NESPRESSO

Nespresso Market Research Proposal

(ST3188 Coursework)

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Executive Summary

Nespresso was founded in 1986 with its first coffee machine and four coffee blends. Now, Nespresso has emerged as a pioneer in the coffee industry. The company strives to make a positive global impact with a commitment to sustainability.

This marketing research proposal aims to assist Nespresso in achieving its research objectives over a six-month period. The proposal addresses three primary aims identified in the client brief:

1. Understand customers' preferences for new coffee blends (such as seasonal varieties) and new brewing technologies
2. Understand any customer pain points to identify areas for improvement in product quality, packaging, and customer service
3. Evaluate the effectiveness of its sustainability initiatives and identify opportunities for further improvement

To achieve these aims, we will break down the goals into research questions and research objectives. We propose a comprehensive research methodology employing a combination of exploratory, causal, and descriptive research designs. A cross-sectional design of both qualitative and quantitative approaches will be used to address our research objectives effectively.

We will detail the data collection process and outline the necessary data requirements. Statistical techniques which are facilitated by SPSS will be employed to analyze the gathered data. Our market research report will provide a thorough analysis and highlight the insights derived from the data analysis. Next, we will discuss the methodology for conducting focus groups, including the selection of samples and the sample questions to be asked. This proposal also includes a sample questionnaire, a timeline, estimated budget, and further recommendations for the entire project.

In conclusion, we aim to provide Nespresso with actionable recommendations based on thorough analysis, enabling the company to maintain its leading position in the premium coffee market. We are confident that this research proposal will equip Nespresso with a deeper understanding of customer perspectives and preferences, thereby fostering sustainable growth in the highly competitive coffee industry.

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1 Background

Nestlé Nespresso S.A. is commonly known as Nespresso and a key player within the Nestlé Group headquartered in Switzerland. Nespresso stands as a global pioneer in the coffee industry always dedicated to delivering the best coffee experience. Nespresso machines use pre-measured coffee grounds in capsules, which ensures the high quality of the coffee they produce. Notably, Nespresso emphasizes sustainability with reusable pod options and blends rich heritage with modern espresso culture. Today, Nespresso has evolved into a symbol of quality, ensuring the accessibility of its machines and capsules worldwide.

2 Problem Definition

As mentioned by the client, Nespresso's business objective is to maintain its leading position in the premium coffee market by focusing on innovation and customer satisfaction. Nespresso aims to achieve this by introducing new coffee blends and brewing systems. Additionally, Nespresso is dedicated to enhancing the overall customer experience based on valuable feedback. As part of its corporate social responsibility, Nespresso seeks to foster positive customer perceptions regarding the sustainability of its pod. This study will address these concerns within 6-months period by recommending strategies for Nespresso to enhance its market share growth.

3 Research Aims (RAs)

Through the client brief, we have identified three main research aims (RAs) to address Nespresso's main concerns:

- **Research Aim 1:** Understand customers' preferences for new coffee blends (such as seasonal varieties) and new brewing technologies
- **Research Aim 2:** Understand any customer pain points to identify areas for improvement in product quality, packaging, and customer service
- **Research Aim 3:** Evaluate the effectiveness of its sustainability initiatives and identify opportunities for further improvement

4 Research Questions (RQs) and Research Objectives (ROs)

To address each research aim (RAs), we propose corresponding Research Questions (RQs) and their respective Research Objectives (ROs):

For RA 1,

- **RQ 1.1:** How does the willingness to spend on new coffee blends vary across these variables: Gender, Brand Loyalty, Coffee Consumption Frequency, Roast Level?

- **RQ 1.2:** How do different age groups of consumers influence their preference for new technology?

These questions aim to explore the consumers' maximum willingness to spend on new coffee blends, estimate the price range more acceptable to them, and investigate whether different age groups have different preferences which influence their attitudes toward new brewing technology.

ROs proposed:

- **RO 1.1:** Examine the relationship between willingness amount to spend on new coffee blends and the following variables: Gender, Brand Loyalty, Coffee Consumption Frequency, Roast Level.
- **RO 1.2:** Investigate the relationship between age groups and their preference for new technology.

For RA 2,

- **RQ 2.1:** How does the customers' satisfaction level vary across these variables: Coffee quality, Packaging perceive quality, Age, Annual Household Income
- **RQ 2.2:** What are the pain points experienced by customers in their interactions with the current customer service?

These questions aim to understand customers' perspectives on Nespresso's current situation, including areas for improvement in product quality, packaging, and customer service. By addressing these concerns, Nespresso can optimize its marketing strategy and refine its branding focus.

ROs proposed:

- **RO 2.1:** Examine the relationship between customers' satisfaction level and the following areas: Coffee Quality, Packaging perceive quality, Age, Annual Household Income
- **RO 2.2:** Identify and understand the specific challenges or difficulties (pain points) that customers encounter during their interactions with the current customer service.

For RA 3,

- **RQ 3.1:** What improvements can be implemented in Nespresso's sustainability initiatives to boost market competitiveness?
- **RQ 3.2:** What initiatives can be implemented to identify the effectiveness of Nespresso's sustainability initiatives?

