ST3188 MARKET RESEARCH PROPOSAL FOR NESPRESSO

UOL SRN: 220455073

Executive Summary

Founded in 1986, Nespresso[1] initiated the coffee capsule system to provide coffee enthusiasts with a way to enjoy a cup of freshly brewed coffee at home, just like how they do it in specialized coffeehouses. You are your own barista. With a simple touch of a button, a flawless cup of espresso is dispensed. Nespresso remains steadfast till this day in their commitment to sustainability. They are constantly discovering new and more effective ways to reduce their carbon footprint.

At the start, majority of people were not willing to pay a hefty price for a coffee machine and would much rather purchase a cup of coffee from a coffeehouse on the go. However, that has changed over decades as Nespresso listened to the customer base and launched more affordable machines to cater to customers with lower budgets. Still, for customers who enjoy exclusivity and quality, highly priced coffee machines are still appealing due to the gamut of sophisticated designs and functions.

This market research proposal aims to aid Nespresso in achieving its business objectives by addressing three main research aims that are identified in the client brief:

1. We want to understand customers' preferences for new coffee blends (such as seasonal varieties) and new brewing technologies.

2. We want to understand any customer pain points to identify areas for improvement in product quality, packaging, and customer service.

3. We want to evaluate the effectiveness of its sustainability initiatives and identify opportunities for further improvement.

We will propose relevant research questions and objectives for each research aim.

We will provide relevant information regarding the methodology of the research, data collection, statistical techniques, and data analysis with discoveries.

We will provide a snapshot of the proposed questionnaire and focus-group interest form, flowchart of this process, timeline, budgeting, and additional suggestions for this project.

[1] Nespresso's history https://www.nespresso.com/au/en/coffee-corner/our-story

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1 Introduction

1.1 Background

Nespresso, a subsidiary of Nestlé Group, has revolutionised the coffee industry with its innovative approach to home coffee brewing. Launched in 1986, Nespresso introduced a system that combines high-quality coffee capsules with specially designed machines to deliver a consistently perfect cup of espresso. The brand has become synonymous with premium coffee experiences, offering an extensive range of coffee blends sourced from some of the world's finest coffee-producing regions. Nespresso's commitment to sustainability is evident in its AAA Sustainable Quality™ Program[2], aimed at ensuring ethical sourcing practices and environmental conservation. Beyond just coffee brewing, Nespresso also excels with their sleek boutiques, dedicated customer service, and exclusive Nespresso Club for coffee enthusiasts.

1.2 Core Issue

Nespresso wants to protect their spot as a leader in the premium coffee market. Nespresso wants to lead in innovation and development of their products. Nespresso is active in listening to their customer base and aims to provide everlasting experiences. Nespresso is a strong advocate of corporate social responsibility and wants to spread awareness through sustainable projects.

1.3 Research Aims (RAs)

Through the client brief, we identified three RAs:

RA1: We want to understand customers' preferences for new coffee blends (such as seasonal varieties) and new brewing technologies.

RA2: We want to understand any customer pain points to identify areas for improvement in product quality, packaging, and customer service.

RA3: We want to evaluate the effectiveness of its sustainability initiatives and identify opportunities for further improvement.

[2] AAA program https://www.sustainability.nespresso.com/communities/aaa-sustainable-quality-program

1.4 Research Questions (RQs)

To gain insights into our RAs, we have linked single/multiple RQs to each RA.

To fulfill **RA1**, we identified our research question as,

RQ 1.1:

What new coffee blends do customers prefer?

RQ 1.2:

How does the annual sales volume of coffee machines with new brewing technologies vary across different demographic variables of customers?

To fulfill **RA2**, we identified our research question as,

RQ 2.1:

What are customers' feedback on pain points?

RQ 2.2:

What kind of product quality and packaging can be implemented in order to increase customer satisfaction?

RQ 2.3:

How do the annual Nespresso sales differ by the type of customer service offered across age groups?

To fulfill **RA3**, we identified our research question as,

RQ 3.1:

What proportion of customers purchase reusable coffee pods at Nespresso stores in Europe?

RQ 3.2:

What kind of opportunities can be identified for development?

1.5 Research Objectives

To address **RQ 1.1**, we set two primary objectives,

- **RO1.1.1**:
  Examine the relationship between the preference for new coffee blends and the gender of customers.
- **RO1.1.2**:
  Investigate the relationship between customers' preferences and coffee seasonality.

To achieve **RO1.1.1**, we would be gathering inputs from our consumers through online questionnaires while for **RO1.1.2**, we would be drawing the inputs from online surveys (using Likert scales).

To address **RQ 1.2**, we set one primary objective,

- **RO1.2**:
  Examine the relationship between the annual sales volume of coffee machines with new brewing technologies and the following demographic variables of customers: Age, Gender, Household size, Income level.

To achieve **RO1.2**, we would be gathering sales numbers from organisational databases and inputs from various demographic variables through online surveys and questionnaires.

To address **RQ 2.1**, **RQ 2.2**, and **RQ 2.3** respectively,

- **RO2.1**:
  Examine customers' feedback on pain points.

