BETTER BEANS CO.

Coffee Chains in NYC



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Executive Summary

Coffee is an everyday essential for many, especially for the average joe living in New York where the lifestyle is highly fast pace that it becomes a necessity. There are many chains and tiny cafes all around New York so the overarching question that comes to our research teams mind is "why certain coffee chains thrive better than the others within the New York City Marketplace" However, in particular we want to understand why people might prefer Starbucks over other leading brands like Dunkin. With this question in mind, we decided the best way to come to a conclusion is by doing a survey and have respondents from the New York City Marketplace fill them out.

The way we went about obtaining our answer as accurately as possible was through a rigorous process. We went through secondary research and compiled a lot information from different sources, conducted experience surveys from a higher power within those chains (i.e. Mangers) as well as a questionnaire for the public. The first step being compiling our secondary research we have found that Starbucks was the leading coffee chain within New York which we were not surprised about, however what was interesting was that Starbucks and Dunkin have almost the same marketing strategy, but the publicity of Starbucks is better than Dunkin's.

Often times you see celebrities/influencers holding Starbucks versus Dunkin, which makes their following (i.e. us) want to go to Starbucks. In other words, Starbucks is given a form of celebrity endorsement without asking for it. If ones favorite artist is holding a certain coffee chain coffee cup, they will end up going there in hopes to possibly get the same order as they did or just simply drink from the same place they are. One thing is for sure though, the price point is very different when it comes to Starbucks vs. Dunkin. Although they both serve relatively the same drinks, food/bakery goods, they are different when it comes to being able to customize the

beverages of choice. Starbucks gives more options when it comes to syrups, sauces, toppings, and different infused cold foam for your coffee drinks. Whereas Dunkin as the basic syrup flavors (Hazelnut, French vanilla, Caramel) and the occasional Pumpkin spice during the Fall season. Going into conducting the experience surveys answered by store mangers, we made sure we kept the questions straight to the point, without swaying any of their decisions when it came time to answer. For example, "what drinks sell the most? Who enters the store the most? (i.e. students)" and more questions structured like that. The answers that were given helped us figure out what our questionnaire should consist of. However, before we conducted our questionnaire Better Beans Co. believed Consumers in the New York City marketplace prefer Starbucks over Dunkin and other leading brands for coffee, tea and any bakery/food item.

That being said, when conducting our extensive research we figured with a more vast menu at Dunkin, it would bring in more consumers within the New York City Marketplace. This means brining more flavors to their permanent menu which will allow consumers to customize their drinks to the fullest instead of a few options which is why they end up going to Starbucks which allows them to make endless combinations of their favorite drink. When it comes to Target audiences, they aren't that different, however more young adults (high-schoolers, middle schoolers) go to Dunkin, whereas young-adults and older go to Starbucks.

Conclusively, after gathering all the information needed from the surveys, research from various sources as well as pre-testing the questionnaire we figured that our hypothesis ended up being true. The data collected was correct and as accurate as it could've been from collecting responses from respondents whom were actual consumers or also working their. Showing that all ways of collecting information were a success and helped us conclude if our hypothesis was

correct and helped us further answer our overarching question to help figure out what could be done at the end to make Dunkin more superior or on the same level as Starbucks.



Mariam Gilani

Mariam Gilani is a senior at New York City College of Technology, doing a double major in Data science and Marketing. After graduating from her high school Academy for Software Engineering, she interned at multiple companies such as: GrubHub, Girls Who Code (hosted by Amazon) and IBM. Her various internships have covered grounds from data/coding related work to marketing insights on a company. She hopes to further her education with a master's in Business Analytics alongside a position in the analytics area to put her knowledge to the test hoping to close the gender gap in STEM.

Position: Project Director & Statistical writer

Reasonability: Responsible for the overall completion of the Research Project, and keeping track of deadlines, making strategic decisions, and providing leadership while making certain that the quality of the project is up to par.



Mubashar Sial

Mubashar Sial is a sophomore at the New York City College of Technology majoring in Marketing. His future plans are to get an internship at the United Nations and work there as a Market research analyst after getting an MBA. Currently, he is a PR and Marketing Intern at VisitDubai.com. In his free time, Mubashar likes to research the latest trends related to tourism, in various countries.

Position: Co-project director and research analyst.

Responsibility: As a co-project director Mubashar is responsible for double checking that the overall completion of the research project is done and deadlines are met. Furthermore, his second role of being a research analyst requires him to be responsible for analyzing, researching and interpreting data related to the project.



Mamadou Diallo

Mamadou Diallo is a student at New York City College of Technology and is majoring in Business and Technology of Fashion. He is currently working at a startup here in New York City as a Software QA Engineer. Migrated from West Africa in 2017, he's current goal is to complete his degree and integrate the fashion industry.

Position: Research analyst & statistic writer.

<u>Responsibility</u>: He is responsible for analyzing, researching and interpreting the data related to the market. Also creating tables and graphs.



Rokiatou Bah

Rokiatou Bah is a senior in New York City College of Technology, she is majoring in Business of Fashion Technology (Bachelor of Science). Rokiatou owns 3 businesses, a styling business called *IconicRouggs*, Creative writing business called *INKHER*, and an emergency roadside assistance business called *RBM Roadside Assistance*. One of her great accomplishments is that she published her first online book on Amazon called "Season Spent With Sadness". After graduation she will be continuing on her journey to start her own trucking business, open up schools, create her own version of New York Fashion week, and finally launch an innovative app that will change the way people shop digitally and physically.

Position: Statistical Writer

Responsibility: As a statistical writer, Rokiatou will be in charge of gathering, analyzing, and interpreting data to help the project proceed to next steps.



Rongrong Chen

Rongrong Chen is a sophomore at the New York City College of Technology, and she is majoring in Marketing Management and Sales. She works in a Marketing company which called Delight Marketing, Her job is expand the customer base and expand the US market into China. After she finishes her degree in marketing management, she will do a double major in psychology.

Position: Research Analyst

Responsibilities: As a research analyst, she will combine the data and draw conclusions. And keep track of the project



Jonathan Londono

Jonathan Londono is a sophomore at City Tech. Currently studying in marketing management & business major. Jonathan is currently working with DHL at JFK in the customer service role, his role is to have a full on command of all the packages and make sure the customers are satisfied. His goals in life is to work in a business overseeing the marketing operations.