These questions aim to provide Nespresso with insights on improving its sustainability initiatives and identifying opportunities for further enhancement. By analyzing the results, Nespresso can refine its strategies and optimize its sustainability efforts in the future.

ROs proposed:

- **RO 3.1:** Explore specific improvements that can be implemented in Nespresso's sustainability initiatives to enhance market competitiveness.
- **RO 3.2:** Determine how an environmentally friendly promotional campaign impacts Nespresso's brand perception from the customer's perspective.

5 Methodology

5.1 Research Design

This market research objective involves a combination of exploratory, causal, and descriptive research designs. The exploratory approach allows us to uncover customer challenges with current customer service interactions and deepen insights into sustainability initiatives. The descriptive approach is applied to gain a better understanding of current market characteristics or phenomena and facilitate informed strategic decisions. Finally, causal research is used to measure changes in customer perception resulting from environmentally friendly promotional campaigns. By incorporating multiple research designs, this proposal aims to capture accurate and comprehensive information.

We utilize a cross-sectional design of qualitative and quantitative approaches to address our research objectives. The qualitative approach focuses on conducting focus groups to gain insights into participants' behavior. For the quantitative approach, hypotheses will be formulated for each research objective and tested using quantitative data to explore connections between various measured variables.

We will conduct focus-group studies and online questionnaires to collect primary data. Additionally, secondary data will be obtained from the marketing database provided by Nespresso. Incentives such as gift cards will be offered to encourage a higher response rate and improve respondent cooperation.

5.2 Relevant Statistical Techniques and Test

We will make use of statistical techniques with SPSS to analyze the gathered data. Below are the statistical techniques that we propose for each research objective.

Quantitative:

- **RO 1.1:** Multiple Linear Regression
- **RO 1.2:** 1-way ANOVA

- **RO 2.1:** 3-group Discriminant Analysis
- **RO 3.2:** Paired t-test

Qualitative:

- **RO 2.2:** Focus Group
- **RO 3.1:** Focus Group

6 Data Collection

6.1 Questionnaire

As we aim to gather a large amount of information from diverse geographic regions within a short timeframe, online questionnaires offer significant convenience. The questionnaire begins with an introduction outlining the purpose of data collection, followed by general inquiries for all customers, including age, gender, and coffee consumption frequency. Depending on their customer status (Nespresso/ Non-Nespresso Customer), participants will be directed to specific sections. Finally, individuals interested in participating in a focus group discussion will be informed of the details through the email they provide.

A pilot test will be conducted with a sample of 30 respondents drawn from the sampling frame to complete the questionnaire, aiming to identify and address any potential issues overlooked during its development. The final questionnaire should minimize ambiguity in question content, wording, sequence, format, instructions, and question difficulty to ensure clarity and ease of understanding.

6.1.1 Sample Size Determination for Questionnaire

For this market research, we propose a sample size that would give appropriate balancing robust results with cost optimization. Assuming a 95% of confidence interval and a conservative estimate of a 50% survey completion rate which results in the largest possible sample size n value, we calculate the minimum required sample size using the formula below:

$$n \geq \frac{\left(z_{\frac{\alpha}{2}}\right)^2 \pi(1-\pi)}{e^2}$$

$$n \geq \frac{1.96^2\big(0.5(1-0.5)\big)}{0.05^2} \approx 385$$

From the formula, we get a total sample size value of $n \approx 385$. From the client brief, we have a population size of at least 5000(N) for Nespresso customers. Therefore, we conduct a finite population correction below:

$$n_c = \frac{nN}{N + n - 1}$$

$$n_c = \frac{385(5000)}{5000 + 385 - 1} \approx 357$$

After adjustment, we may achieve a minimum sample size of 357 for Nespresso customers.

Since the population size for competitor customers is unknown, we recommend a minimum sample size of 385 as the population size is large enough. However, the final decision on the sample size will be made by Nespresso.

6.1.2 Questionnaire involving Nespresso customers

The sampling frame will be selected from the marketing database provided by Nespresso. We propose using stratified sampling, a two-stage clustering method, to select respondents. Our clustering will be based on regions. Subsequently, a simple random sample of respondents will be chosen independently from each stratum. This sampling method is easy to implement and provides greater precision.

6.1.3 Questionnaire involving non-Nespresso customers

We propose utilizing a convenience sampling method to select respondents as it is both convenient and cost-effective for obtaining a large number of questionnaires. The questionnaire will be distributed via social media platforms such as Instagram, Facebook, and Twitter, with an incentive of a free Nespresso coffee blend offered upon completion.

6.2 Online Focus Groups Discussion (FGD)

Focus group discussions allow participants to creatively share ideas that researchers may not have considered. However, some group members may feel shy or lack confidence, leading to a reluctance to share significant insights. Therefore, the role of the moderator is crucial in facilitating these sessions.

Participants for the FGDs will be selected from those who expressed interest during the survey. The discussions will be conducted through an online platform for convenience and efficiency. Ideally, each focus group should consist of no more than 10 participants to facilitate effective moderation. Additionally, the duration of each session should not exceed 90 minutes to maintain participant engagement.

We propose conducting a total of 10 focus groups, consisting of 8 Nespresso customers and 2 non-Nespresso customers. Thus, we will select 100 respondents from each customer group who have indicated their interest in participating in the focus group study on the interest form.

