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CAROLINA

COFFEE SHOP

Group Three Market Research Presentation

By Ben Pike, Natalie Rinehard, Jada Coleman, Nicole Martinez, and Allyson Beckman

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Executive Summary: Meet the Team



ALLYSON BECKMAN

Allyson is a junior pursuing a major in public relations with a minor in social and economic justice. She focused on analyzing consumer trends and secondary data.



BEN PIKE

Ben is a junior pursuing majors in political science and media & journalism (concentration in advertising) with a minor in history. He focused on the ethnographic insights at Carolina Coffee Shop.



JADA COLEMAN

Jada is a junior majoring in public relations and minoring in composition, rhetoric, and digital literacy. She focused in depth interviews and customer insights.



NICOLE MARTINEZ

Nicole is a junior pursuing a major in advertising. She helped conduct a focus group to better understand consumer habits.



NATALIE RINEHARD

Natalie is sophomore pursuing a major in media and journalism with a concentration in market research and a minor in cognitive science. She focused on the consumer experience through focus group research.

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Executive Summary: Client Challenges and Research Objectives



Customer Satisfaction & Perception



Late-night



Room for Growth



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Ethnography Insights

Positive Observations

- Many booths
- Water served upon seating
- Space to eat & work
- Positive & brief customer interactions

Possible Concerns/Challenges

- Potential identity crisis: name & serving times
- Rotating/no constant host
- Coffee to-go door
- Darkness of restaurant
- Unpredictable service

Late Night Ethnography Insights

- Older customer base
- Many stayed for a drink
- Television/entertainment
- Change in customer behavior compared to the daytime





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Interview Insights

Millennial

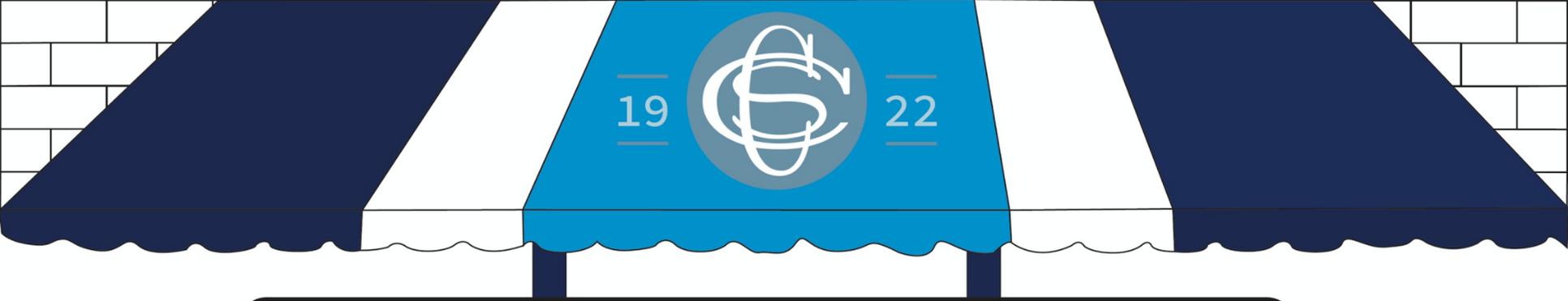
- Had been to CCS once
- Great experience
- Unclear seating
- Gussed hours were 8-5
- Not interested in it as a late night destination
- Factors that influence him to try new places: word of mouth, restaurant vibe, Instagram, price

2 UNC Students

- “Coffee shop” is misleading
- Not fast food
- More expensive than some places on Franklin, but less expensive than some of its more upscale competitors
- Can hang out or study

Competitor Customer

- Starbucks
- Appreciation for restaurant app
- Affinity for calming environment of coffee shop
- Prices of CCS high for a college student



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Focus Group Summary & Insights

Misleading Name

- CCS's focus not on coffee
- Believed CCS did not have a coffee menu
- Not a place to study; students spend the most when they are studying for long periods of time at coffee shops

Influential Factors

- Word of mouth
- Loyalty programs, such as Chick-Fil-A, and specials drive more students to restaurants
- Whether someone likes coffee or not is a factor, even though it shouldn't be one

Breakfast/Brunch > Coffee at CCS

- Full time students don't usually have time to eat breakfast or brunch during the week
- Other food options are not as well known, but all participants displayed high interest in them





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Secondary Research Findings

Consumer Trends

- Desire for new trendy foods, healthier alternatives, and visually appealing presentations
- Convenience, strategic pricing, entertainment options, and modernized menus