- **RO2.2**:
  Determine if the selected product quality and packaging are effective in increasing customer satisfaction.

- **RO2.3**:
  Examine the extent to which annual sales are related to the types of customer service offered across age groups.

We would gather inputs from our consumers through a focus group study, online surveys (using Likert scales), and organizational databases.

To address **RQ 3.1** and **RQ 3.2** respectively,

- **RO3.1**:
  Examine the proportion of customers that purchase reusable coffee pods across different regions.

- **RO3.2**:
  Examine opportunities that can be leveraged on to expand sustainability initiatives.

To achieve **RO3.1**, we would be gathering inputs from organisational databases, and online questionnaires.
To achieve **RO3.2**, we would be gathering inputs from our consumers through a focus group study.

2 Methodology

2.1 Research Design

For this market research, the RQs and ROs were formed to encompass all 3 types of research design: descriptive, exploratory, causal. The descriptive approach enables us to gain insights into our target market and how Nespresso operates. The exploratory approach enables us to study more about Nespresso or coffee in general as there will be focus-group participants who are not well-informed. The causal approach allows us to deduce variables that are affected by causality, which can alter participants' view on Nespresso.

We will be conducting online focus-group studies and online surveys to collate both qualitative and quantitative variables. To tackle potential research design errors, we have selected 2 moderators for every focus-group study to reduce any potential interviewer/participant bias and we are offering appropriate incentives to mitigate the chances of response errors.

2.2 Timeline Design

To meet the timeline of 6-months set by Nespresso, we propose conducting cross-sectional design for our research. This allows us to obtain immediate feedback on certain objectives such as Nespresso's renewed product quality and packaging, corporate social responsibility (CSR) efforts, and more. A longitudinal research design is not ideal due to its extended time frame and fixed panel of participants.

2.3 Types of data

Primary data would be collected via the online questionnaire and focus-group studies, while secondary data will be provided by the customer database from Nespresso and other statistical data centres to get a proper evaluation of the variables we are factoring in.

2.4 Statistical Techniques and Tests

We will be utilising statistical techniques with SPSS to analyse the data collected. Below are the statistical techniques that we propose for each RO,

- RO1.1.1: χ^2 Test of association
- RO1.1.2: 1-way ANOVA
- RO1.2: Multiple Linear Regression (MLR)
- RO2.1: Focus group
- RO2.2: Paired t-test
- RO2.3: 2-way ANOVA
- RO3.1: χ^2 Test of homogeneity of proportions
- RO3.2: Focus group

3 Data

3.1 Primary Data

S/N	Variables	Data
1	Preferred new coffee blend[3] • Latin America - Nutty, chocolatey, caramel • Africa - Fruity, floral, sweet • Asia - Dark chocolate, creamy, earthy, spiced/herbal	Categorical/Nominal
2	Preference rating	Continuous
3	Age	Continuous
4	Gender	Categorical/Nominal
5	Household size	Continuous
6	Income level	Categorical/Ordinal
7	Region	Categorical/Nominal
8	Customers' feedback on pain points	-
9	Customer satisfaction	Continuous
10	Opportunities to expand on sustainability initiatives	-

3.2 Secondary Data

S/N	Variables	Data
11	Seasons • Autumn • Winter • Spring • Summer	Categorical/nominal
12	Type of customer service	Categorical/nominal
13	Age groups	Categorical/ordinal
14	Annual sales volume	Continuous
15	Proportion of customers purchasing reusable coffee pods at stores	Continuous

[3] Coffee flavour profile from https://www.nespresso.com/my/en/blog/different-coffee-profiles-of-the-world

3.3 Sampling Design

Since a global sample size is preferred, we propose using Stratified sampling, a two-step process to determine our sample size. The target population is segmented by region then followed by Simple Random sampling where every participant in the region has an equal probability of selection. To ensure at least 5,000 Nespresso customers are part of the sample size, 5 regions with at least 1,000 Nespresso customers each are stratified. The regions are as followed[4]

- Europe
- United States
- Asia & Oceania
- Africa
- Middle East and Persian Gulf

These 5 regions are derived from Nespresso's official website, which shows a list of countries they are connected to. The final sample size for Nespresso customers will be 5,000 as requested. Next, we will formulate the sample size calculation for a suitable number of competitor customers.

3.3.1 Competitor customers

To calculate the number of competitor customers needed, we will use the sample size calculation formula,

$$n_1 \geq \frac{{Z_{\alpha/2}}^2(\pi(1-\pi))}{e^2}$$

Where n_1 represents the number of competitor customers needed and assuming 95% confidence level (e = 0.05) with an estimated 0.75 survey completion rate (π) based on our expertise and high incentives awarded for survey completion, which reduces non-response rates,

$$n_1 \geq \frac{1.96^2\big(0.75(1-0.75)\big)}{0.05^2} \approx 288.12 \approx 288\ (nearest\ whole\ number)$$

Then, multiplying this number by 5, we estimate our final sample size for competitor customers to be 1,500.

