Customer Awareness Study for Cherry Berry and Rocky Mountain Chocolate Factory in Missoula, Montana

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Customer Awareness Study for
Cherry Berry and Rocky Mountain Chocolate Factory
In Missoula, Montana

Conducted by Kayla Gonzales
May 9, 2016
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Abstract

As a senior business student at the University of Montana, I am enrolled in a capstone called Strategic Venture Management. Over the course of the semester, students work with local business owners to build a business plan and address specific issues the business faces. I chose to work with Cherry Berry and Rocky Mountain Chocolate Factory, a fairly new cobranded franchise in Missoula. As an honors student, I am required to complete a project that involves research on a topic within my chosen field. I elected to combine my Strategic Venture Management class with my honors thesis in order to have a realistic application of my coursework over the past four years. The work for my honors thesis was kept separate from my Strategic Venture Management class, but both projects sought to address the awareness problem of the franchise. The research conducted for my honors thesis will directly benefit a local business and enhance the business plan prepared for the business owner. The research will hopefully reveal the current inhibitors to the awareness of the Cherry Berry/Rocky Mountain Chocolate Factory franchise. The survey will direct consumers’ attention toward issues of location, advertising, and brand identification. This document contains information on conducting awareness studies, a literature review examining the current situation of the business, the methodology behind the survey, a hypothesis, a copy of the survey given to respondents, an analysis of the data collected, and a conclusion summarizing the research and findings.

Research question: What factors limit local awareness of the Cherry Berry/Rocky Mountain Chocolate Factory franchise in Missoula, Montana?

Conducting Customer Awareness Studies

A customer awareness survey is a form of market research, which involves a variety of common requirements to be completed before, during, and after the survey is distributed. According to Essentials of Marketing Research, all studies should begin with a literature review. A literature review is defined as “a comprehensive examination of available information that is related to the research topic” (51). Literature reviews are made up of secondary sources, which is information that was gathered for a separate purpose, but still applies to the current research question. Internal secondary data is any data gathered from within a company or organization, and external data refers to any data collected outside of the company. After conducting a literature review, the researcher has a clear idea of the industry, competitors, and business in general, and can therefore develop an informed hypothesis and ideas for possible relationships to investigate (Essentials of Marketing Research 51).

Awareness surveys are concerned with consumers’ familiarity with and knowledge of a brand, product, or service. These studies seek to evaluate four metrics: awareness, top of mind, ad awareness, and brand/product knowledge. Likeability is a related metric (Marketing Metrics 8). When asking about awareness in general, the question will either be aided, also known as brand recognition, or unaided, also known as brand recall. Aided research supplies survey participants with the business’ brand name and compares the brand with its competitors. Unaided research asks respondents to talk about the brand without prompting them with any related information, which is more difficult (The Definitive Guide to Brand Awareness Studies). Top of mind awareness refers to a strong brand awareness in which consumers are able to refer to the brand easily and without any prompting from the researcher. A strong top of the mind awareness means consumers think of the brand as the best known in the product category (Marketing Metrics 8). Ad awareness determines the strength of a business’ advertisements, and brand/product knowledge allows respondents to demonstrate specific thoughts about a brand (Marketing Metrics 8). As previously mentioned, likeability of a brand is a related metric of awareness.
studies. It’s important for businesses to know whether those who are aware of a product also enjoy the product. In addition, studies indicate that a higher brand awareness correlates to an increased liking of the brand (The Definitive Guide to Brand Awareness Studies). For more information on constructing specific questions and organizing a customer awareness survey, please refer to the methods section on page 6 of this document.

After constructing a survey in accordance with the metrics described above, data is collected in the same manner as other market research surveys. The data analysis includes both univariate, an evaluation of the results from each individual question, and multivariate, an examination of the relationships between questions (Essentials of Marketing Research 327).

Secondary Research and Literature Review

Situation Analysis

Cherry Berry and Rocky Mountain Chocolate Factory (CB/RMCF) is a co-branded franchise in Missoula, Montana (2230 N. Reserve Street, 59808) owned and operated by Gregg Morstein. CB/RMCF has been in business since December of 2014. Below is a SWOT analysis of the business:

Strengths: Because the franchise is co-branded, it sells two products (frozen yogurt and chocolate goods), giving it a competitive advantage over other frozen yogurt and dessert businesses in town. Many consumers also prefer frozen yogurt over ice-cream because of a current health trend in the United States. Cherry Berry/RMCF has a fairly strong Facebook following (approximately 1,000) for the short length of time it has been in business. The corporate office also offers business text message marketing (Mobivity) for a fee of $85 per month, which provides contact to approximately 500 customers who have joined the loyalty program. The location of the business is in a part of town that experiences heavy traffic as well.