Supplier Trends

- Fluctuating food prices due to the risks of droughts, heavy rains, and late freezes
- Major cost areas include labor and insurance; opening, closing, relocating, and remodeling; advertising, marketing, and promotion; and ingredients, utilities, and equipment

General Industry Trends

- Steady decline in lunch traffic
 - Growing popularity of delivery services, food trucks, and healthier local options
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Secondary Research Findings Continued

Competitor Cases

- Growing popularity of breakfast and declining desire for lunch
- McDonald's, Taco Bell, and Hardee's have begun adopting a variety of breakfast items
- Dunkin' Donuts has tried to broaden their menu to a variety of breakfast choices, ultimately changing their name to reflect doing so

Other Notable Trends

- Social media: "In addition to keeping a menu on trend, smart operators make sure their plates are photogenic (and social media friendly) and they even create events and décor that offer photo opportunities."
- Eco friendly: Younger generations prefer restaurants with higher corporate social responsibility
- More vegetables: U.S. population is eating 26 percent less meat

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Quantitative Research Survey Demographics



88

Women



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Men

113

Students/Alumi
at UNC

38%

Current Juniors
at UNC

31%

Current Sophomores
at UNC

13%

Current Alumni
of UNC

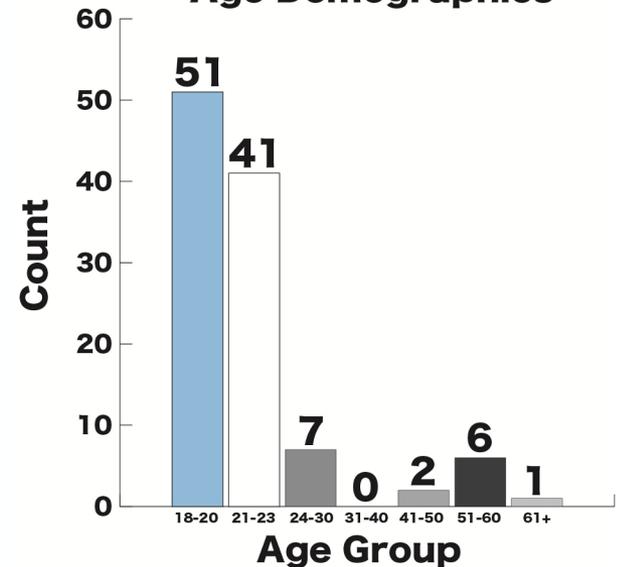
12%

Current Seniors
at UNC

6%

Current Freshmen
at UNC

Age Demographics



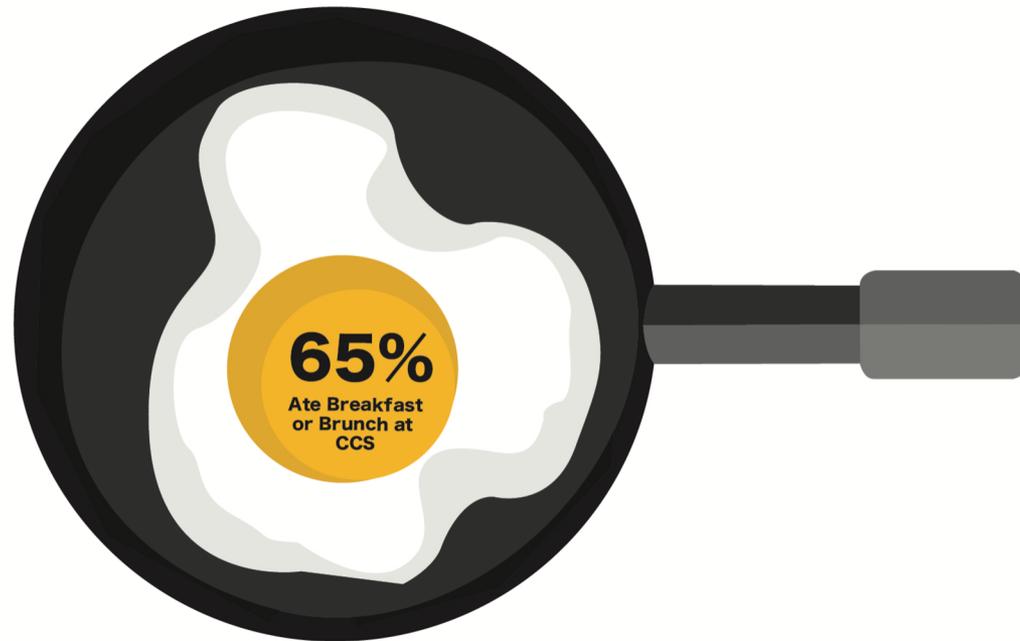
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Quantitative Research Insight #1