[4] The 5 regions are derived from Nespresso's official website listing the countries they are connected to, https://www.nespresso.com/sg/en/country

Hence, our total sample size, n, for the online questionnaire is estimated at 6,500 respondents within 95% confidence of the population and a 5% error margin. We will use 10% of the 6,500 respondents for our focus-group studies, 500 Nespresso customers and 150 competitor customers.

3.4 Sampling Techniques

To accommodate the remaining 90% of the 6,500 respondents, we will be using online questionnaires to reach out to the 4,500 Nespresso customers and 1,350 competitor customers. These online questionnaires will be translated according to the respective region's native language for easier comprehension. Due to its ease of access via email, online questionnaires are bound to enhance response rates.

As mentioned above in 3.3.1, we will be hosting the focus-group (FG) studies online via zoom with 10 respondents for every instance. For every stratified region, we will have 13 FGs. Each study will be overseen by 2 moderators capable of interpreting and translating in the native language to increase overall efficiency and reduce any possibility of errors.

However, there will be a separate 1 FG consisting of 5 specially selected participants for every stratified region. This is explained in further detail under RO3.2 in Section 4.

3.5 Flow Chart

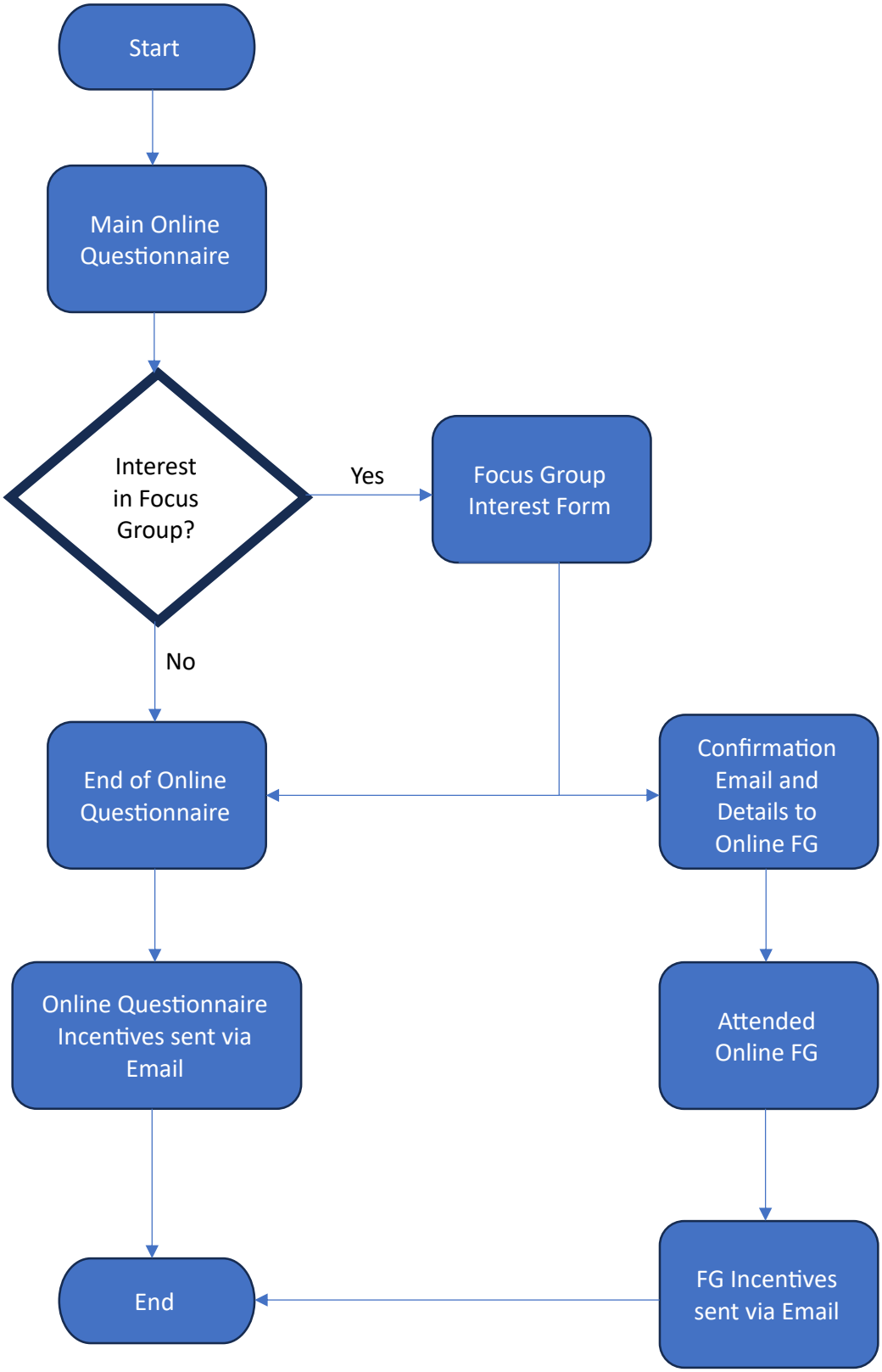


Figure 1: Flow chart to illustrate the start and end of the data collection process using online questionnaire and FG

4 Data Analysis and Discoveries

All tests are done at 5% significance level using SPSS.

