what demographic is most engaged. Technology opened the doors of data to everyone, the competitors are using it, if RFG doesn’t the sales will suffer. At this point we identified a potential future problem and came up with a broad problem statement of “How to keep the business successful in the future?”. We have a hypothesis that if RFG doesn’t market to the outer suburbs, then it will be disadvantageous to RFG, as younger people, an integral revenue stream, are moving to the suburbs. Through a few changes is business processes we can begin collecting data that will then be analyzed to determine if the partners hypothesis is correct. With all the new data sources the analyzation of other potential variables on our initial problem can be easily analyzed, and a proper data driven decision can be made using facts, to prevent wasted marketing or startup costs. The following research question will guide the rest of this research project:

1. What is the age, sex, income level, race, employment, homeownership status and level of education of RFG customers?
2. What are the consumer trends in the purchase of their running apparel? Why would a consumer purchase these products in a physical store as opposed to online or from a large retailer?
3. What are the past and current demographics of the Seattle area? What are the past and current demographics of the suburbs of Seattle? What are the demographics of other successful running shops in the United States, or demographics of customers who buying running products from online locations?
4. Are there established businesses in the Seattle suburbs that will be direct competition for RFG if the move to this location? Is running a popular activity in the Seattle suburbs? Are there popular running trails available for consumers in the Seattle suburbs?

**Data Evaluation**

To answer the research, question the research team is going to use several sources most of which are already available, except for the questionnaire to the RFG employees and the RFG customers. The sources that will be analyzed for this project are detailed below.

The first source deals with demographic data from the census bureau and will be integral to answering the third research question, to determine demographic differences between Seattle and its suburbs overtime. This is relevant to see if younger people are actually leaving the Seattle area for the suburbs. Census Bureau data is taken every ten years and is therefore not perfectly up to date, however a lot of resources are used to make projections based on past census data to give the most accurate data available on population demographics. Census data is public information and easily accessible for the general population if credit is given to the author.

The second source from the census bureau shows business demographics in the areas of interest as well as demographics of other athletic shops around the United States. This is applicable to the fourth research question dealing with finding current running/athletic shops in the Seattle suburbs. This information is relevant to RFG because it will show if there are other businesses operating that will be a competition for RFG in that area. Census Bureau data is taken every ten years and is therefore not perfectly up to date, however a lot of resources are used to make projections based on past census data to give the most accurate data available on population demographics available. Census data is public information and easily accessible for the general population if credit is given to the author.

The third source is a research article that looks at what type of people are using running apps on sports watches. This is relevant to the research questions because as we are attempting to determine the demographics of current RFG customers this article will give us an idea of what the results we will find are. While not every runner uses sports watches it could help the researcher to grasp the demographic of runners. This data is relevant to RFG. It deals with demographics in one segment of the running market. The data shows gender, age, education, and training frequency all of which can be used by RFG. This is a public research paper, and the data is available for RFG to use if credit is given to the authors.

The fourth source is a primary source questionnaire for the people coming into the RFG store or potentially an online version. This data is applicable to the first research question to determine what the actual demographics of RFG customers are. This information is important for RFG to know which demographic to target for future stores or marketing. This data will be completely reliable as it is built exactly for the purpose of this research paper. Getting customers to fill out the questionnaire must be of their own volition but beyond that if they fill it out the data is RFG’s to use if their personal information is not used.

The fifth source is a research report of the trajectory of running apparel and footwear industry. This is applicable to the second research question to help determine the future trend in running apparel. This is relevant to RFG because it is a report based on the largest running apparel manufacturers (Nike, Adidas, etc.) as to the future trend of the market. This is very specific to RFG’s future and may give light on demographics and future trends to market. This is quality data done by researchers that will be important to our research project on RFG.

The only limitation on this data is purchasing a copy of it and giving credit to the authors for what parts of it are used.

The sixth source is a website put out by Washington State on popular running trails in the area. This source will answer part of research question 4 that a place with a lot of trails will have more runners associated with it. The information found in this source may be relevant to RFG to help decide on the location for a new location. Putting a running shop near popular running spots may be beneficial, also knowing where the consumers use the products that RFG sell is good. The quality of this data is not very good. It is put out by the WTA but doesn’t give information on number of visits per year, or any other demographic information. It is also not a comprehensive list of all trails, just ones that it is recommended to try. This information was found on a public website and the information is usable for the purpose of this research project.

The seventh source profiles the demographic of runners. This will help answer the first research question in determining RFG main client base. This source is relevant to RFG because it deals specifically with the demographics of their only business, while not hyper specific to the Seattle area this research will be highly beneficial for RFG to better understand their customer base. The data is of good quality and was released in 2021, it studied 167 individuals and includes demographic information of sex, education, age, and marital status. This data is from a published research document and is available for anyone to use and long as credit is given to the author when needed.

The eighth source is a primary source of questionnaire to the employees and owners of RFG. This questionnaire will help answer the first research question as to what RFG’s customer demographics is. This is relevant information for RFG as it will organize the thoughts of the collective company to get the best idea of what their thoughts are. This information will be quality data unless bias is introduced but the handling of the questionnaire will be done as best to reduce this as much as possible. This questionnaire cannot be required of the employees and their privacy will be concealed regarding their responses.

The ninth source is a secondary source and is a source that gives statistics for sporting goods stores in general. This is applicable to the research questions 1 and 2 regarding demographics and trends of sporting goods retailers. This source is not very relevant to RFG because it is not specific to running and does not rely on the same cult following that RFG does so their customer base will be completely different however there may be some important data into the demographics of people that buy sporting equipment that could be relevant to RFG. This source is a research paper that contains quality data that is available to use for a fee and giving credit to the source when using the material.