Weaknesses: Facebook posts are not frequent enough and often include grammatical errors. The account is typically used to promote offers, but rarely displays other information, like an employee of the month or customer experiences. An Instagram account has been created, but the profile has no posts and remains inactive, which may confuse or irritate potential customers. The business has very low customer awareness, which, when combined with the limited social media presence, makes it difficult to reach the younger target market.

Opportunities: Currently, the Cherry Berry/RMCF does not utilize online advertising channels. However, both Facebook and Instagram are social media platforms that the owner is familiar with and has accounts for, and advertising through these mediums is relatively cheap compared to more traditional methods. There are also opportunities to more widely distribute coupons throughout the community. While local schools will not accept coupons due to the current push from the First Lady for public schools to offer healthy alternatives, the YMCA hosts many events that allow for coupon distribution, and local events, like Run Wild Missoula, may consider coupons for participants as well.

Threats: There are many competitors in Missoula, both for frozen yogurt and ice cream, and many of them have thriving social media marketing strategies. Big Dipper, Dairy Queen, U-Swirl, Roxiberry, Sweet Peaks, Cold Stone Creamery, and Baskin Robbins all maintain a strong presence in Missoula, either online or through word-of-mouth. Despite the fact that Cherry Berry/RMCF has been operating for over a year, many consumers are unaware of its existence. Many consumers are becoming increasingly 9 health conscious, which competitors, like Cold Stone Creamery, are responding to by offering frozen yogurt options. Because many ice-cream brands
have existed longer than many frozen yogurt brands, consumers may be more likely to favor the popular, trusted ice-cream shops that also offer frozen yogurt.

Because ice cream/frozen yogurt is an incredibly competitive product in Missoula, I’ve broken the competition into seven major businesses in Table 1. I will focus on three of them, highlighted in pink, in a further analysis.

**Table 1: Competitive Analysis of Local Market**

<table>
<thead>
<tr>
<th>Business</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Dipper</td>
<td>Historically the most popular ice cream offering in Missoula, this business also has the largest social media following in town compared to competitors (over 21,000 Facebook followers and nearly 2,000 Instagram followers). Consumers consider their ice cream a local, unique experience, as opposed to a chain, franchise-like experience. However, Big Dipper does not focus on producing or promoting a health-conscious product.</td>
</tr>
<tr>
<td>Dairy Queen</td>
<td>While there are three locations throughout Missoula, only one (the location on Higgins Ave.) maintains an updated Facebook page with current pictures and promotional offers. This location is not open year round and does not offer healthy alternatives.</td>
</tr>
<tr>
<td>U-Swirl</td>
<td>The business has over 70 reviews of their product on Facebook, most of which are positive. Their Facebook page displays professional-looking photos. However, there is no Instagram for the Missoula location, and the most recent posts date back to November of 2015. The U-Swirl website is professional and clearly displays location and open/close information. They also offer nutritional information and descriptions of their flavors.</td>
</tr>
<tr>
<td>Roxiberry</td>
<td>Roxiberry is the only local, non-franchise frozen yogurt business in Missoula. The information on Facebook is up to date, including hours and location. The page features vibrant colors that communicate the brand image as well as recent, engaging posts featuring photos of customers, employees, and the product. The business runs advertisements on Facebook. There is also an active Instagram account with recent photos and proper location information. While the Instagram account is active, it does not offer many pictures of the actual product, but rather customers. A more even balance is needed. Only 78 users follow the account. While they have a website, it is not particularly professional-looking, and it is run in a .wordpress format, meaning the business owners do not own their content. The business is located in Southgate Mall, meaning that they get traffic from shoppers and can easily hand out samples. However, this also means that consumers may consider the business to be less convenient accessed if they are required to go inside a busy mall.</td>
</tr>
<tr>
<td>Sweet Peaks</td>
<td>Sweet Peaks is a relatively new offering in Missoula, but many compare the business to Big Dipper. While the business has developed a large word-of-mouth following, they have no local social media presence.</td>
</tr>
<tr>
<td>Cold Stone Creamery</td>
<td>A change in ownership recently took place, so the Facebook page is relatively blank. There is no Instagram account for this location. The business does not currently offer promotions via Facebook, but does create ice cream mixtures to match the themes of current movies. The local Cold Stone Creamery does not have its own website, but product ordering can be accomplished via the main website for all franchises.</td>
</tr>
<tr>
<td>Baskin Robbins</td>
<td>While Baskin Robbins has two locations in Missoula, neither offer a social media experience. Both locations have Facebook pages, but they are blank and have very few likes. However, the brand is well-known and enjoyed by many consumers.</td>
</tr>
</tbody>
</table>
I will focus on Roxiberry, U-Swirl, and Cold Stone Creamery as competitors in my research and survey. Roxiberry and U-Swirl directly compete with Cherry Berry in their product offering and promotion of a healthier product, while Cold Stone Creamery is a popular, well-known competitor in close proximity to CB/RMCF. Analyzing the competitors, Roxiberry appears to be the strongest of the seven due to its strong social media presence and use of Facebook advertising. They also have the benefit of being a business that began locally, which many Missoulians appreciate. However, the other two competitors seem hesitant to use social media and do not appear to foster a strong relationship with consumers as a result. CB/RMCF is the only business that offers both frozen yogurt and chocolate, and they also have an opportunity to capitalize on the use of Facebook and Instagram as an advertising tool and a way to build relationships with consumers.