Legend	Description
H_0	Null Hypothesis
H_1	Alternative Hypothesis
X	Independent Variable
Y	Dependent Variable

Research Objective 1.1.1

χ^2 Test of association is ideal for RO1.1.1.

H_0	There is no association between Preferred new coffee blend and Gender
H_1	There is an association between Preferred new coffee blend and Gender
X	Gender
Y	Preferred new coffee blend

		Gender		Total
		Male	Female	
Preferred new coffee blend	Latin America - Nutty, chocolatey, caramel			
	Africa - Fruity, floral, sweet			
	Asia - Dark chocolate, creamy, earthy, spiced/herbal			
Total				

Table 1: Crosstabulation - Preferred new coffee blend and Gender

Using contingency tables, we create a cross-tabulation between Preferred new coffee blend and Gender. SPSS software is then used to generate crosstabulations on the variables.

ANOVA

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square			
Likelihood Ratio			
Linear-by-Linear Association			
N of Valid Cases			

Table 2: Chi-Square Test Table from SPSS

From Table 2, if the 'Pearson Chi-Square' has an asymptotic significance of < 0.05, we reject H_0 and conclude that there is an association between Preferred new coffee blend and Gender.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi		
	Cramer's V		
	Contingency Table		
N of Valid Cases			

Table 3: Symmetric Measures Table from SPSS

From Table 3, Cramer's V is used to measure the strength of association[5] between both variables. An absolute magnitude in the range 0.30 to 0.99 with p-value < 0.05 suggests that this measure is statistically significant and shows strong association between the variables.

[5] Strength of association is based on https://subjectguides.sunyempire.edu/c.php?g=659059&p=4626955

Directional Measures

			Value	Asymptotic Standard Error	Approximate T	Approximate Significance
Nominal by Nominal	Lambda	Symmetric				
		Gender Dependent				
		Preferred new coffee blend Dependent	*			

Table 4: Directional Measures Table from SPSS

From Table 4, with Preferred new coffee blend as Y, value at * denotes the percentage improvement in predicting the correct outcome of Preferred new coffee blend. (E.g. Lambda of 0.233 signifies that knowing Gender will boost our predictions for Preferred new coffee blend by 23.3%)

Research Objective 1.1.2

To determine if the mean Preference rating for coffee blends during 4 seasons are significantly different, a 1-way ANOVA is ideal for RO1.1.2.

Since sample sizes are large, normality assumptions will be ignored and we will conduct Levene's Test for Equality of Variances, followed by 1-way ANOVA.

Symbol:	**Denotes:**
$\sigma_1{}^2$	Population variance of Preference rating for coffee blends during Autumn
$\sigma_2{}^2$	Population variance of Preference rating for coffee blends during Winter
$\sigma_3{}^2$	Population variance of Preference rating for coffee blends during Spring
$\sigma_4{}^2$	Population variance of Preference rating for coffee blends during Summer
μ_1	Population mean of Preference rating for coffee blends during Autumn
μ_2	Population mean of Preference rating for coffee blends during Winter
μ_3	Population mean of Preference rating for coffee blends during Spring
μ_4	Population mean of Preference rating for coffee blends during Summer

Table 5: Denotation for Levene's Test and 1-way ANOVA

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

Table 6: Test of Homogeneity of Variances from SPSS

Levene's Test

$H_0: {\sigma_1}^2 = {\sigma_2}^2 = {\sigma_3}^2 = {\sigma_4}^2$

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

From Table 6, H_0 will be rejected if the value at * < 0.05. If H_0 is not rejected, this concludes that the population variances of Preference rating for coffee blends are not significantly different across the different seasons.

Preference rating

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

Table 7: ANOVA table from SPSS

1-way ANOVA

$H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4$

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

From Table 7, H_0 will be rejected if p-value < 0.05. If H_0 is rejected, this concludes that not all population means of Preference rating for coffee blends across the different seasons are equal.

Research Objective 1.2

MLR is ideal for RO1.2. Let Xs be age, gender, household size, and income level (low, moderate, high). Y is the annual sales volume of coffee machines with new brewing technologies.

The MLR function is:

$\widehat{ASV} = \widehat{\beta_0} + \widehat{\beta_1}Age + \widehat{\beta_2}Gender + \widehat{\beta_3}HHSize + \widehat{\beta_4}INC_1 + \widehat{\beta_5}INC_2$	
$\widehat{ASV}$:	Estimated value of annual sales volume of coffee machines with new brewing technologies.
$\widehat{\beta_0}$:	Intercept (Value of $\widehat{ASV}$ when all the Xs are 0)
$\widehat{\beta_k}$:	When X_k increases by 1 unit, $\widehat{ASV}$ increases by this value while other independent variables remain constant; k = 1,2,3,4,5.

Variables

Age: Age

Gender:

- 0: Female
- 1: Male

HHSize: Household size

INC_i: Dummy variable for Income level, i = 1, 2.