6.3 Data Collected

Variable	Data Type
Age	Continuous / Categorical
Gender	Categorical Nominal
Customer Status	Categorial Nominal
Annual Household Income	Continuous
Roast Level	Continuous
Coffee Consumption Frequency	Continuous
Region of Residence	Categorical Nominal
Brand Loyalty	Categorical Ordinal (Likert Scale 1 to 5)
Coffee Quality	Categorical Ordinal (Likert Scale 1 to 5)
Packaging Perceive Quality	Categorical Ordinal (Likert Scale 1 to 5)
Customer Satisfaction Level	Categorical Ordinal (Likert Scale 1 to 3)
Willingness to spend on new coffee blends	Continuous
Preference for brewing technology	Continuous
Pain Points experienced by customers	Categorical Nominal
Improvement can be implemented in Nespresso's sustainability initiatives	Categorical Nominal
Level of positive consumer perception of Nespresso's sustainability initiatives (Before & After)	Categorical Ordinal (Likert Scale 1 to 5)

Table 1: List of Data Collected

7 Data Analysis

7.1 Quantitative

All tests are conducted at 5% significance level ($\alpha = 0.05$) using SPSS.

7.1.1 Research Objective 1.1

Multiple Linear Regression (MLR) is useful in addressing RO1.1. Let the predictor variables be origin of the coffee bean, brand loyalty, coffee consumption frequency and roast level. The dependent variable will be the willingness amount to spend on new coffee blends. We formulate our hypothesis as follow:

H_0: There is no relationship between willingness amount to spend on new coffee blends and the factors

H_1: There is a relationship between willingness amount to spend on new coffee blends and the factors

The MLR function is:

$$\widehat{Amount} = \widehat{\beta_0} + \widehat{\beta_1}Gender + \widehat{\beta_2}BLoyalty + \widehat{\beta_3}CCFrequency + \widehat{\beta_4}RL$$

$\widehat{Amount}$: Estimated value of respondent's willingness amount to spend on Nespresso's new coffee blends

$\widehat{\beta_0}$: Intercept/ Value of $\widehat{Amount}$ when all variables are 0

$\widehat{\beta_k}$: For every additional 1 unit increase in X_k, $\widehat{Amount}$ increase by this value, with the other independent variables held constant, k = 1, 2, 3, 4

Gender:

- 0: Male
- 1: Female

Brand Loyalty:

- Low (0 – 1)
- Medium (2 – 3)
- High (4 – 5)

CCFrequency: Coffee Consumption Frequency

RL: Coffee Roast Level

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)							
Gender							
Brand Loyalty							
Coffee Consumption Frequency							
Roast Level							

a. Dependent Variable: Willingness amount to spend on Nespresso's new coffee blends

Table 2: Coefficients & t-test table from SPSS

We could obtain the estimated coefficients from the unstandardized coefficients (B column) in the SPSS table above to observe how each variable influences the willingness to spend on Nespresso's new coffee blends. Additionally, we would test the significance level of each independent variable using a t-test and examining the Sig. value. A variable is considered a significant predictor if its p-value is less than 0.05.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1				

a. Predictors: (Constant), Gender, Brand Loyalty, Coffee Consumption Frequency, Roast Level

Table 3: Model Summary for Model Fit from SPSS

We could identify the overall goodness of fit using R Squared value from *Table 3*. The larger the R Squared value, the better the model fits the observations. Finally, a global F-test using ANOVA table could be conducted to test the model's significance.

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression					
	Residual					
	Total					

a. Dependent Variable: Willingness amount to spend on Nespresso's new coffee blends

b. Predictors: (Constant), Gender, Brand Loyalty, Coffee Consumption Frequency, Roast Level

Table 4: ANOVA for Global F-test from SPSS

From ANOVA table above, we are testing the hypothesis below:

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$$

$$H_1: Not\ all\ \beta's\ are\ zero$$

If the Sig. (p-value) is less than 0.05, we reject H_0 and conclude that at least one of the independent variables significantly contributes to the prediction of the dependent variable.

7.1.2 Research Objective 1.2

One-way ANOVA is used to address RO1.2. The independent variable is the age group while the dependent variable is preference for new technology. We would like to investigate whether preference for new technology differs between different age groups.

Age Groups
Young Adults (18 – 24 years old)
Middle-Aged Adults (35 – 54 years old)
Older Adults (55years old and above)

Table 5: Independent Variables Categories

We will be able to obtain a descriptive table displaying summary statistics, such as means and standard deviations, which will allow us to compare the means across groups using the table below:

Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Young Adults								
Middle-Aged Adults								
Older Adults								

Table 6: Descriptive Table across Various Age Groups

We proceed to conduct Levene's test followed by one-way ANOVA. We would use the variables below:

Symbol	Denotes
σ_1^2	Population variance of preference for new technology of young adults
σ_2^2	Population variance of preference for new technology of middle-aged adults
σ_3^2	Population variance of preference for new technology of older adults
μ_1	Population mean preference for new technology of young adults
μ_2	Population mean preference for new technology of middle-aged adults
μ_3	Population mean preference for new technology of older adults

Table 7: Variable denotation for one-way ANOVA

Output from SPSS:

Test of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
Preference	Based on Mean				
	Based on Median				
	Based on Median and with adjusted df				
	Based on trimmed mean				

Table 8: Test of Homogeneity of Variances from SPSS

<u>Levene's Test</u>

$$H_0: \sigma_1^2 = \sigma_2^2 = \sigma_3^2$$

$$H_1: Not\ all\ variances\ are\ equal$$

H_0 will be rejected if the p-value (Sig.) based on the mean is < 0.05. This can conclude that there is a significant difference between the preferences for new technology across the age groups.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups					
Within Groups					
Total					

Table 9: ANOVA table from SPSS

ANOVA Table

$$H_0: \mu_1 = \mu_2 = \mu_2$$

$$H_1: Not\ all\ means\ are\ equal$$

If the p-value (Sig.) is less than 0.05, we reject H_0. This allows us to conclude that there are significant differences in mean preferences for new technology across different age groups.

7.1.3 Research Objective 2.1

3-group discriminant analysis is used to address RO 2.1. Let the predictor variables be the coffee quality, packaging perceives quality, age, and annual household income. The dependent variable is the customer satisfaction level. The discriminant function is as follows: Wh

$$\widehat{D_1} = \widehat{\alpha_0} + \widehat{\alpha_1} CQuality + \widehat{\alpha_2} Packaging + \widehat{\alpha_3} Age + \widehat{\alpha_4} AHI$$

$$\widehat{D_2} = \widehat{\beta_0} + \widehat{\beta_1} CQuality + \widehat{\beta_2} Packaging + \widehat{\beta_3} Age + \widehat{\beta_4} AHI$$

$\widehat{D_1}$, $\widehat{D_2}$: Discriminant Score

$\widehat{\alpha_k}, \widehat{\beta_k}$: Discriminant coefficients for variable k, k = 1, 2, 3, 4

CQuality: Coffee Quality

Packaging: Packaging Perceive Quality

Age: Age

AHI: Annual Household Income

The coefficient of the discriminant function is obtained from table 10 using SPSS.

Canonical Discriminant Function Coefficients

	Function	
	1	2
Coffee quality		
Packaging perceive quality		
Age		
Annual Household Income		
(Constant)		

Table 10: Canonical Discriminant Function Coefficients from SPSS

Test of Equality of Groups Means

	Wilk's Lambda	F	df1	df2	Sig.
Coffee quality					
Packaging perceive quality					
Age					
Annual Household Income					
(Constant)					

Table 11: Test of Equality of Groups Means from SPSS

Assess the Predictor Significance and Discriminant Function Fitness

To determine the significance of each predictor, we examine Table 11, focusing on Wilk's Lambda and F-values. Smaller values of Wilk's Lambda or larger F-values indicate better discriminatory ability, signifying statistically significant predictor variables.

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1				
2				

Table 12: Eigenvalues from SPSS

Wilk's Lambda

Test of Function(s)	Wilk's Lambda	Chi-square	df	Sig.
1 through 2				
2				

Table 13: Wilk's Lambda from SPSS

Overall Fitness of Discriminant Functions

Table 12 offers insights into the discriminating power of the discriminant functions through Eigenvalues. Larger Eigenvalues, along with large canonical correlation values, indicate higher discriminating power, with the percentage of variance indicating the proportion of variance accounted for by the discriminant function.

Table 13 presents Wilk's Lambda, assessing the effectiveness of the discriminant functions collectively. A small Wilk's Lambda based on functions 1 through 2, with a p-value (Sig.) less than 0.05, indicates that both functions are statistically significant and effectively discriminate between the customer satisfaction levels..

Standardized Canonical Discriminant Function Coefficients

	Function	
	1	2
Product quality		
Packaging perceive quality		
Age		
Annual Household Income		

Table 14: Standardized Canonical Discriminant Function Coefficients

Structure Matrix

	Function	
	1	2
Product quality		
Packaging perceive quality		
Age		
Annual Household Income		

Table 15: Structure Matrix from SPSS

Evaluation of Variable Importance and Correlation with Discriminant Functions:

The importance of each predictor is assessed through Standardized Canonical Discriminant Function Coefficients (Table 14), with larger coefficients indicating greater discriminatory ability. Additionally, the Structure Matrix (Table 15) provides correlations between predictors and discriminant functions, highlighting variables with stronger relationships to the discriminant functions.

Based on the results above, we can gain a comprehensive understanding of the factors that have a significant impact on customer satisfaction levels and target our improvement strategies effectively.

7.1.4 Research Objective 3.2

Paired t-test, which is a causal research design, will be useful in addressing RO 3.2 to determine the impact of the environmentally friendly promotional video on customers' perception of Nespresso's sustainability efforts. We will use a one-group pre-test post-test experimental design to measure the participants' brand perception levels before and after exposure to the promotional video.