Position: Research Analyst

<u>Responsibility:</u> This position will require Jonathan to gather intel to keep in track the trends of the company / business.

Secondary Data Research



Starbucks and Dunkin' are two of the main coffee chains in America (Delventhal, 2021), Especially in the New York Metropolitan area. Both are fairly similar when it comes to what they sell, their goals and strategies when it comes to distinct food options. They differ slightly regarding Dunkin specializing in doughnuts and Starbucks specializing in the many ways you can make a drink your very own. People continue to go to coffee chains due to the aesthetic, as well as versatility of these shops where one does not need to go to solely for coffee but, also a place where people can socialize with friends or even take business meetings, (Delventhal, 2021). making it a place that is considered as flexible work locations. People may consider Starbucks to be better than other coffee chains for several reasons. One, it sells very popular specialty drinks (Amit, n.d.). These include caramel Brule lattes (Christmas season) or pumpkin spice latte (during Halloween/Fall season), thus creating niche options. The Starbucks model seems to be one of consistency and convenience and with this, they have been able to open their coffee chain in many countries globally. The coffee chain tends to be promoted by different celebrities as well which increases its publicity (Amit, n.d.). Other than coffee and food, Starbucks sells products like coffee makers, mugs, and so on. It is a company that also has an app that aids in the easiness and convenience of orders.

The Starbucks menu has a variety of options from drinks to bakery and snacks. According to the updated Starbucks menu prices, they have 27 beverages ranging from \$1.75 to \$6.00 ('Teavana® Shaken Iced Tea' being \$1.75 and an 'Evolution Fresh' for \$5.95) (Larson, 2021). They also come in various sizes (Tall, Grande, Venti, and Trenta). As for the bakery menu, they provide 15 options, with prices ranging from \$1.95 to \$3.45 (a 'Chocolate Chip Cookie' for \$1.95 and a 'Ham & Cheese Savory Foldover' for \$3.45) (Larson, 2021). They also have other 23 food options (7 for the breakfast menu and 16 for lunch and other snacks). Their prices range from \$1.95 to \$6.45. All in all, the Starbucks menu is very vast, having something for everybody. Being the two largest eatery chains in the U.S. when it comes to coffee, Dunkin' and Starbucks offer very similar coffee options and slightly different food options. Although Starbucks was created twenty years later after Dunkin', Starbucks aggressively and is substantially larger company. For instance, Starbucks revenue in 2020 was \$23.5 billion in 2020, while Dunkin was 1.3 billion in 2019. It's important to note that Starbucks has over 30,000 locations worldwide versus Dunkin with 13,000 locations also worldwide.

Dunkin' stores being more like the traditional fast-food eateries and offer relatively cheaper pricing compared to their competitor making them more accessible from different type of people. Their menu is more affordable, making it the go to for most people and their stores are placed in more strategic places and low-income neighborhood compared to his competitor Starbucks that is present in certain neighborhood. They offer a variety of flavors and lager food portion. Their overall accessibility is great with their order ahead option. All that needs to be done is download the Dunkin' App and place your order prior arriving to the store so that you'll just pick up your order and be on your way. They are also present in other delivery applications like Uber eats and DoorDash making it easier to get your food delivered, not having to leave the comfort of your own home which was a big issue during the last year due to covid. So that option of contact-less delivery was a popular one. When it comes to customization Dunkin does not have a lot of options. Since they are more fast food oriented rather than a more premium brand like Starbucks with greater product customizations. However, they have quite a few items that you can choose from on their menu with over 50+ varieties of donuts, many beverages ranging from teas to coffees to even smoothies, bagels, breakfast sandwiches and other bakery goods. Dunkin has always praised themselves to be here to support the American people as they pursue their busy life to keep up with the American culture, hence the slogan "America Runs on Dunkin'. Although most people won't admit it, Dunkin' is the go-to for a lot of people for the simple fact that exist in all over America and almost at every corner of New York City with a very affordable price.

Fair enough to say Starbucks and Dunkin' are one of the two most recognized, and successful food/coffee chains around. The product itself makes the competition between the two titans only bigger, with both sides boasting a unique aspect in their products to captivate consumers. When we look at the pricing between the two, Dunkin' offers a more reasonable price than Starbucks luxurious items (Deleventhal 2021) which may attract more "traditional" customers. The pricey Starbucks is usually better at marketing than its competitive competition, which explains the hefty price tag on the plain latte, Grande for \$ 3.65 (Bailoni) compared to the relatively same size latte at Dunkin coming in at a cheaper price for \$ 3.29 with added flavor, such as milk, caramel flavors etc. (Bailoni). Both have the same rewards programs that allows the consumer to accumulate points every time they purchase a drink or donuts in Dunkin's case, to eventually get \$5-10 dollars off their next order or get up to 200 points for a free drink, any size. Although people argue that Dunkin indeed has the edge over Starbucks in the taste area (Bailoni), looks like the more milk/cream added into the lattes really make it a deal breaker for the consumers whereas they feel that Starbucks lacks immensely in that area due to their coffee being stronger. The point where the separation is drawn the most between these two chains is the food. Dunkin' offers a variety of donuts to wraps, sandwiches and even croissants/muffins. Whereas Starbucks is mostly coffee with maybe a couple of bakery items. Some Dunkin' locals have a collaboration with the ice cream brand Baskin Robins, which offers even more variety to the consumers (Miller nd). Dunkin's snacks come straight from the rack, while Starbucks offers treats from plastic bags (Miller). Dunkin also has an app, which allows you to skip the line in store to receive your order a lot quicker, may come in handy if one is in a rush (Miller). Starbucks pulls its own weight and holds the edge over Dunkin in the variety of drinks section. Over 80,000 drink variations to choose from, with the best ingredients available

(huff post). Starbucks in addition boasts 11 different syrups to add to your lattes, along with 4 sauces in case you were feeling extravagant (choe 2021). In the end though, Dunkin's largest variety from breakfast to coffee and even the selection of ice cream from Baskin Robin at times may captivate New York City Marketplace more than Starbucks at times.