**Target Market**

The fun and colorful experience most frozen yogurt shops offer attract teenagers, college students, and young families. The typical customer has some disposable income, but not a significant amount due to the relatively low price of the dessert. Most of the consumers are women, with only 30% of sales attributed to men. Dividing the market by age group displays the 18-35 demographic as most dominant, making up 41.8% of the market ("Industry Report: Frozen Yogurt Stores” 2015). This demographic captures both college students and young couples/families. The age breakdown of frozen yogurt consumers is displayed in Figure 1:

**Figure 1: Frozen Yogurt Consumers**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 &amp; YOUNGER</td>
<td>21.0%</td>
</tr>
<tr>
<td>18-35</td>
<td>41.8%</td>
</tr>
<tr>
<td>36-50</td>
<td>29.7%</td>
</tr>
<tr>
<td>51 &amp; OLDER</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

(Graphic based on "Frozen Yogurt Stores in the US: Market Research Report")

Women are speculated to be the majority consumers because of the bright, colorful atmosphere most frozen yogurt shops provide. They are also typically more concerned with caloric intake, making frozen yogurt a healthy, low-fat dessert alternative. The younger demographic, 18-35, is drawn to the self-serve frozen yogurt business model due to the increasing popularity of do-it-yourself (DIY) activities. The older demographic, 51+, still desire a more full-service approach ("Industry Report: Frozen Yogurt Stores” 2015).

**Industry Analysis**

Americans are becoming increasingly health conscious, which poses a problem for many dessert driven businesses. Frozen yogurt demand fell drastically in the 1990’s, but within the last decade, the industry has experienced rapid growth, leading some to call it Fro-Yo 2.0. Changes to the flavor
profile has led people to adopt the dessert in large numbers ("Fro-Yo 2.0" 2012). Currently, the industry is estimated to be worth $2 billion ("Frozen Yogurt Stores in the US: Market Research Report"). Many speculate the growth is due to the perception of the dessert as a healthy alternative to more fattening desserts, like ice cream. Frozen yogurt is now the fastest growing segment in the ice cream industry ("Ice Cream Sales" 2012), but well-known frozen yogurt companies like TCBY, aren’t the ones experiencing the most rapid growth. Other companies with franchise opportunities are exploding all over the United States, including Orange Tree, Yogli Mogli, and Pinkberry. Other companies within the ice cream industry, like Cold Stone Creamery, are responding to the trends by offering customizable toppings, milkshakes with frozen yogurt, and oftentimes, self-serve frozen yogurt machines as well. Many companies are also responding to the relaxed environment that customers are drawn to, by changing the interiors of the businesses. Typically, frozen yogurt shops embody a colorful, friendly, bright vibe, similar to a coffee shop.