Pre-experimental Design

One Group pre-test post-test design
O_1 X O_2

O_1: A pre-test measurement is taken before watching the campaign

O_2: A post-test measurement is taken after watching the campaign

X: The exposure to campaign

Table 16: Experimental Design

The level of consumer perception of Nespresso's sustainability initiatives before and after the campaign will be measured. SPSS is used to generate the paired samples test below:

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Before - After								

Table 17: Paired Sample Test from SPSS

Paired samples t-test

$$H_0: \mu_d = 0$$

$$H_1: \mu_d \neq 0$$

The population mean difference in the level before and after is denoted as μ_d. According to table 17, we will reject H_0 if Sig. (2-tailed) is < 0.05, indicating a significant difference in the level of consumer perception of Nespresso's sustainability before and after watching the campaign. If both end values of the confidence interval for the mean difference are negative, we can conclude that there is a significant improvement.

7.2 Qualitative

Focus groups will be conducted to gather in-depth insights into participants' perspectives on specific topics related to RO 2.2 and RO 3.1. Each focus group will ideally consist of 10 adults and 1 moderator. Participants are expected to be fluent in English and willing to share their knowledge and ideas. The discussions will be recorded by the moderator for further review and to generate a summary report. The moderator will guide the conversation with structured questions while allowing participants to pose their own queries. Each focus group session is expected to last approximately 60 to 90 minutes.

7.2.1 Research Objective 2.2

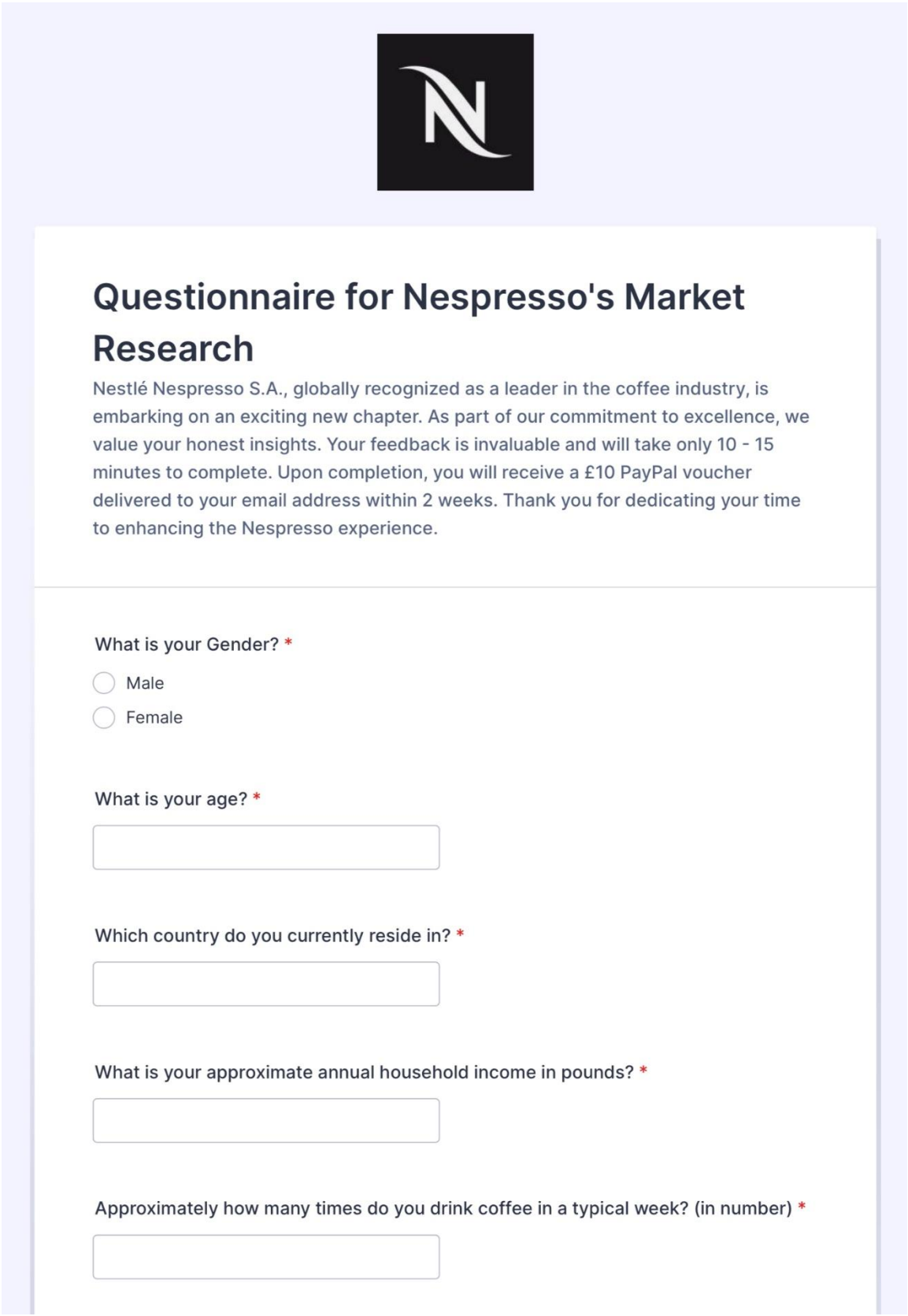
A qualitative focus group study is conducted to understand the challenges or difficulties (pain points) experienced by existing Nespresso customers during their interaction with the current customer services. We aim to discover perspectives from participants to further enhance the quality of customer services. The moderator will ask open-ended questions such as "What do you think about the current customer services?" or "What difficulties have you encountered during online customer services?" to facilitate discussion.