Both Starbucks and Dunkin Donuts have all the vegan lovers and eaters' content, with both companies making strides to be more vegan friendly. Dunkin has partnered up with Beyond Meat to create a sausage sandwich called "Beyond Sausage sandwich" (Rabb 2021). The avocado spread offered at Dunkin' is always a fan favorite, as it sits well with the vegan eaters. Though with more room to improve, Dunkin has taken initiative to become more vegan friendly to its consumers. The competition in this case Starbucks, clearly has the upper hand in the vegan department, ranging from Vegan Hot drinks to Vegan Ice drinks and Vegan Snacks etc., the avocado protein box with chickpea is a favorite among vegans (veggl 2021) and so is the Cinnamon Dolce Crème ordered with *non-dairy*. Starbucks has over 30 drinks dedicated to the vegans of the world, clearly a more elaborated menu than Dunkin's.

All in all, taking all these factors into consideration, we concluded that Starbucks is more popular and earns more money than Dunkin. Starbucks and Dunkin have almost the same marketing strategy, but the brand publicity of Starbucks is better than Dunkin's, which means that the success of a brand also depends on publicity. The target consumers in the New York City Marketplace of Starbucks and Dunkin are completely different. Each brand has different class of consumers it belongs to and set the price of their product accordingly. Starbucks focuses on beverages while Dunkin focuses on food. Overall, for a brand to succeed, self-positioning is very important while also needing to have its own uniqueness to them. However, because of how well Starbucks presents itself on social media while having others constantly talk about different drinks to try there which creates more foot traffic at Starbucks makes it the go to for many within New York City.

Experience Survey



Name: May Vo Store: Starbucks

Position: Store Manager

Location: New York Presbyterian Hospital - Queens Date: 09/26/2021

1. How long have you been working at Starbucks?

I have worked there for 1.5 years.

2. Do customers do mobile order or in-store order most?

In-store most

3. Is it mostly students?

The staff is predominantly college students, but customers are mainly adults or the elderly.

4. What drinks sells the most (i.e lattes, cold brew, etc)?

During the fall season the pumpkin spice lattes fly off the counter, but all year round our most popular drink would probably be the mango dragon fruit refresher with lemonade.

- 5. What flavor do people gravitate to the most upon ordering? People usually gravitate towards vanilla and caramel for their lattes and Frappuccino's
- 6. On average when is it the busiest time (month and day of the week/time)?

Out of all of the seasons, it would have to be a tie between the fall and the summer. In the fall, everyone is coming for everything pumpkin related (i.e., seasonal pastries and beverages) but during the summer it also gets super chaotic with the refreshers and Frappuccino's from the hot

weather. Mondays are our busiest days and usually around noon time, it gets hectic because the hospital staff switches shifts.

7. Are certain season the most hectic compared to others? Why?

The Fall time and holiday season (Christmas) for sure due to our specialty flavors (Pumpkin spice latte, caramel brulee, Gingerbread)

8. What breakfast/bakery item sells the most?

Our grilled cheese flies off the shelves like it's water, but the pastry item that sells the most is the banana loaf.

9. Do you suggest drinks to customers? If so, why?

Yes I suggest drinks to customers because there's so many secret combinations that are very good but also it brings a lot of revenue in to our location cause I charge them for everything

10. On average how long does it take for orders to be ready?

Fairly quick, it takes about 3 minutes to push out a hot caramel macchiato and 5 minutes to make a Frappuccino. Warming food also doesn't take that long—our longest heating time would have to be our paninis—but still it would take about 5 minutes.

Experience Survey



Name: Vanessa Matthews

Store: Dunkin'

Position: Store Manager

Location: 662 Dogwood Ave, Franklin Square, NY 11010

Date: 09/30/2021

1. How long have you been working at Dunkin?

I have worked here for about 2 years

2. Do customers do mobile order or in-store order most?

In-store most, however in the morning its usually mobile order since people on the run

3. Is it mostly students?

The staff is predominantly older people, but customers are usually High schoolers or middle schoolers.

4. What drinks sells the most (i.e lattes, cold brew, etc)?

The pumpkin spice flavor swirl during the fall are biggest round of orders especially as well as our Girl scouts flavor during march since you can get cold brew, macchiato, lattes and more, but throughout the year it's a French vanilla latte with whip cream.

5. What flavor do people gravitate to the most upon ordering? Mostly French vanilla and Caramel

6. On average when is it the busiest time (month and day of the week/time)?

Seasons wise the fall. In the fall, However, the morning time where people are going to work or kids going to school. As well as after school it usually becomes a hangout place

7. Are certain season the most hectic compared to others? Why?

Fall Time for pumpkin spice flavors and during spring (March) for the girl scout drinks

8. What breakfast/bakery item sells the most?

Recently our new avocado toast, however people love our hash browns and of course our donuts

9. Do you suggest drinks to customers? If so, why?

Sometimes, but most of the time the customers know exactly what they want

10. On average how long does it take for orders to be ready?

Pretty quick about 2 minutes but bagels and such a little longer since we heat them up but still pretty quick, on average no longer than 8 minutes.

Problem Definition



Target Audience

- 1. Students (High school/College)
- 2. Adults who are employed (possibly 9-5s)
- 3. Coffee and Tea lovers
- 4. New York City Metropolitan area

Problem Statement

1. To determine as a team, why certain coffee chains thrive better than the others within the New York City Marketplace. In particular, we want to understand why people might prefer Starbucks over other leading brands like Dunkin.

Research objectives

- 1. To find the key messaging on how leading coffee brands in the New York City Marketplace advertise themselves.
- 2. To Investigate if certain seasons make customers in the New York City Marketplace go to coffee chains more often.
- 3. To discover any promotion deals that are making customers New York City Marketplace gravitate more towards certain coffee chains than the others.
- 4. To determine the average money a consumer in the New York City Marketplace spends on coffee at coffee chains per day.
- 5. To discover what flavor consumers in the New York City Marketplace, prefer most during each season.
- 6. To find the most popular bakery/food item that consumers in the New York City Marketplace gravitate to the most.

Research Questions

- 1. What persuades consumers in the New York City marketplace go to coffee chains?
- 2. Are there certain times of the year that consumers in the New York City Marketplace got to coffee shops more?
- 3. Do consumers in the New York City Marketplace care about a rewards system?

- 4. Does price matter to consumers in the New York City Marketplace when going to coffee shops?
- 5. What flavors is the most popular that drives customers in the New York City Marketplace to come to coffee shops everyday?
- 6. Is there a popular drink, flavor, or even bakery/food item that make consumers within the New York City Marketplace come to coffee shops more for breakfast/dessert?