Income level	INC_1	INC_2
Low	1	0
Moderate	0	1
High	0	0

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)							
Age							
Gender							
Household size							
Income level (Low)							
Income level (High)							

Table 8: Coefficients table of Annual Sales Volume of Coffee Machines with new Brewing Technologies from SPSS

The estimated coefficients in the model are derived from the unstandardized coefficients – B column.

Based on Table 8, we can conclude the significance of each independent variable using a partial t-test.

A variable is significant if p-value < 0.05.

Model Summary

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

Table 9: Model Summary for Model Fit from SPSS

We then measure the strength of association in the multiple regression using R^2 value at * in Table 9. The model fits the observations better with a greater R^2.

ANOVA

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

Table 10: ANOVA for Global F-test from SPSS

Using ANOVA table, a global F-test is conducted to validate the model's significance. The hypotheses,

$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$

$H_1: Not\ all\ \beta_s\ are\ 0.$

In Table 10, if p-value at * < 0.05, we reject H_0 and conclude that some of the Xs have the ability to explain the variation in Y.

Research Objective 2.1

An online FG is conducted via zoom to discover customer's feedback on pain points. Every meeting is recorded and transcribed to properly analyse both existing and new issues faced by customers. By addressing first-hand feedback, future business plans can be rectified effectively.

To add to section 3.4, moderators can include open-ended questions such as "Are there design elements that you think could be enhanced for a better user experience?" or "How intuitive do you find the design of our product?". Participants are also allowed to ask related questions for a more active discussion.

Research Objective 2.2

A paired t-test is ideal for RO2.2. To address the causal research design, we will conduct a one-group pre-test post-test experimental design to measure customer satisfaction before and after the quality and packaging of a product are changed.

Pre-experimental Design

One-group pre-test post-test design
$O_1 \quad X \quad O_2$

- Customer satisfaction of the participant is measured twice.
- O_1: Pre-test measurement is taken before quality and packaging of the product are changed.
- O_2: Post-test measurement is taken after quality and packaging of the product are changed.
- X: Exposure to the changed quality and packaging of the product

Table 11: Experimental Design

When customer satisfaction 'before' and 'after' the change in product quality and packaging has been measured, SPSS computes the mean of the difference (μ_d) to test the hypotheses:

$H_0: \mu_d = 0$

$H_1: \mu_d \neq 0$

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 12: Paired Sample Test from SPSS

In Table 12, if p-value < 0.05, we reject H_0 and conclude that there is a significant difference of customer satisfaction 'before' and 'after' the change in product quality and packaging. In fact, if both confidence interval endpoints are negative and does not include 0, this shows customer satisfaction has significantly improved from 'before' to 'after' the change.

Research Objective 2.3

The Xs are type of customer service and age groups. Y is annual sales. To determine if Nespresso's annual sales is different across the different types of customer service and age groups, 2-way ANOVA is ideal.

Type of customer service	**Age groups**
Online support Retail support Others	18 – 24 years old 25 – 34 years old 35 – 44 years old 45 years old and above

Table 13: Classification of Variables

Test of Between-Subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared (η^2)
Corrected Model						
Intercept						
Type of Customer Service					*	#
Age Groups					**	##
Type of Customer Service * Age Groups					***	###
Error						
Total						
Corrected Total						

Table 14: 2-Way ANOVA Table from SPSS

Taking reference from the highlighted region in Table 14, the hypotheses are:

	Main Effect		
	Type of Customer Service	Age Groups	Interaction Variable
H_0	There is no difference in the population mean of annual sales among the types of customer service	There is no difference in the population mean of annual sales among the age groups	There is no interaction between type of customer service and age groups
H_1	Not all means are equal	Not all means are equal	There is interaction between type of customer service and age groups

Table 15: Summary of null and alternative hypotheses for 2-way ANOVA

From Table 14, if p-value at *, **, and *** are < 0.05, we reject H_0. Additionally, η^2 measures the strength of effects (total variation in the annual sales) of each independent variable that is not attributable to other variables at #, ##, and ###.

Research Objective 3.1

χ^2 Test of homogeneity of proportions is ideal for RO3.1. X is Region, Y is the proportion of customers purchasing reusable coffee pods at stores.

		Region					Total
		Europe	United States	Asia & Oceania	Africa	Middle East and Persian Gulf	
Purchases reusable coffee pods at stores	Yes						
	No						
Total							

*Table 16: Purchases reusable coffee pods at stores * Region crosstabulation*

H_0:	The proportion of customers who purchase reusable coffee pods at stores is not significantly different across different regions
H_1:	The proportion of customers who purchase reusable coffee pods at stores is significantly different across different regions

Table 17: Summary of null and alternative hypotheses for χ^2 Test of homogeneity of proportions

Taking reference to Table 2 by SPSS, if the 'Pearson Chi-Square' has an asymptotic significance of < 0.05, we reject H_0 and conclude that the proportion of customers who purchase reusable coffee pods at stores is significantly different across different regions.