7.2.2 Research Objective 3.1

Nespresso has demonstrated a longstanding commitment to sustainability. To further enhance its market competitiveness, a focus group study has been conducted to explore potential improvements in Nespresso's sustainability initiatives. The objective is to uncover fresh perspectives from participants that may not have been previously considered. By understanding emerging trends in participant perspectives, valuable insights can be gained to align Nespresso's sustainability efforts with consumer preferences and market demands. During the sessions, the moderator may pose open-ended questions such as, "Which aspects of Nespresso's sustainability efforts do you find effective?" or "In what areas do you believe Nespresso can enhance its sustainability initiatives?" to stimulate discussion and gather diverse perspectives.

8 Questionnaire

8.1 Main Questionnaire



Questionnaire for Nespresso's Market Research

Nestlé Nespresso S.A., globally recognized as a leader in the coffee industry, is embarking on an exciting new chapter. As part of our commitment to excellence, we value your honest insights. Your feedback is invaluable and will take only 10 - 15 minutes to complete. Upon completion, you will receive a £10 PayPal voucher delivered to your email address within 2 weeks. Thank you for dedicating your time to enhancing the Nespresso experience.

What is your Gender? *

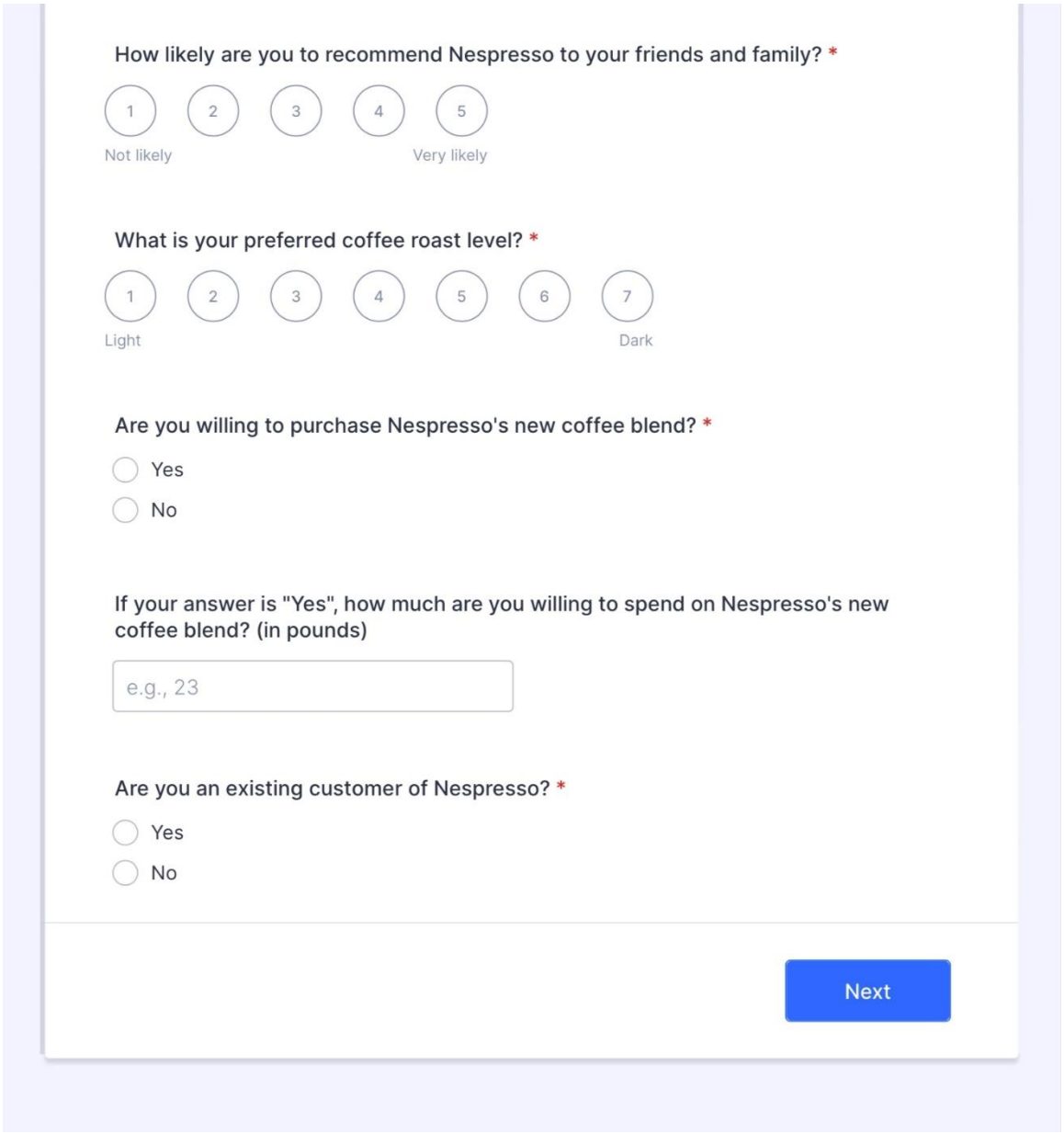
- Male
- Female

What is your age? *

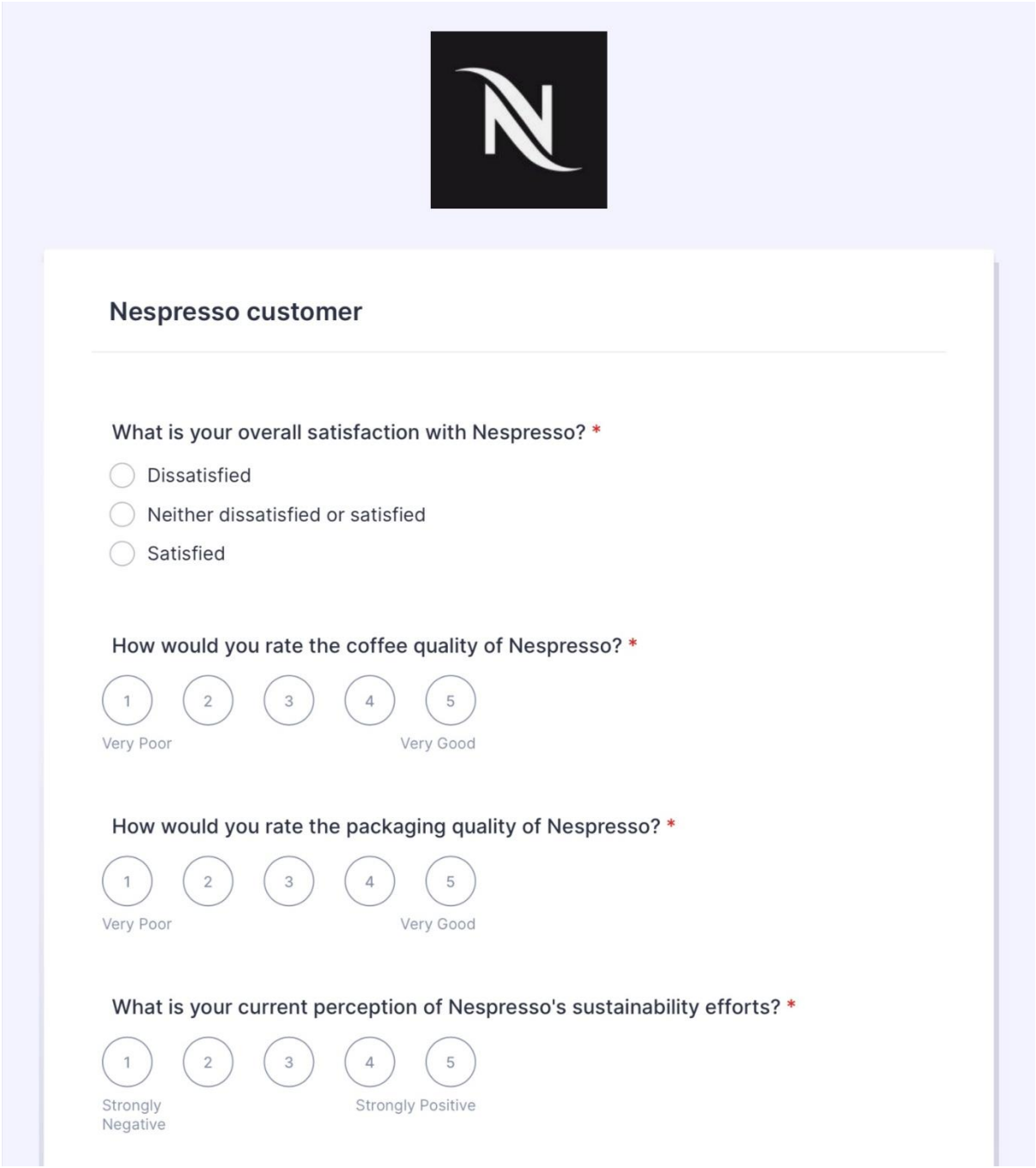
Which country do you currently reside in? *

What is your approximate annual household income in pounds? *

Approximately how many times do you drink coffee in a typical week? (in number) *


How likely are you to recommend Nespresso to your friends and family? *
1
2
3
4
5
Not likely
Very likely
What is your preferred coffee roast level? *
1
2
3
4
5
6
7
Light
Dark
Are you willing to purchase Nespresso's new coffee blend? *
Yes
No
If your answer is "Yes", how much are you willing to spend on Nespresso's new coffee blend? (in pounds)
e.g., 23
Are you an existing customer of Nespresso? *
Yes
No
Next

8.2 Questionnaire for Nespresso Customers



Nespresso customer

What is your overall satisfaction with Nespresso? *

- Dissatisfied
- Neither dissatisfied or satisfied
- Satisfied

How would you rate the coffee quality of Nespresso? *

1 2 3 4 5

Very Poor — Very Good

How would you rate the packaging quality of Nespresso? *

1 2 3 4 5

Very Poor — Very Good

What is your current perception of Nespresso's sustainability efforts? *

1 2 3 4 5

Strongly Negative — Strongly Positive

Please watch the video clip below carefully.