Hypothesis

- 1. Consumers in the New York City marketplace prefer Starbucks over Dunkin and other leading brands for coffee, tea and any bakery/food item.
- 2. Fall and Holiday seasons make consumers in the New York City Marketplace go to coffee shops way more than any other time of the year.
- 3. Price does not matter to customers in the New York City Marketplace who go to coffee shops due to wanting aesthetically pleasing coffee to take pictures of, but also for the quality of the coffee.
- 4. Consumers in the New York City marketplace always prefer coffee iced rather than hot, no matter the weather.

Planning the Research Design

Research design:

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. The function of a research design is to ensure that the evidence obtained enables you to effectively address the research problem logically and as unambiguously as possible. "Better Beans Co" has decided that cross-sectional study would be the best survey classification to utilize. A cross-sectional study is the type of observational research that analyzes data of variables collected at one given point in time across a sample population or a pre-defined subset. This study type is also known as cross-sectional analysis, transverse study, or prevalence study. Although cross-sectional research does not involve conducting experiments, researchers often use it to understand outcomes in the physical and social sciences and many business industries.

Methodology:

Research methodology is the techniques that we use to identify, select, process and analyze information about a given topic. There are many different types of research methodologies we can use, in our case we chose to create and conduct a questionnaire, along with using the survey method to collect the data and analyze them. We think that these tools are the best to obtain useful information and effectively address our research problem and hypothesis.

Survey:

A survey is a research method used for collecting data from a predefined group of respondents to gain information and insights into various topics of interest. They can have multiple purposes, and researchers can conduct it in many ways depending on the methodology chosen and the study's goal. In our case we conducted an experience survey which is a set of questions designed to gauge the overall satisfaction of a group of people who have shared a common experience.

The survey was about to determine which of the coffee chain: McDonald or Starbucks was most preferred in the New York City area and why was that. At the beginning of the creation of the survey we reduced many coffee chains into the two most popular ones within the New York City area. Then narrowed it down to the possible driving factors behind the popularity of the two brands, as well as customers decision to purchase one brand more frequently over the other.

Selection of Sample Design:

Target population:

When your population is large, geographically dispersed, or difficult to contact, it's necessary to use a sample. With statistical analysis, you can use sample data to make estimates or test hypothesis about population data. Ideally, a sample should be randomly selected and representative of the population. Using probability sampling methods (such as simple random sampling or stratified sampling) reduces the risk of sampling bias and enhances both internal and external validity. For practical reasons, researchers often use non-probability sampling methods. Non-probability samples are chosen for specific criteria; they may be more convenient or cheaper to access. Because of non-random selection methods, any statistical inferences about the broader population will be weaker than with a probability sample.

For our project, because of the unusual times that we are living in, also known as COVID-19 era, we will be using convenience sampling technique, meaning that the sample is drawn at the convenience of the interviewer. People such as fellow students, family members, friends, and coworkers. Although this was a convenience sampling, for a more reliable and accurate research result, we've decided to focus on coffee lovers, from all genders between the age of 16-65, with any employment status and any ethnic background.

The majority of respondents were female. 28.8% of respondents were male, 59.6% of respondents were female. While 7.7% prefer not to answer and 1% transgender female. Most respondents were between the ages of 0 to and older. 65.4% of respondents were between the ages of eighteen and twenty-four; While 15.4% of respondents were between the ages of

twenty-five and thirty-five, 7.7% of respondents under eighteen. 5.8% respondents were between the age of thirty-five and forty-five. and 3.8% of respondents were between the ages of forty-five and fifty-four; And finally, only 1.9% of respondents were between the ages of fifty-five and sixty-four; And nobody respondents reported to be older than sixty-five years old.

Most respondents were College or College graduates. College made up 34.6% of respondents, College graduates made up 28.8% of respondents, while High School graduates made up 21.2% of respondents. Completed Graduate School made up 9.6% of respondents, 7.7% of respondents reported High School or less. Graduate School and Complete middle school made up 1.9%. The majority of respondents were employed. 32.7% were employed Full-Time; while 38.4% of respondents were also students, 28.8% of students were Full-Time students, and 9.6% of students were Part-Time students. 25% reported to be employed Part-Time; And 9.6% of respondents reported to be Unemployed; And only 5.8% of respondents reported to be Self-Employed. Most respondents' income levels are Under \$10,000 and 50000 or more. 26.4% of respondents reported earning an income between 50,000 or more, 18.9% of respondents reported earning an income under \$10,000. While 11.3% of respondents reported earning an income between \$15,000 and \$19,999. 9.4% of respondents reported earning income between \$10,000 and \$14,999, same as earning an income between \$20,000 and \$24,999. 7.5% of respondents reported earning an income between \$35,000 and \$39,999. 5.7% of respondents reported earning an income between \$25,000 and \$29,999, same as earning an income between \$30,000 and \$34,999. While 3.8% of respondents reported earning an income between \$20,000 and \$24,999.

Lastly, most respondents were of Asian. 46.2% of respondents were Asian, 23.1% of respondents were African American, 17.3% of respondents reported to be of Hispanic/Latin descent; And 5.8% were Caucasian. 1.19% of respondents were native American, Pakistani and

Saudi Arabian. Most respondents live in Queens and Brooklyn. 46.2% of respondents live in Queens, 19.2% of respondents live in Brooklyn, 17.3% of respondents live in Manhattan. 3.8% of respondents live in Bronx, Long Island and Chicago. People who live in Saudi Arabia and Staten Island respondents followed, making up 1.7% of respondents. The majority of respondents were single. 76.9% of respondents reported being single, while 15.4% of respondents reported to be married. 5.8% of respondents reported to be divorced, and 1.9% are in love. Most respondents have 5 or more family members. 30.8% respondents have 5 or more people in their household, 23.1% respondents have 4 people in their household; And 17.3% respondents have 3 people in their household, 15.4% respondents live alone, 13.5% respondents have 2 people in their household. We use non-probabilistic sampling and non-probabilistic sampling techniques: convenience sampling to select respondents who will be used to complete our questionnaire.

Collection Of Data

Pre-Test:

Pre-testing is the step-in survey research in which survey questions and questionnaires are tested on members of the target population or study population in order to evaluate the reliability and validity of the survey instruments prior to their final distribution. Pre-testing can assist researchers in determining the strengths and limitations of their survey. To evaluate the strengths and shortcomings of their survey, researchers employ a systematic application of the pretesting method.