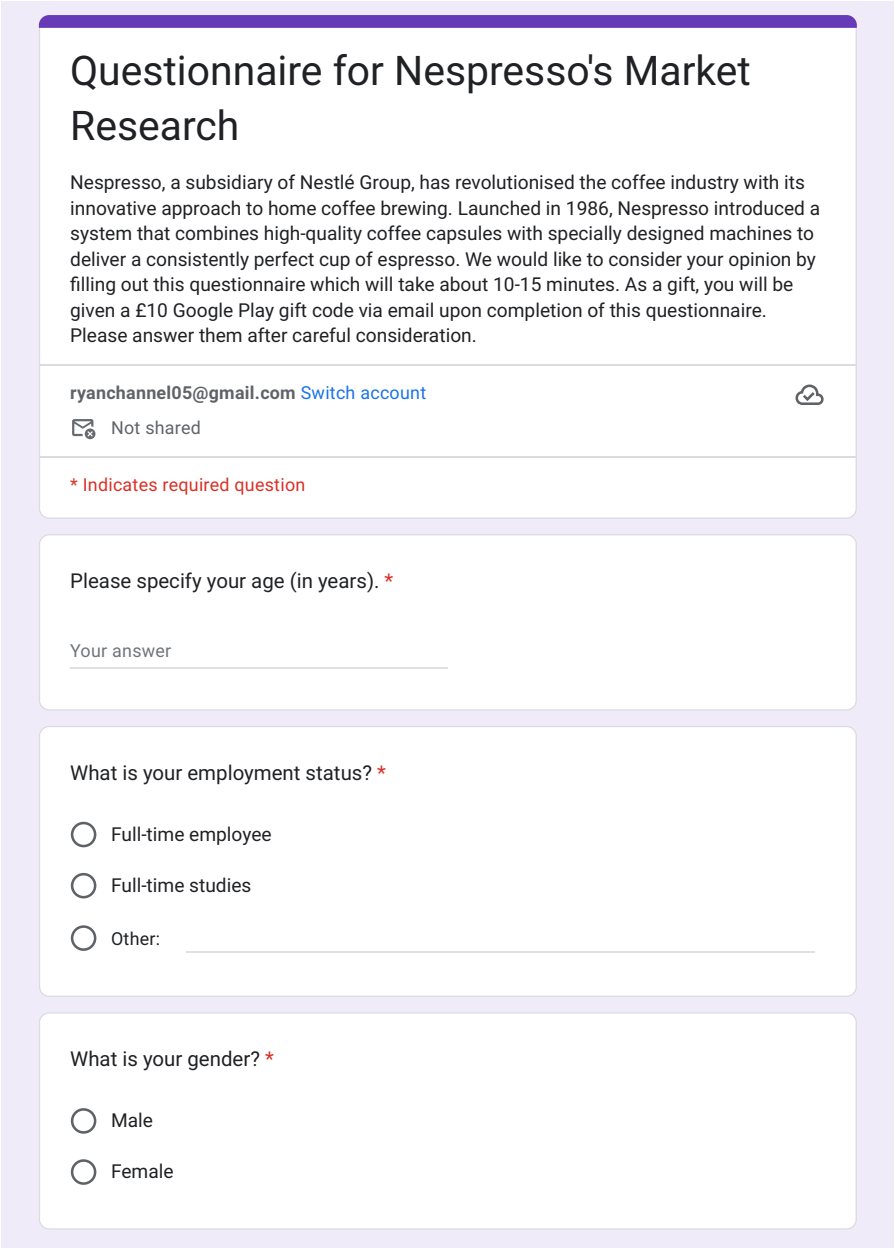
Research Objective 3.2

An online FG is conducted via zoom to discover opportunities to develop sustainability initiatives. Every meeting is recorded and transcribed to properly analyse both existing and new issues faced by customers. However, participants in this FG are subjected to judgemental sampling to provide more insightful responses. Researchers who study about sustainable consumption are ideal.

Moderators can include open-ended questions such as "Do you have suggestions for expanding our recycling programs?" or "How can we further reduce our carbon footprint?". The panel of researchers are allowed to ask related questions to facilitate a more active discussion.

5 Online Questionnaire

5.1 Main Questionnaire



Questionnaire for Nespresso's Market Research

Nespresso, a subsidiary of Nestlé Group, has revolutionised the coffee industry with its innovative approach to home coffee brewing. Launched in 1986, Nespresso introduced a system that combines high-quality coffee capsules with specially designed machines to deliver a consistently perfect cup of espresso. We would like to consider your opinion by filling out this questionnaire which will take about 10-15 minutes. As a gift, you will be given a £10 Google Play gift code via email upon completion of this questionnaire. Please answer them after careful consideration.

ryanchannel05@gmail.com Switch account

Not shared

* Indicates required question

Please specify your age (in years). *

Your answer

What is your employment status? *

- Full-time employee
- Full-time studies
- Other:

What is your gender? *

- Male
- Female

What is your household size? *

Your answer

Please select the category that best represents your income level. *

- ◯ Low income
- ◯ Moderate income
- ◯ High income

Which country do you currently reside in? *

Your answer

Are you a current customer of Nespresso? *

- ◯ Yes
- ◯ No

Do you drink coffee often? *

- ◯ Yes
- ◯ No
- ◯ Sometimes

How do you get your coffee? *

- ◯ Coffee retail stores (Starbucks, Coffee Bean, etc.)
- ◯ Local coffee shops
- ◯ Homemade
- ◯ Other: _____

Which of the following regions' coffee blends do you prefer? (in terms of flavour profile) *

- ◯ Latin America - Nutty, chocolatey, caramel
- ◯ Africa - Fruity, floral, sweet
- ◯ Asia - Dark chocolate, creamy, earthy, spiced/herbal

On a 5-Likert scale below, give a preference rating for the coffee blend(s) you like drinking that is only available during ***Autumn*** season. *

	1	2	3	4	5	
Worst	◯	◯	◯	◯	◯	Best

On a 5-Likert scale below, give a preference rating for the coffee blend(s) you like drinking that is only available during ***Winter*** season. *

	1	2	3	4	5	
Worst	◯	◯	◯	◯	◯	Best

On a 5-Likert scale below, give a preference rating for the coffee blend(s) you like drinking that is only available during ***Spring*** season. *

	1	2	3	4	5	
Worst	○	○	○	○	○	Best

On a 5-Likert scale below, give a preference rating for the coffee blend(s) you like drinking that is only available during ***Summer*** season. *

	1	2	3	4	5	
Worst	○	○	○	○	○	Best

On a 5-Likert scale below, rate your satisfaction level for our current product quality and packaging. *

	1	2	3	4	5	
Worst	○	○	○	○	○	Best

Would you be interested to take part in a 90 minutes online focus-group discussion regarding customers' feedback on pain points? £40 Nespresso gift card will be given as an additional incentive. *

- ○ Yes
- ○ No

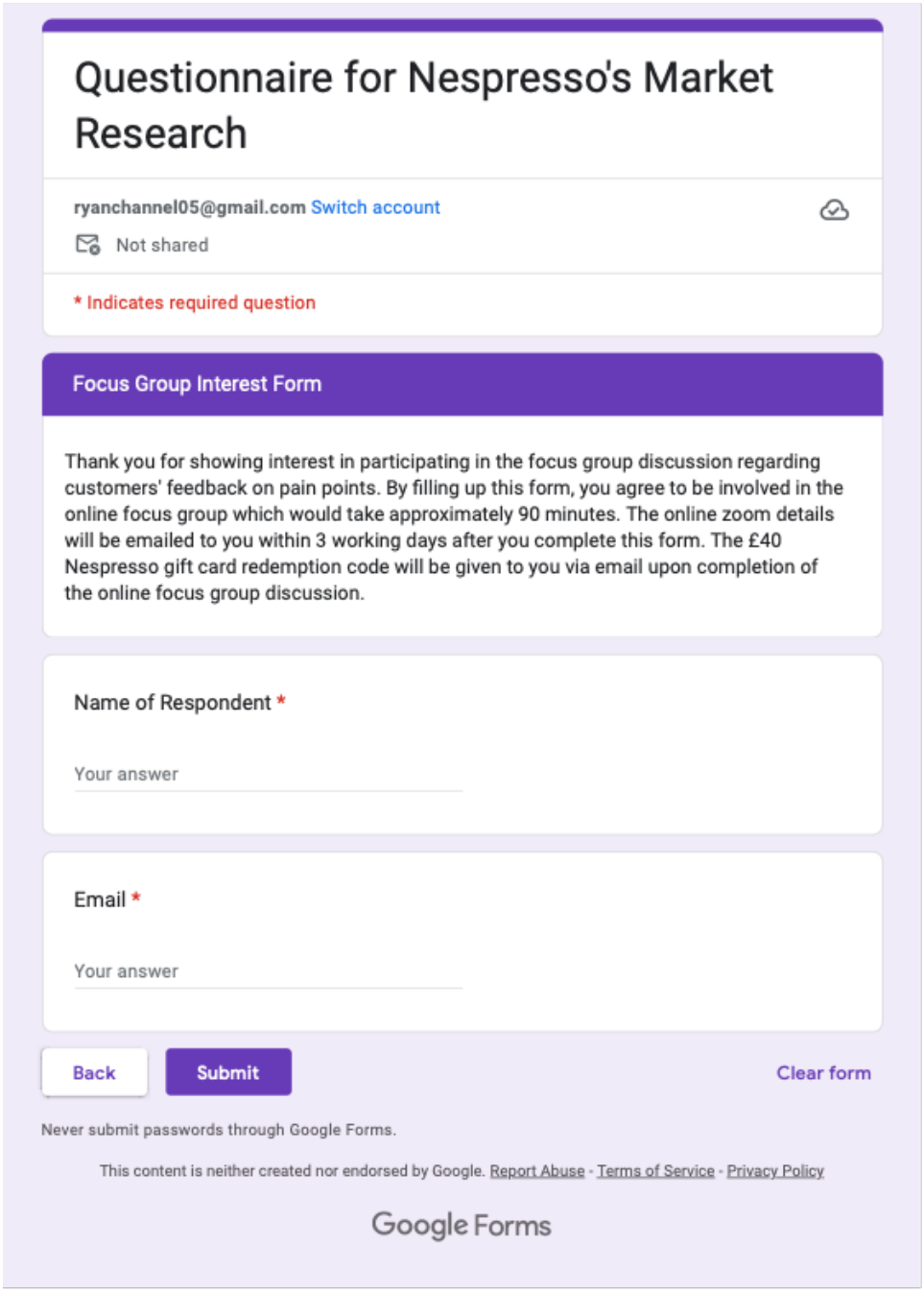
Email *

Your answer

Next Clear form

Never submit passwords through Google Forms.