After watching the video above, what is your current perception of Nespresso's sustainability efforts? *

1 2 3 4 5

Strongly Negative — Strongly Positive

Would you be interested in participating a 90-minute online focus group discussion? Participants will receive a £30 PayPal incentive as a token of appreciation. *

- Yes
- No

Please provide your email address to receive your £10 PayPal voucher. *

example@example.com

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8.2 Questionnaire for Non-Nespresso Customers

Non-Nespresso customer

What is your current perception of Nespresso's sustainability efforts? *

1 2 3 4 5

Strongly Negative — Strongly Positive

Please watch the video clip below carefully.

After watching the video above, what is your current perception of Nespresso's sustainability efforts? *

1 2 3 4 5

Strongly Negative — Strongly Positive

Would you be interested in participating a 90-minute online focus group discussion? Participants will receive a £30 PayPal incentive as a token of appreciation. *

- Yes
- No

Please provide your email address to receive your £10 PayPal voucher. *

example@example.com

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9 Proposed Timeline and Estimated Budget

9.1 Timeline

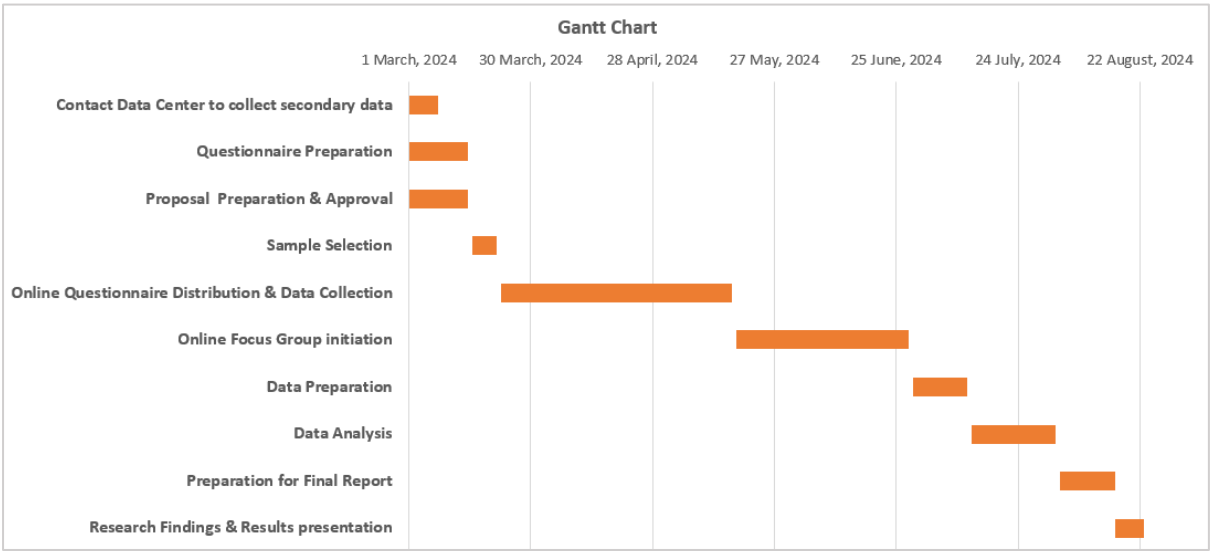

Figure 1: Gantt Chart of Proposed Timeline in 6 months

9.2 Budget

The table below is the estimated cost for each activity.

Description	**Estimated Cost (£)**
Data collection	50,000
Data Analysis	100,000
Operations and Administration Fee	200,000
Questionnaire Incentives	100,000
Focus Group (Moderator and Incentive)	15,000
Miscellaneous expenses	50,000
Total	**515,000**

Table 18: Budget Breakdown Table

10 Recommendations

Nespresso may consider conducting further research on effective advertising methods to reach both new and existing customers, such as digital marketing channels, influencer partnerships, and traditional advertising avenues. Additionally, the company should focus its advertising and promotional efforts on regions where Nespresso enjoys the highest popularity and customer engagement. This can be achieved by utilizing data-driven insights and market segmentation strategies to tailor campaigns to local preferences. Moreover, the advertisement could highlight Nespresso's sustainability efforts to attract a wider audience. We suggest Nespresso develop new coffee blends that suit its target audience by staying informed about the latest coffee trends and preferences gathered from customer feedback, market research, and industry reports.

11 Appendix

Jeffrey (2024) Why Is Nespresso So Popular? (Even Though It's Expensive?)
Available at: https://yourdreamcoffee.com/why-is-nespresso-so-popular/

Nespresso.com (no date) Our Story
Available at: https://nestle-nespresso.com/about_us/story

Nespresso.com (no date) Our commitment
Available at: https://nestle-nespresso.com/about_us/our_commitment

George Kuhn (2018) What is the Best Length for a Focus Group? | Qualitative Research Firm
Available at: https://www.driveresearch.com/market-research-company-blog/what-is-the-best-length-for-a-focus-group-qualitative-research-firm/

Nespresso.com (2022) NESPRESSO, PIONEER OF PREMIUM SINGLE-SERVE COFFEE, UNVEILS NEW RANGE OF HOME COMPOSTABLE COFFEE CAPSULES
Available at: https://nestle-nespresso.com/nespresso-unveils-new-range-home-compostable-coffee-capsules