We began our pre-testing procedure by asking each group member to come up with as many questions as possible. There were roughly 33 questions in total, some of which were repetitive, so the project director eliminated some of them and presented the group of questions she thought were appropriate. The rest of the team restructured the questionnaires and created follow-up questions for close ended questions because only 29 questions were required. The rest of the team was then told by the project director to send the survey to ten people, which was a random sample technique. When every element in a population has an equal probability of being chosen for the sample, it is called random sampling.

Better Beans Co. Research firms were able to evaluate and understand the collected data by producing a mental picture, in other words, using bar graphs and pie charts to show respondents' responses, after sending out the survey to 52 respondents. Our questionnaire was formatted in such a manner that respondents wouldn't just skim through it; for example, a question ranging from 1 to 5 may be followed by a question ranging from 6 to 10, which aids in the accuracy of responses. We categorized all of the questions after they were set up, such as pricing, customer service, cleanliness, variety of drinks/flavors, and so on. Amazingly, based on the pie charts and bar graphs, Better Bean research firm concluded that, despite its high price, Starbucks is people's favorite coffee brand, and that they are willing to spend because of the excellent coffee quality, customer service, and variety of refreshments that they provide. We can also observe from the statistics that many consumers stick to the same coffee they always drink. Starbucks was frequently chosen because of its popularity among friends, social media, and the psychological factor of people wanting to feel and appear wealthy in order to revere superstars. Dunkin doughnuts came in second place to Starbucks because its flavors were not as appealing as Starbucks' and it had poor customer service. Dunkin also came in second place since it was less expensive than Starbucks. Even though Dunkin donuts is simpler to find because of delivery apps like door- dash, grubhub, and UberEATS, Starbucks received the most votes.

Main study

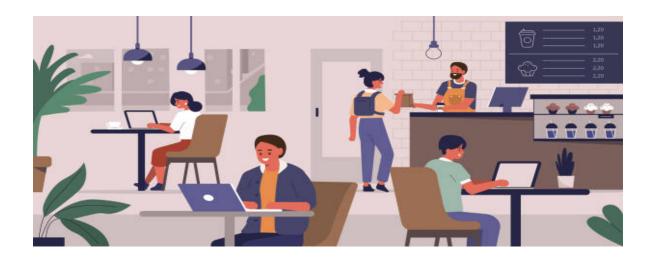
After successfully completing the pretest, which was the process of conducting the primary study, we could move on to the next step in the data collection procedure. Primary research refers to any type of research that you conduct yourself. Only a few examples include surveys, interviews, observations, and ethnographic research. We also realized that because of

the social distancing now and things being more virtual, certain responses from some respondents won't be as transparent as they would be if it was a physical interview, using our hypothesis to aid us in analyzing our data. With physical interviewing, we can see the customer's or respondent's facial expressions, which can reveal their level of interest in a certain coffee brand.

The "Better Beans Co. Research Firm" laid out their data and revisited their hypothesis, which stated that "consumers in the New York City marketplace prefer Starbucks over Dunkin and other leading brands for coffee, tea, and any bakery/food item." They also noted that costs were unimportant to customers in the New York City marketplace who went to coffee shops not only for aesthetically attractive coffee to photograph, but also for the coffee's quality. According to the data supplied in the poll, 21.2 percent of consumers voted that price does not influence their decision when purchasing coffee, and 63.5 percent voted that a range of seasonal bakery goods and drinks entice them to purchase. Starbucks received the most votes in the categories of best taste/flavor, customer service, number of stores, atmosphere, cleanliness, range of drinks/tastes, seasonal flavors, and food/bakery items.

We also realized that pricing wasn't a big concern for these respondents because most of them were single, didn't have a lot of responsibilities, and roughly 26.4 percent of them had an annual salary of \$50,000 or more. Students (high school/college) and adults who worked 9-5s were the primary audiences for both coffee establishments. Young adults in high school and college are more likely to follow social media trends, friends, and favorite celebrities, implying that Starbucks appears more upscale, tastes richer, and is more current than Dunkin Donuts. The organization concluded that the Starbucks brand is constantly being actively and passively advertised, which is why it attracts more attention and customers. Because the brand itself tells and exposes consumers' identities or ideal identities (rich lifestyle), inventive drinks, and ingredients shared on social media by not only the brand owners but also the customers, passive marketing is used. Starbucks is the most popular coffee shop because of its broad menu, high-quality customer service, and ongoing involvement with customers, which has resulted in great brand loyalty.

Data Analysis



Editing

Editing is the process of reviewing and adjusting a collected survey. When you edit a questionnaire you can update the questions or information and re-order the sequence in which the questions are displayed and are easier to answer and comprehend. Editing is used to check and detect any problems that might be on the questionnaire. When we first sent out the surveys we sent it in paper format and discovered that most of our target population did not like the paper format, as it was hard for them to answer the questions. In order to get our respondents to answer the survey, we edited our survey without altering any questions. We made the survey into a easy to fill out manner. We used Google forms and sent out each respondent a fillable link while keeping an anonymity. We didn't want any of the survey takers to be annoyed with the longevity of the of the survey, so we asked the questions in a different kind of manner so it's felt like it was short. When we checked the responses of the survey many respondents gave back good feedback stating how easy to follow the survey was than the original paper format.

Coding

Coding is when you take open-ended responses and categorize them into groups. Respondents don't really like open ended questions because they are long, so sometimes they can randomly tick off random answers. For us, our job is to code the responses into categories that are easy to interpret. A few of our questions such as question number one, which asked "overall, which of the following coffee brands do you prefer the most (please rank your top 3 most preferred by numbering them 1,2 and 3)", required intensive coding. We began the coding process by collecting the data from the 52 completed questionnaires. We then calculated the number of responses for each question and divided each response total by the total number of completed questionnaires. Some respondents did fill out the paper survey so we had to manually enter the information on Google forms. When all surveys were completed we then interpreted the graphs and made charts and tables.

Analysis

Data analysis, is when you systematically apply statistical and or logical techniques to describe, illustrate, and evaluate data and make it easier to interpret. Analysis involves taking the primary and secondary data and using a tally system to count the responses. Our study was a cross sectional study and we used a non-probability sample. Out of the twenty-nine questions we asked, below are the results for nine different questions, from our conducted questionnaire. The questions below were chosen from the pool of twenty-nine questions because we felt that these questions helped us resolve our hypothesis and research questions. There were 52 responses from our study.