Those looking for franchise opportunities fear that because the industry experienced a downward trend in the past, it is likely to occur again. However, Nation’s Restaurant News (NRN) food editor Bret Thorn claims that “yogurt will likely be a longer-lasting trend.” NRN followed the statement with a claim that the last two years demonstrated a “steady increase in interest in probiotics, microorganisms in yogurt 6 cultures that have been proven to improve immune system and digestive health” ("Frozen Yogurt Industry Analysis – 2016"). The industry’s success was one of the few relatively unaffected by the recent recession. The International Franchise Association (IFA) estimated that franchises would decrease by 10,000 establishments, but the frozen yogurt industry grew by 22.7% between 2009 and 2014 ("Industry Report: Frozen Yogurt Stores” 2015).

The expansion mostly occurred in big cities along the coasts, typically with relatively warm climates. Five states, California, Georgia, Texas, Florida, and New York, make up 60% of the industry. California maintains the largest share at approximately 33% and is largely responsible for the resurgence in consumer interest with frozen yogurt ("Industry Report: Frozen Yogurt Stores” 2015). Menchie’s, the company with the largest market share, began in San Fernando Valley, California in 2007, just as the industry began to grow rapidly. Many companies with franchise opportunities have started in California since then, and the interest in frozen yogurt is now growing inward from the coasts. Small cities, like Missoula, MT are experiencing rapid growth and heavy competition. The future for the industry looks bright, but due to the initial rapid expansion, opportunities are gradually beginning to decrease. While the industry will continue to grow, the rate is estimated to slow to 3.4% over the next five years. ("Industry Report: Frozen Yogurt Stores” 2015). A graphic representing the market share of frozen yogurt franchises is depicted in Figure 2. The “Other” category includes franchises like Cherry Berry and U-Swirl, many of which are beginning to merge, for example, Rocky Mountain Chocolate Factory owns Cherry Berry, U-Swirl, and another frozen yogurt franchise called Yogli Mogli.
Figure 2: Market Share

(Graphic based on "Frozen Yogurt Stores in the US: Market Research Report")

**Constructs and Variables**

**Constructs**
- Awareness of CB/RMCF brand
- Awareness of CB/RMCF location
- Favoritism toward/awareness of other brands
- Frozen yogurt/ice cream eating habits

**Variables**
- Age
- Gender
- Familiarity with location of frozen yogurt/ice cream shops on a map
- Frequency of frozen yogurt consumption
- Preference for frozen yogurt vs ice cream

**Hypothesis**

While CB/RMCF has attempted local advertising efforts previously, including radio ads and coupons placed on the back of Albertson’s receipts, the advertisements are not run for an extended period of time, likely hindering the awareness of the brand. I hypothesize that a lack of effective local advertising is resulting in a lower level of brand awareness. Through the survey, I expect to see a lack of familiarity with CB/RMCF and a lack of experience with CB/RMCF advertisements.

**Methods**

In order to collect the amount of data needed to establish relevant relationships between variables, the survey will be conducted on the University of Montana campus. The young age range of the university population will allow me to gather information from a significant share of the frozen yogurt target market. This population is also accustomed to taking surveys and assisting fellow students with studies, so I will be able to collect more data than if I were to attempt to survey the entire Missoula population, who would likely be more apprehensive and unwilling to take time to complete a survey.

The survey will contain a variety of questions aimed at addressing the variables and constructs previously described. According to *Essentials of Marketing Research*, there are four types of scales used in a survey:
Nominal: “The type of scale in which the questions require respondents to provide only some type of descriptor as the raw response” (162).

Essentially, nominal questions provide the respondent with options to choose from, and the respondent will choose, or nominate, one of those options. Nominal questions are common for asking demographic questions like gender, marital status, and race.

Ordinal: “A scale that allows a respondent to express relative magnitude between answers to a question” (162).

In other words, ordinal questions ask the respondent to order the options provided to them according to a scale provided by the researcher. For example, a survey could give participants four options for soda (Pepsi, Coca Cola, Sprite, and Dr. Pepper) and ask them to order the beverages in terms of preference, with 1 being their favorite and 4 being their least favorite.

Interval: “A scale that demonstrates absolute differences between each scale point” (163).

Generally speaking, an interval question supplies respondents with two extremes, commonly “strongly dislike” and “strongly like”, with a range of other options between them (“dislike”, “neutral”, and “like”). Respondents are then asked to select the option along the scale that best suits them.

Ratio: “A scale that allows the researcher not only to identify the absolute differences between each scale point but also to make comparisons between the responses” (164).

