

# Market Research Proposal on FRUITY



## Introduction

This report will present findings from primary research that was conducted in order to assist in gathering information that will be necessary to make future resource allocation decisions.

# **Problem Definition**

Fruity is a popular soft drink, and its producer has recently launched Fruity Café. However, Fruity Café has not received a positive feedback from the consumers, which became a major source of concern. The contradiction facing such beverage companies is that despite the fact that consumers have shown preferences for adventurous and new products of Fruity, it seems that the company has not received the expected benefits right until now. Introducing a new product into the market, Fruity was trying to win the so-called NextGen audience with its brand new Fruity Café. The issue at hand is not only the launch of a new flavor targeted at the NextGen and finding mass acceptance, but also the creation of new retail places like tea bars and coffee shops. These third places will help to present Fruity as an experimental brand apart from being just a mere brand in the clutter. Another issue that Fruity needs to consider is whether the company can move beyond the creation of new carbonated flavors to offering something more innovative like non-carbonated drinks, especially now, when many people are becoming conscious of their health. Therefore, segments like cold coffee or cold tea should be tried out.



# **Hypothesis**

By focusing on selling healthy non-carbonated Fruity Café products, Fruity can increase the number of young people consuming its Fruity-variant products.

# Primary Research Objectives

Primary research objectives include identifying favorite flavors across various age groups of the American consumers in their preferences and tastes; determining the intentions of consumer purchases for new flavors as proposed by research; ascertaining the feasibility of Fruity as an experimental and innovative brand.

# Secondary Research Objectives

Secondary research objectives involve identifying the favorite flavors among various age groups in terms of beverage preferences amongst Americans consumers. The research will further identify the most popular products between carbonated and non-carbonated drinks in order to determine the significance of various factors that influence consumers' choice of different flavors. Other secondary objectives will be to gather consumer insights about the taste aspect of beverages in

terms of more familiar, classic flavors as well as ingredients, which will also integrate their preferences in regard to savory and sweet flavors.

The following aspects to be determined are whether consumers are willing to try out new carbonated and non-carbonated drinks with different flavors; discover consumer insights on new beverage categories that Fruity can venture into (like coffee, non-alcoholic beverages, alcoholic beverages, teas, and juices); identify the new flavors which may be converted to new salient products; and use a qualitative research that will be instrumental in determining the best way to establish Fruity as a popular brand in the market. The research will also help to find ways of attracting a younger generation who can shift from tea and coffee teas back to Fruity.

There are a number of various options that can be adopted by the company, including the installation of vending machines at strategic locations in each major city in addition to the beverage bars and Fruity outlets.

What is more, the use of co-branding services by the major brands targeting the urban youth like KFC, Pizza Hut, or MacDonald's will help in selling the new and adventurous variants of Fruity and extend the company's customer base.

# Research Design

The investigative research will follow the following steps:

Focusing on group discussions will be made to evaluate various options that are related to Fruity as an experiential brand. A tentative research in terms of secondary research in the form of secondary data analysis of developing and mature markets will also be done. The company will also make use of questionnaires to carry out pilot surveys, which will assist in getting the most preferable flavors and other consumer preferences outlined in research objectives.

A follow-up will be done on the previous exploratory with a descriptive research. It will be done by using more representative samples in malls, café shops, and restaurants intercept surveys.

# Data Collection and Sampling Techniques

#### **Sampling Unit**

The samples will include both males and females through three age groups: 10-15 years, 16-25 years and 26-35 years.

#### Sample Size

The sample size for each group will comprise of 10 people from each



group. There will also be 10 focus groups in some chosen cities including the States of Virginia, Illinois, Florida, Pennsylvania, Texas, Minnesota, Dakota, New Mexico, Alaska and New Jersey.

The pilot sample of research will include 40 persons each in four metros. For descriptive research, a representative sample of 2500 people across all major US cities will be made.

#### Sampling Procedure

The judgment sampling and the use of C convenience will be employed.

#### **Contact methods**

Use of questionnaires, personal interviews and focus group discussions.

## **Academic Literature**

It has been observed that many more customers are becoming conscious of their health thus starting to lead healthy lifestyles. More and more consumers are, as a result, switching to non-carbonated drinks with delicious flavors and healthy properties. As such, more drink manufacturers are turning to non-carbonated favorites with notable new products. Fruity understands the importance of staying healthy. Thus, Fruity should introduce non-carbonated beverages. Fruity café will also introduce a non-carbonated beverage machines including a highly popular glass front vending machine. Fruity Café flavors will also introduce three artificial colors like black tea, green tea and masala tea.



# **Data Analysis**

**Percentage analysis** – the percentage of customers who are willing to try out the new flavor of Fruity Café variant will be analyzed.

**Central tendency** – these are the number of customers who will be willing to go for non-carbonated version of Fruity Café

**Regression analysis** - will be done by analyzing the relationship between the number of customers who would want to go for non-carbonated drinks and the number of customers willing to go for carbonated drinks.

# **Result Visualization**

Result visualization will be done by identifying a number of new outstanding flavors for carbonated soft drinks and existing non-carbonated drinks segment of Fruity. By determining three beverage segments that Fruity can venture into and the best flavors for the three segments, the company can establish itself as an innovative and health-conscious producer.

Identifying the applicability of the various consumer insights that are related to factors that affect the choice of flavors is crucial in settling the company's future development projects. In addition, determining the best marketable option amongst new global trends like exotic flavors,



'feel-rejuvenated flavors', and 'yours energy' flavors will assist in settling the producing objectives. Moreover, the company will develop an outstanding design in the various Fruity outlets like colors, furniture, ambiance, settings, and location to provide comfortable and pleasant atmosphere to attract new customers and acquaint them with the new products available. The results of the research conducted will be instrumental in setting the future company's actions that will be based on consumer preferences and expectations, as well as be adjusted to the modern market conditions.

