**Milestone 3**

**Survey Results**

QSO-500-Q5796 Business Research

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Purpose Statement

The purpose of this research is to examine what demographics and coinciding pricing structure should JC Penney be focused on in order to increase sales after a decline from a recent change in strategies (HBR, 2013). This research will assist the organization with future strategic decisions in order to increase sales as well as market share.

Problem Statement

JC Penney has currently seen a decline in sales due to a change in its pricing and marketing strategies (HBR, 2013). This decline is motivated by many factors such a customer dissatisfaction over pricing changes, competition in a saturated market segment as well as overall customer avoidance to change (Business Week, 2013). JC Penney desires information on what demographics should be targeted to regain and increase market share as well as what pricing strategies should be employed in the targeted demographics.

Approach & Analysis

To begin our research project, it was necessary to determine what kind of exploratory data we would want to collect. Since we didn’t have a target demographic, gender, or even department, the decision was made to conduct in-depth interviews/surveys to gather this broad data. The survey was created with nine questions that ranged from broad shopping habits to thoughts on the current pricing structures and ending with the most frequented departments at the stores. This structure of starting off in very broad terms and narrowing down to specifics was thought to be the best approach, as we could gather important directional data to guide our research as it progressed. In our weekly discussion, we all agreed that out of our three options (focus group, in-depth interview, and laddering) that this was not the most ideal way to collect data, but it fit the needs of our group. Laddering was dismissed as a viable option since we had constraints based on the make up of the team. Preferably we would have conducted a focus group on JC Penney’s pricing, as this would have allowed us to gather more immediate feedback and could have led to further questions. Due to the geographic and time constraints of our group, we decided to “divide and conquer” and took it upon ourselves to administer ten interviews/surveys each. Since we were able to interview/survey individuals we knew, their answers might have been biased based on our relationships. If we were to conduct this phase again, it would be best to interview individuals who had no prior relationship or knowledge of our work. Finally, our results were condensed into numbers, leaving very little room for further interpretation of the data.

The results from our exploration were eye opening. Out of a total of 52 individuals surveyed or interviewed, we found that the group that shops most often at a brick & mortar JC Penney are 26-40 year old females, who deem sales as very important (but not critical to their purchase), and most often shop in the women’s section. What we can gather from this data is that when we start our descriptive phase we will want to look at where we can improve the shopping experience with this group. Since they are already coming to JC Penney, we will want to look at keeping their “intent to return” and recommendation levels high We also know that our least popular demographic are 26-40 year old males, who have no preference of sales, and primarily shop in the men’s department. This means that we will want to find out why they are our least popular group, as we stand to gain the most from winning them over.

How often do you visit JC Penney’s Store (brick & mortar)?

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | | | Ages 26-40 | | | | Ages 41+ | | | |
| 1-3 times/ week | 1-3 times/ month | 1-3 times/ year | Never | 1-3 times/ week | 1-3 times/ month | 1-3 times/ year | Never | 1-3 times/ week | 1-3 times/ month | 1-3 times/ year | Never |
| - | 3 | 2 | 2 | - | 10 | 7 | 9 | - | 3 | 3 | 2 |

How often do you visit JC Penney’s store (online)?

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | | | Ages 26-40 | | | | Ages 41+ | | | |
| 1-3 times/ wk. | 1-3 times/ mon. | 1-3 times/ yr. | Never | 1-3 times/ wk. | 1-3 times/ mon. | 1-3 times/ year | Never | 1-3 times/ wk. | 1-3 times/ mon. | 1-3 times/ yr. | Never |
| - | 3 | 2 | 2 | - | 2 | 9 | 15 | - | - | 4 | 4 |

Sales are not important to me when buying clothing:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | Ages 26-40 | | Ages 41+ | |
| Yes | No | Yes | No | Yes | No |
| 1 | 6 | 15 | 11 | 4 | 4 |

I usually buy clothing when it’s on sale:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | Ages 26-40 | | Ages 41+ | |
| Yes | No | Yes | No | Yes | No |
| 6 | 1 | 21 | 5 | 4 | 4 |

I only buy clothing when it’s on sale:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | Ages 26-40 | | Ages 41+ | |
| Yes | No | Yes | No | Yes | No |
| 4 | 3 | 12 | 14 | 3 | 5 |

Do you consider JCP price range to be:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | | Ages 26-40 | | | Ages 41+ | | |
| Low | Medium | High | Low | Medium | High | Low | Medium | High |
| 1 | 2 | 4 | 10 | 14 | 2 | 1 | 6 | 1 |

What department do you shop in the most at JCP:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ages 18-25 | | | | | Ages 26-40 | | | | | Ages 40+ | | | | |
| W | M | Ch. | Shoe | Home | W. | M. | Ch. | Shoe | Home | W. | M. | Ch. | Shoe | Home |
| 2 | 1 | 1 | 3 | - | 10 | 11 | 2 | 2 | 1 | 1 | 3 | 2 | - | 1 |

References

J.C. Penney's Shoppers Are Older, Poorer Than You Thought - Businessweek. (2013) Retrieved from <http://www.bloomberg.com/bw/articles/2013-04-10/j-dot-c-dot-penneys-shoppers-are-older-poorer-than-you-thought>

J.C. Penney’s Real Problem: The Shrinking Middle Class - HBR. (2013). Retrieved from <https://hbr.org/2013/04/jc-penneys-real-problem>