- Majority of survey respondents went for **breakfast or brunch**
- Respondents, on average, were willing to spend **\$40.47** more of a \$150 CCS gift card on **breakfast** than the next highest meal time amount
- Strong breakfast support
- Raises concerns for late night support



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Quantitative Research Insight #2



- Nearly **70%** respondents indicated that sitting at a **booth** would be their **first choice**
- Those **under 30** and especially under **23** are significantly **more likely** to want to sit at a **booth**
- Most common order for seating preference was booth, table inside, table outside, bar top



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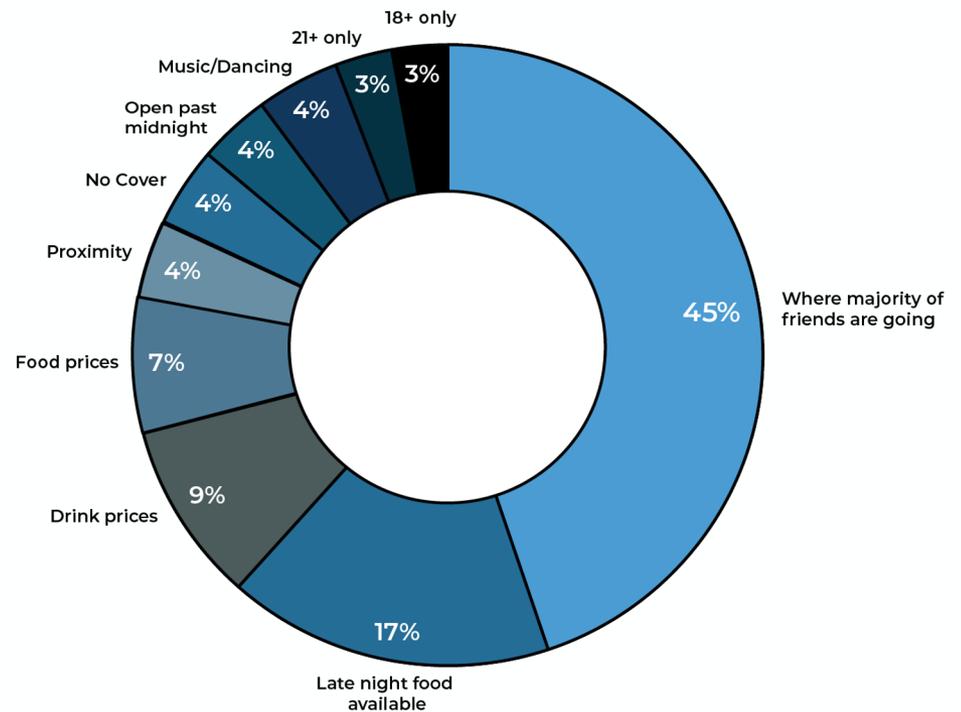


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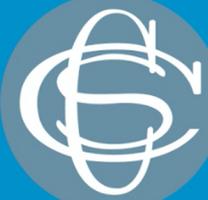
Quantitative Research Insight #3

- Almost half of respondents cited the **most important** consideration for choosing a late night spot is **where their friends are going**
- Average rank for where friends are going was about 2 ranks ahead of the next most popular rank
- Customers are **receptive to** the idea of **late night food** at the places where they go out
- Preferences do not change significantly across age groups
- **62%** slightly or very likely to visit CCS if it was a “nighttime bar destination,”
23% slightly or very unlikely

Late Night Spot Factors



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Quantitative Research Insight #4



Instagram

- 0 respondents indicated they first heard about CCS on social media
- 20% said an increased social media presence would make them more likely to visit
- Moderate positive correlation (.466) between # of times CCS logo was shown in a post and # of likes received.
- Slight positive correlation (.286) between women shown in the foreground of the photo and # of likes received



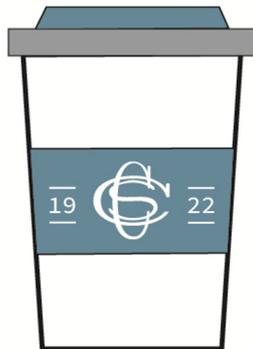
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Quantitative Research Insight #5