1. In a typical week, how many days do you go to purchase Coffee?

According to our data analysis:

- 13.5% chose Everyday
- 9.6% chose 5-6 days a week
- 21.2% chose 3-4 days a week
- 26.9% chose 1-2 days a week
- 28.8% chose Less than 1 day a week
- 2. How do you prefer to drink your coffee most of the time? (Please choose only one)

According to our data analysis:

- 7.7% chose Black
- 46.2% chose With Milk
- 43.2% chose Light and Sweet
- 1.9% chose Caramel Iced Coffee
- 1.9% chose Caramel and Cream
- 3. What size coffee do you prefer to drink the most? (Please choose only one)

According to our data analysis:

- 15.4% chose Small
- 59.6% chose Medium
- 17.3% chose Large
- 5.8% chose XL
- 0% chose XXL
- 1.9% chose Large or Medium
- 4. Do a variety of season bakery items and drinks interest you?

According to our data analysis:

- 63.5% chose Yes
- 36.5% chose No
- 5. If you answered Yes to the Previous question, do you go to coffee chains more during the holiday seasons?

According to our data analysis:

- 17.1% chose Always
- 71.4% chose Sometimes
- 8.6% chose Rarely
- 2.9% chose Never
- 6. At what time of day do you usually go for coffee? (Please choose all that apply)

According to our data analysis:

- 3.8% chose Before 6 am (early morning)
- 26.9% chose 6 am 8:59 pm (mid-morning)
- 53.8% chose 9 am 11:59 am (late morning)
- **30.8%** chose 12 pm 4:59 pm (afternoon)
- 17.3% chose 5 pm 8:59 pm (evening)
- 9.6% chose 9 pm 11:59 pm (night time)
- 0% chose 12 midnight 5:59 am (late night)

7. Do you purchase coffee for home use?

According to our data analysis:

- 48.1% chose Yes
- 51.9% chose No
- 8. If you answered Yes, to the previous question: how often do you purchase coffee to prepare at home?

According to our data analysis:

- 20% chose Weekly or More
- 30% chose Once Every 2 weeks
- 6.7% chose Once Every 3 weeks
- 43.3% chose Once a month or less

9. Do you sometimes change the coffee chain that you prefer the most?

According to our data analysis:

- 60.8% chose Yes
- 39.2% chose No

<u>Table 1</u> <u>Money spent on coffee per week</u>

Amount	Number	Percent
Less than \$15	21	41.2%
\$15-\$19.99	15	29.4%
\$20-\$24.99	6	11.8%
\$25-\$29.99	4	7.8%
\$30 or More	5	9.8%
Total	51	100%

Question #4: On average, approximately, how much money do you spend at coffee chains per week?

Table 2

Respondent Martial Status

Marital Status	Number	Percent
Single	40	76.9%
Married	8	15.4%
Divorced	3	5.8%
Fall in love	1	1.9%
Total	52	100%

Question #26: What is your current Martial Status? (Please choose only one)

Table 3

Respondent pricing effect on decision

Effect	Number	Percent
Always	7	13.5%
Sometimes	26	50%
Rarely	8	15.4%
Never	11	21.2%
Total	52	100%

Question #9: Does price affect your decision when buying coffee?

Table 4

Respondent change of coffee shop

Change	Number	Percent
Very Often	2	3.8%
Often	4	7.7%
Sometimes	23	44.2%
Hardly Ever	11	44%
Total	52	100%

Question #15: How often do you change from one Coffee Chain to another?

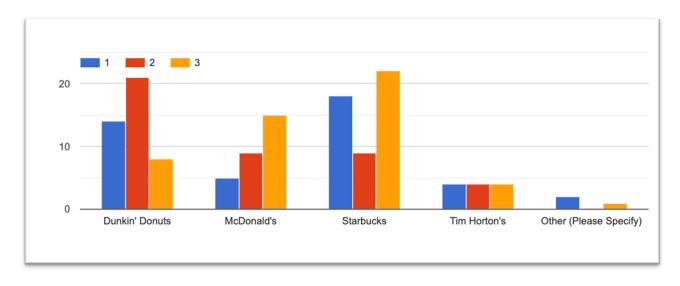
<u>Table 5</u> <u>Drinks influenced by social media</u>

Influence	Number	Percent
Always	2	3.8%
Sometimes	22	42.3%
Rarely	10	19.2%
Never	18	34.6%
Total	52	100%

Question #7: Have any of your customized drinks been influenced by people on Social Media?

Figure 1

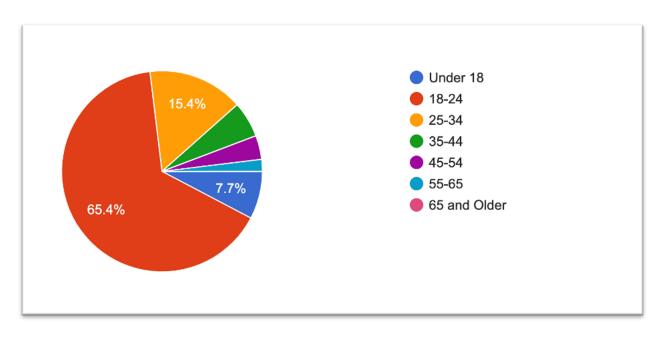
Ranking of Major Coffee Shops



Question #1: Overall, which of the following coffee brands do you prefer the most? (Please rank your Top 3 most preferred by numbering them 1, 2, and 3)

Figure 2

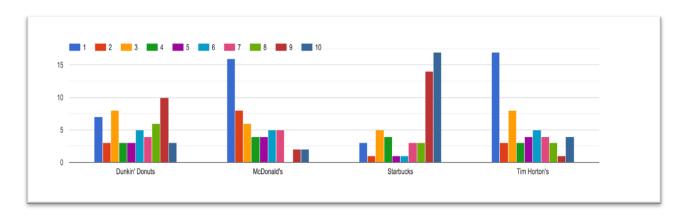
Respondent Ages



Question #23: What is your age?