5.2 Focus Group Interest Form



Questionnaire for Nespresso's Market Research

ryanchannel05@gmail.com Switch account

Not shared

* Indicates required question

Focus Group Interest Form

Thank you for showing interest in participating in the focus group discussion regarding customers' feedback on pain points. By filling up this form, you agree to be involved in the online focus group which would take approximately 90 minutes. The online zoom details will be emailed to you within 3 working days after you complete this form. The £40 Nespresso gift card redemption code will be given to you via email upon completion of the online focus group discussion.

Name of Respondent *

Your answer

Email *

Your answer

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6 Proposed Timeline Schedule and Budgeting Details

6.1 Timeline Schedule

We expect to launch the project once our proposal is approved. To add to the Timeline Design in Section 2.2, the proposed schedule will be as following:

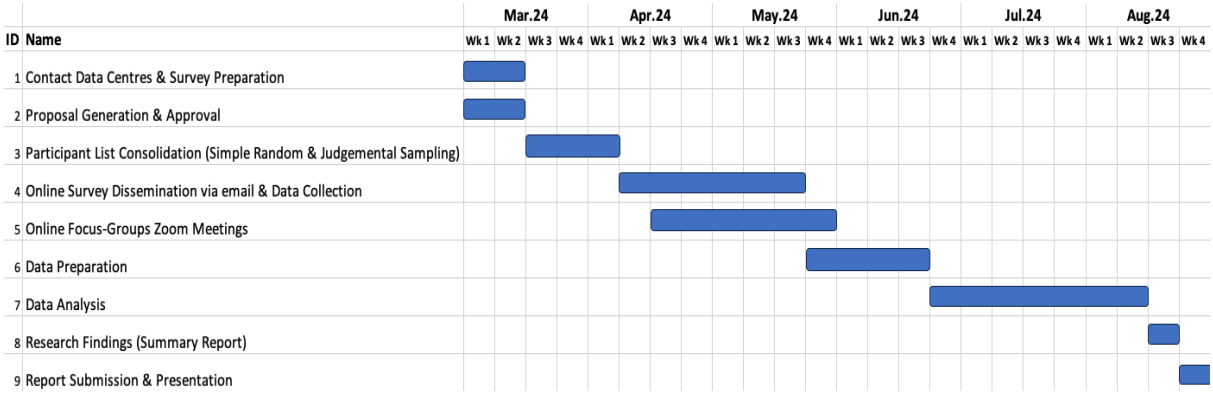

Figure 2: Gantt Chart of Proposed Timeline in 6 months

The project will officially begin at the start of Week 3 in March and is expected to finish by Week 3 in August. We will be ready to present our discoveries to Nespresso in Week 4 in August.

6.2 Budgeting Details

The budgeting details for the research proposal are below:

Activity	**Cost (GBP)**	**Additional Information**
Data Collection (Marketing and Dissemination)	£350,000	Cost of engaging data centres, encryption cost and data restriction on certain markets.
Data Analysis	£150,000	Charges for analytical work.
Administration Fee	£60,000	Inclusive of all expedited paper work.
Online Questionnaire Incentives (First 6,000 Respondents)	£60,000	£10 per respondent (for the first 6,000 respondents), equivalent to approx. $12USD.
Online Focus Groups (Moderator Pay and Incentives)	£82,000	£400 per moderator per focus group session (est. 140 moderators), equivalent to approx. $500USD. £40 per focus group participant (est. 650 participants), equivalent to approx. $50USD.
Miscellaneous Expenses	£70,200	Est. 10% miscellaneous costs for unprecedented issues
20% VAT/GST Tax	£154,400	Additional Taxes in the UK
Net Total	£926,640	

Table 18: Budgeting Details Table

7 Additional Suggestions

There are some points that can be taken into consideration. Instead of focussing on a larger portion of Nespresso customers, the research could gain more traction with feedback from a larger portion of non-Nespresso consumers. Non-Nespresso consumers are likely to be less biased towards this research, making their inputs more honest. Nespresso could aim to convert these non-Nespresso consumers into their customer base by understanding more about their preferences and critiques.

Although an online methodology is preferred, a face-to-face physical meeting is still the better option and ensures all participants are subjected to the similar levels of distraction. Conversely, an online focus group discussion may get the job done but it is prone to less accurate inputs as participants may have other non-participants in the room with them.

-End of Research-

Word Count excluding references and headings, 2890 words.