- The most common reason people have not visited Carolina Coffee Shop is because they don't drink/like coffee
- The top two factors that would increase the likelihood of going are meal and drink specials



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WEEKLY SPECIALS

 MONDAY DOMESTIC PINTS \$3.99	 THURSDAY HALF PRICED APPETIZERS \$TBD
 TUESDAY HALF PRICED BOTTLES HOUSE WINE \$13.00	 FRIDAY FISHBOWL FRIDAYS \$7.00
 WEDNESDAY WELL DRINKS \$3.00	 SATURDAY 1/2 PRICE LATE NIGHT FOOD (PAST MIDNIGHT) \$TBD
	 SUNDAY MIMOSAS \$3.00



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Quantitative Research Insight #6



- Most terms associated with CCS are **neutral** or **positive**, but there are some terms that show **room for improvement** to consumers



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Quantitative Research Insight #7

- What respondents would like to change organized by **easiest to change**, requires **more consideration to change**, and requires **most consideration to change**
- All age groups equally likely to recommend (66% yes, 31% maybe, 2% no)
- Satisfaction with overall experience, service, cleanliness, and layout have a significant impact on willingness to recommend

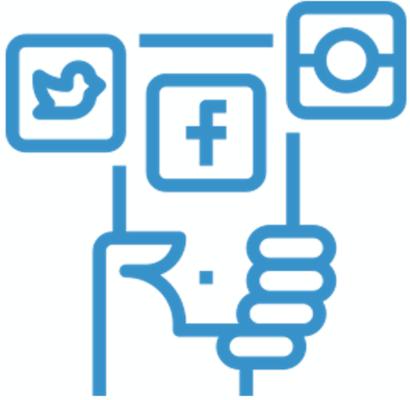


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Market Research Recommendations



Social Media

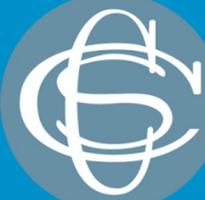
- Targeted ads on Facebook & Instagram
- Use of social media to inform about special events
- Focus on CCS as a place that is a restaurant NOT just a coffee shop
- *Instagram promotion: mention Carolina Coffee Shop on your Instagram story and get a 10% your next purchase*

Late-night

- *Offer food/drink specials to entice younger audience*
- *Offer special deals/promotions to breakfast and/or brunch goers for late night drinks/activities*
- *Come in and get your second drink free (After 5 pm)*



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Market Research Recommendations

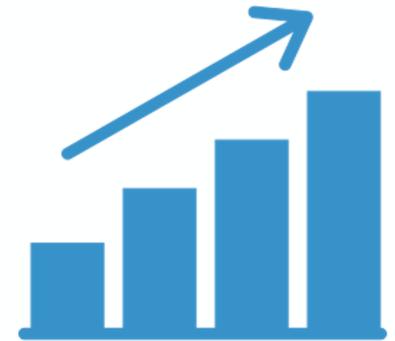


Design & Overall Experience

- Brighten the space for a better Instagram aesthetic
- Incorporate Carolina Coffee Shop logos onto napkins so that pictures taken by guests are more likely to feature a logo
- Continue to work on service to increase customer satisfaction
- Include survey on receipt for customer feedback on experience and environment

Success

- Consistent service (6 months from now)
- More customer-appealing layout (6 months from now)
- 5% increase in people coming in after 5 p.m. (6 months from now)
- Established late-night spot (1 year from now)
- Increased social media presence, especially Instagram, at least 800 followers (1 year from now)



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References

Icon made by [Vitaly Gorbachev](https://www.flaticon.com) from www.flaticon.com

Icons made by [Freepik](https://www.flaticon.com) from www.flaticon.com

Icon made by [Smashicons](https://www.flaticon.com) from www.flaticon.com

Menu Concept:

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Beer Image:

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Well Drink:

<http://www.momossportsbarandgrill.com/cocktails.html>

Mimosa Image:

<http://www.pngmart.com/image/tag/cocktail>

Fish Bowl Image:

<https://www.drinkstuff.com/products/product.asp?ID=6534>

Appetizer Image:

<https://www.taste.com.au/recipes/avocado-dip-turkish-chips/9cb4664a-76d0-4d06-ad07-8ae590239a6a>

French Fries Image:

<https://toko.sg/store/nacho-cheese-fries/>

Wine Bottles Image:

<https://norrismclaughlin.com/11b/2018/06/26/im-an-out-of-state-distributor-and-im-being-sued-in-new-jersey/blank-wine-bottles/>

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