Figure 3

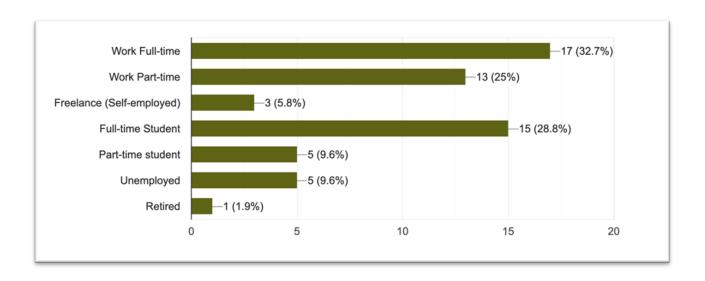
Respondent overall recommendation scale



Question #14: On a scale of 1-10 (1- being least likely, 10 being most likely) how likely or unlikely are you to recommend the following Coffee chains to other people? (Please choose only one number for each Coffee Chain listed)

Figure 4

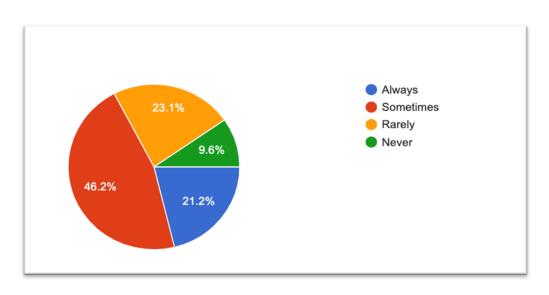
Respondent Employment Status



Question #24: What is your current Employment Status? (Please choose all that apply)

Figure 5

Coffee Customization



Question #6: How often do you customize your coffee drinks?

Conclusions & Recommendations



Conclusion:

In the end, our hypothesis was proven to be correct. Starbucks is the overall clear and cut favorite Coffee local over Dunkin Donuts. With the two of them being the two giants in the Coffee world, they relatively have different target consumers, as Dunkin has recently been known more for their variety in breakfast style foods. Our data has analyzed that Starbucks does edge Dunkin in income, with Starbucks having a whopping \$23.5 billion revenue back in 2020 and dunkin only managing to salvage a \$1.3 billion revenue in 2019. Starbucks variety and focus on its one prize item, coffee is the reason why it's consumers keep coming back for more, as the elusive rewards program that Starbucks holds for its loyal customers out shadows any complaints about their price being heftier than Dunkin Donuts'. With Starbucks being created two decades later than Dunkin, their 30,000 locations worldwide are far superior to Dunkin's 13,000 worldwide locations; where it only goes to show how much popularity and how much more the consumers prefer Starbucks over Dunkin. Taking advantage of the world being so gluten free and vegan, Starbucks has rose to the occasion in providing a vegan/gluten free menu for a selected target consumers, which brings in a lot more revenue than the fast food style place that is Dunkin. We were also able to discover that the two brands don't really clash in terms of conflict of interest. Dunkin' Donuts variety of drinks and foods has lead them to be more known as a fast food restaurant, where Starbucks specifically focuses on Coffee and it's over 80,000 drink variations to choose from. The persistence focus on one simple thing leads the consumers to believe that the company only cares about one thing, coffee. With Dunkin, it's too much on their plate. With dealing the breakfast sandwich menus and the baskin robins ice cream, it's hard to say they can really focus on the coffee market.

Overall, "Better Beans Co" has concluded that Starbucks is the superior Cofee business in the world, over dunkin Donuts due to its sole focus on their number one product coffee, their reward programs for its loyal customers, their 30,000 locals in a short 20 year span and their steady increase of revenue over the last years. Sadly, Dunkin doesn't compare to these numbers in any at all. Maybe the cheaper prices for coffee might do the trick but these days it's quality over

quantity. Starbucks outshines Dunkin in its variety options. Starbucks also targets different types of consumers with different preferences, such as the gluten free and vegan consumers, which brings in a whole new wave of loyal customers.

As seen on all the data collected, it's proven that Starbucks is the overall favorite of the consumers over Dunkin when it comes to Coffee locals.

Recommendations

"Better Beans Co" acknowledges both companies for being the stronghold of coffee world for years now. Both run some deep roots in the industry and especially in our country. With Starbucks and Dunkin Donuts still greatly thriving in their respective target fields, the question has been asked of which is the better of the two? So with much respect to Dunkin and their business operation, "Better Beans Co" firmly believes that Starbucks is the far superior company to buy coffee from in 2021. "Better Beans Co" believe that Dunkin Donuts can listen to their consumers a tad more, and change their variety menu for their different consumers with different wants. So if you're in the mood for some coffee, Starbucks is strongly advised.

BETTER BEANS CO.

Coffee Chains in NYC



Preferred Coffee Chains In New York

We, the Better Beans Co. Research Firm are conducting an important Citywide Survey among coffee lovers like you in the New York City Marketplace. Your responses are essential to our research and will be kept strictly confidential. We appreciate that you answer all Questions honestly and to the best of your ability.

We thank you in advance for taking the time out of your busy schedule to participate in our research study.

	1) Overall, which of the following coffee brands do you prefer the most? (Please rank your Top 3 most preferred by numbering them 1, 2, and 3)
	[] Dunkin' Donuts
	[] McDonald's
	[] Starbucks
	[] Tim Horton's
	[] Other (Please Specify)
	2) In a typical week, how many days do you go to purchase Coffee?[] Everyday
	[] 5-6 days a week
	[] 3-4 days a week
	[] 1-2 days a week
	[] Less than 1 day a week
	3) Do you have apps from Coffee chains downloaded on your phone?
	[] No (Skip To Question # 4)
	 If yes, do you prefer to order your coffee In-store or through an app? (Please choose only one)
	[] In-store
	Through an App
	[]8
4)	On average, approximately, how much money do you spend at coffee chains per week?
	[] Less than \$15
	[] \$15 - \$19.99
	[] \$20 - \$24.99
	[] \$25 - \$29.99
	[] \$30 or More
5)	At what time of day do you usually go for coffee? (Please choose all that apply)
J)	[] Before 6 am (early morning) [] 5 pm - 8:59 pm (evening)
	[] 6 am - 8:59 pm (mid-morning) [] 9 pm - 11:59 pm (nighttime)
	[] 9 am - 11:59 am (late morning) [] 12 midnight - 5:59 am (late night)
	[] 12 pm - 4:59 pm (afternoon)
6)	How often do you customize your coffee drinks?
	[] Always [] Rarely
	[] Sometimes [] Never
7)	Have any of your customized drinks been influenced by people on Social Media?
<i>')</i>	[] Always [] Rarely
	[] Sometimes [] Never