The tenth source is reports on athletic shoe stores. This is relevant to the first and second research question regarding who RFG main customer base is and what are the future trends that RFG can expect in their market. This information is relevant to RFG as running shoes are likely a major product they sell. It is not a perfect match because it only deals with shoes and not specific ones for running so the information will need to be sifted through for relevance. This source is a research paper that contains quality data that is available to use for a fee and giving credit to the source when using the material.

**Data Processing Steps**

Not all the sources in this research will require the intricacies of data processing. The ones that will are the demographic census, business census, questionnaire for RFG customers, and the questionnaire for RFG employees. The first step once the questionnaires are returned and the specific demographic area information is found is to get the data ready for analysis. Once the data is received from the questionnaires for example the quantitative data needs to be entered into a data base program to allow for ease of access and manipulation. Data manipulation works best with numbers that are easily compared and grouped as opposed to words and sentences. If one of the questions asked the respondent their education, then just putting into the database high school diploma will not be easy to manipulate in the study. Instead, high school diploma should get a “1”, college “2” and so on. The next step to get the data ready for analysis is to edit the data. Nonresponses shall be left blank and not accounted for. The data will be searched for illogical, inconsistent and outlier responses to ensure that it is as accurate as possible. Lastly the data from the questionnaires will need to be transformed. Specifically, the reverse scoring questions that we used to keep the respondent interested in the survey need to be reversed to reflect the proper sentiment of the response during the data analysis phases.

The next data process step is getting a feel for the data by looking for relationships between two variables. The first thing to look for with the data is frequencies. How often does each answer occur in relation to the others viewed as a percentage? From the data we got from the questionaries of the RFG customers and employees we will look at the percentage of most common age group of customers, percentage of most common living location etc... This data is best viewed in graphs to get a better understanding of the results, bar charts and pie charts being the most common. Another way to describe the data to give a snapshot of what the results are is looking at measures of central tendency, the mean, the median, and the mode. The mean is going to show us the average of the results a specific question on the questionnaire such as the average age of the customers. The median is looking for the middle number of all the results and is less used than the mean but can be important in certain instances. Such as if we took salary information form the customers and there was one customer that makes a million dollars a year, but no other customer makes more then 100,000. The mean will be greatly affected by this one person that makes a million dollars however the median will not be affected by it. The mode is the data point that occurs most commonly in a response to a question. While this is not often used in some instances as if there was a multiple-choice question about “Which is your favorite brand on sneaker?” and each type was assigned a number in the data entry step then the mode will be a much more helpful number to know then the average of all the sneaker brands. Another measure of central tendency to look for in the data is the measures of dispersion. These measures will show how great the span is of the numbers as opposed to just the mean, median and mode. The most common dispersion measures are range, variance, and standard deviation and these will give the researcher a snapshot of the data without needing to look line by line at every data point to understand the results. The next area to group data by is the relationships between variables this is done through non-parametric tests, correlation matrixes, and scatter diagrams.

The last step with the data once it is first received is testing the goodness of measures. How reliable is the results? There are multiple measures used to test the data for reliability. It is important to run these tests otherwise in the final stages of the research project the researcher is making recommendations on false data that will most likely not yield the intended results. On top of checking the reliability the validity of the data needs to be assessed by submitting the data for factorial validity.

**Data Analysis**

In the research process for RFG there are a few tools, methods, and strategies that we used to obtain the results. The first thing we did was data retrieval. We used secondary data research to gain a better understanding on the running industry, demographic information on both Seattle and its suburbs and typical demographic of customers of running apparel. We use primary data through questionaries for both the customers and the employee to understand the demographics of RFG’s customers. Once the data is gathered, we then cleaned, manipulated, and reduced it to highlight the specific trends that are important to RFG. Then we used graphical representations to search for more trends and a way to show an audience quickly without needing to look at all the data.

The audience of the findings of this research project is going to be the four partners in the RFG store. To present the finding of the survey we will use a presentation software such as power point and will first begin with analysis of the secondary sources for what the future trends and outlooks of the running business may look like and a brief discussion on why the research suggest RFG has been able to stay successful in business. (Answering our second research question). Second, we will display the results of the two questionaries regarding the current demographics of RFG customers. (Answering the first research question) Graphs and highlighted data will be used to show these trends. Third we will show the demographics data of the Seattle area and its suburbs using graphical representations. As well as other businesses similar to RFG and how their demographic info relates or doesn’t relate to RFG. (Answering the third research question) Lastly, we will present our findings on the Seattle suburbs as to whether or not RFG will be successful in the suburbs and which specific towns or areas may be best as suggested by the data. (Answering the fourth research question)

The sources for this resources project were primary as in the questionaries meaning we gathered them specifically for the purposed of this study. The other data source type if secondary where we used data from previous projects that help the project come to its conclusions. For data types we used mostly quantitative data to allow us to make graphical representations of the data better as opposed to qualitative that can’t be counted. For question where a qualitative point is gathered such as town they reside in, during the data analysis phase these will be turned into a numbered system. Some of the data types that we gathered are ordinal such as age in that they can be put into a logical class of values. As well there will be some nominal data gathered such as place of residence.

There are a few important concepts for the RFG partners to understand in this research project. The first is the current demographics of their customers. Are the younger people a good revenue source as one of the owners suggests? The second is what the future of the running apparel business is projected to look like, and how to use this knowledge to RFG’S favor. An example could be that it may be more beneficial to start an online presence then opening another retail shop. The third concept for the clients to grasp is the current market that their business is successful with and the demographics of other similar businesses. The fourth concept would be how the Seattle suburbs would be a good or bad location for RFG to open another store. As well as the potential city that would offer the best location according to the research data. Depending on the results of this data will depict the recommendations given to RFG.