8)	Do you purchase coffee for home use? [] Yes [] No
	If Yes, how often do you purchase coffee to prepare at home? [] Weekly or More
9)	Does price affect your decision when buying coffee? [] Always [] Rarely [] Sometimes [] Never
10)	Do celebrities Influence your decision about which brand of coffee to purchase? [] Strongly Influence
11)	Do a variety of seasonal bakery items and drinks interest you? [] Yes [] No (Skip to Question #11) a. If you selected "Yes," do you go to coffee chains more during the holiday seasons? [] Always [] Rarely [] Sometimes [] Never

12) Based on each of the factors listed below, in your opinion, which company is the **Best?** (Please choose only one company for each factor)

Factors	Dunkin'	McDonald's	Starbucks
1 400012	Donuts		~ 3337 % 43 43 43
Taste/Flavor	[]	[]	[]
Price	[]	[]	[]
Customer Service	[]	[]	[]
Number of Locations	[]	[]	[]
Freshness of Ingredients	[]	[]	[]
Atmosphere	[]	[]	[]
Cleanliness	[]	[]	[]
Variety of Drinks/Flavors	[]	[]	[]
Variety of Ingredients	[]	[]	[]
Seasonal Flavors	[]	[]	[]
Food/Bakery Items	[]	[]	[]

13) How do you feel about each of the following statements? (Please respond to each statement listed below)

Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
Promotions affect the place where I order coffee from.	[]	[]	[]	[]
I enjoy when the barista recommends new drinks for me to try	[]	[]	[]	[]
Having a variety of options on how to customize a drink is a strong indicator of a good coffee chain.	[]	[]	[]	[]
Allowing me to pick from a Variety of Food/Bakery items is a good indicator of a good coffee chain	[]	[]	[]	[]
Easy ordering affects where I go to get coffee	[]	[]	[]	[]
The aesthetic/atmosphere of the coffee shop indicates where I will get coffee from	[]	[]	[]	[]
Quick and friendly Service affects where I purchase Coffee	[]	[]	[]	[]

14) On a scale of 1-10 (1- being least likely, 10 being most likely) how likely or unlikely are you to recommend the following Coffee chains to other people? (Please choose only one number for each Coffee Chain listed)

	1	2	3	4	5	6	7	8	9	10
Dunkin'	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Donuts										
McDonald's	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Starbucks	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Tim	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Horton's										_

15) How often do you change	e from one Coffee Chain to another?
[] Very Often	[] Sometimes
[] Often	[] Hardly Ever

16) Based on your answer to Question prefer the most?	#1, do you sometimes change the coffee chain that you
[] Yes	
[] No	
a. If you selected "Yes" p	lease specify why?
I change because	
b. If you selected "No" plo I stay because	ease specify why you always go back to the same chain
17) What made you first start going to	your most preferred Coffee chain? (Please choose only
one)	
[] Friends	[] Social Media
[] TV Advertisement [] Billboard	Other (Please Specify)

18) How important are each of the following Factors when purchasing Coffee? (Please respond to each Factor listed below)

<u>Factors</u>	Very Important	Mostly Important	Somewhat Important	Not Important at all
Price	[]	[]	[]	[]
Flavor Variety	[]	[]	[]	[]
Service	[]	[]	[]	[]
Brand	[]	[]	[]	[]
Quality	[]	[]	[]	[]
Quickness	[]	[]	[]	[]
Promotions	[]	[]	[]	[]
Location	[]	[]	[]	[]
Vast Menu	[]	[]	[]	[]
Constant New Drinks	[]	[]	[]	[]
Food/Bakery Choices	[]	[]	[]	[]

19) What size coffee do you prefer to drink the most? (Please choose only one)
[] Small [] Medium [] Large [] Other (Please Specify)
20) How do you prefer to drink your coffee most of the time? (Please choose only one)
[] Black [] With Milk [] Light and Sweet [] With Coffee Creamer
Other (Please Specify)
The following personal questions are for statistical purposes only. Your answers to these questions will be kept strictly confidential.
21) To which Gender Identity do you identify with the most? [_] Male [_] Female [_] Transgender Male [_] Transgender Female [_] Gender Variant/Non-Binary [_] Other (Please Specify) [_] Prefer Not to Answer
22) How many people live in your household? [_] 1 [_] 2 [_] 3 [_] 4 [_] 5 or more
23) What is your Age? [_] Under 18

24) What is your current Employment Status? (Please choose all that app [_] Work Full-Time	
25) What is your Ethnic Background? (Please choose only one) [] Asian [_] Black/African-American [_] Caucasian [_] Hispanic/Latinx [_] Native American [] Pacific Islander [] Other (Please Specify)	
26) What is your current Marital Status? (Please choose only one) [_] Single [_] Married [_] Divorced [_] Other (Please Specify)	
27) What is the highest level of education that you have completed? [_] Some High School or less [_] High School Graduate [_] Some College [_] College Graduate [_] Some Graduate School [_] Completed Graduate School [_] Other (Please Specify)	

28) Approxi	mately, what is your total	l Annual Income?	(Please choose or	aly one)
[_]	Under \$10,000	[_] \$30,000 - \$34,99	9
[]	\$10,000 - \$14,999	[] \$35,000 - \$39,99	9
<u> </u>	\$15,000 - \$19,999] \$40,000 - \$44,99	9
[]	\$20,000 - \$24,999	Ī	1 \$45,000 - \$49,99	9
	\$25,000 - \$29,999	<u> </u>] \$50,000 or More	
[_]] [_]] [_]] [_]; [_];	o you currently Reside? (Manhattan) Queens Brooklyn Bronx Staten Island Long Island Other (Please Specify) _		ıly one)	
•	or your participation. Plea mments about this topic			d below for any

Thank you again for your time! Stay well and Stay Safe!

Exhibit



<u>Exhibit A:</u> Amit. (n.d.). Why Is Starbucks So Popular? Fried Coffee. https://www.friedcoffee.com/why-people-love-starbucks/

Exhibit B: Delventhal, S. (2021). Starbucks vs. Dunkin': What's the Difference? *Investopedia*,

https://www.investopedia.com/articles/markets/120215/starbucks-vs-dunkindonuts-comparing-business-models.asp

Exhibit C: Larson. (2021). Starbucks Menu Prices updated 2021. Dinnerode,

https://dinnerode.com/starbucks-menu-prices-updated/

<u>Exhibit D:</u> Dunkin Brands' 2019 Annual Report https://www.annualreports.com/HostedData/AnnualReports/PDF/NASDAQ_DNK N 2019.pdf