Lastly, a ratio question gives participants the most freedom in responding, because it allows them to fill in their own response. For example, a researcher may ask a survey participant to write in his or her age or describe an experience with a product or service. Instead of responses being supplied as options to choose from, the respondent gives his or her own unique response.

In my survey, I will be using a mixture of the above scale types to evaluate consumers’ level of awareness. However, a majority of the survey will rely on interval scales to determine familiarity and liking of particular brands. These scales will allow me to compare the familiarity and liking between brands easily, and will also make it easy for respondents to fill out the survey. After reading through the initial description, the respondent will be able to apply that description to all of the brands listed below. For an example, please see survey question #4 in the next section.

Finally, the organization of the questions in a survey is of great importance. According to Seymour Sudman and Norman M. Bradburn’s book Asking Questions, the order of a questionnaire depends upon asking respondents easy, non-threatening questions in the beginning, and then gradually moving toward more detailed, possibly threatening questions near the end (207). In order to ease the respondents into the survey, I will begin with general questions such as liking of dessert and preference for frozen yogurt vs ice-cream. Because demographic questions like age or income can be perceived as threatening, these questions will be placed at the end of my survey. The more complicated questions related to awareness and liking of various frozen yogurt and chocolate shops will be in the middle of the survey. In order to make my intentions clear, I will follow the guidelines for introducing a study as described in Louis M. Rea and Richard A. Parker’s book Designing and Conducting Survey Research, which recommends that the researcher provide a brief description of the “purpose of the study in order to alleviate any trepidations
that potential respondents are likely to have” (29). When formatting the survey, all instructions will be depicted in an italicized font and all questions will be bolded in order to make the survey-taking process as easy as possible (Sudman, Bradburn 249).

References


The following survey is designed to measure the awareness and preference of frozen yogurt and chocolate businesses in the area. This survey is being conducted by a University of Montana business student as part of a research project for a class. Thank you for your participation.

1. In an average week, how often do you eat dessert?
   _______ times/week

2. Please rate your liking of frozen yogurt and ice cream below:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dislike</th>
<th>Dislike</th>
<th>Neutral</th>
<th>Like</th>
<th>Strongly Like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frozen Yogurt</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Ice-Cream</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

3. In an average month, how often do you eat frozen yogurt?

Never_____   1-2 times/month_____   3-4 times/month_____

5-6 times/month_____ If more than 5-6 times/month, specify here: _______/month

4. Please rate your familiarity with the following frozen yogurt and ice cream shops:

<table>
<thead>
<tr>
<th></th>
<th>I have never heard of this brand</th>
<th>I have heard of this business, but was unaware Missoula had one</th>
<th>I know this business is in Missoula, but I have never been there</th>
<th>I have been to this business in Missoula</th>
<th>I occasionally eat frozen yogurt/ice-cream here</th>
<th>I frequently eat frozen yogurt/ice-cream here</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roxiberry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Cherry Berry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>U-Swirl</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Cold Stone Creamery</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>
5. Please rate your liking of the following frozen yogurt and ice cream shops:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dislike</th>
<th>Dislike</th>
<th>Neutral</th>
<th>Like</th>
<th>Strongly like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roxiberry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Cherry Berry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>U-Swirl</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Cold Stone Creamery</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

6. Please rate your familiarity with the following chocolate shops:

<table>
<thead>
<tr>
<th></th>
<th>I have never heard of this brand</th>
<th>I have heard of this business, but was unaware Missoula had one</th>
<th>I know this business is in Missoula, but I have never been there</th>
<th>I have been to this business in Missoula</th>
<th>I occasionally eat chocolate here</th>
<th>I frequently eat chocolate here</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Montana Chocolate Company</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Posh Chocolat</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Rocky Mountain Chocolate Factory</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

7. Please rate your liking of the following chocolate shops:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dislike</th>
<th>Dislike</th>
<th>Neutral</th>
<th>Like</th>
<th>Strongly like</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Montana Chocolate Company</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Posh Chocolat</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Rocky Mountain Chocolate Factory</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

8. Did you know that Cherry Berry and Rocky Mountain Chocolate Factory currently operate as a co-branded business in Missoula?

_____ Yes   _____ No
9. Please check any advertisements you’ve seen for Cherry Berry and/or Rocky Mountain Chocolate Factory in Missoula:

<table>
<thead>
<tr>
<th>Cherry Berry</th>
<th>Rocky Mountain Chocolate Factory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>Television</td>
</tr>
<tr>
<td>Radio</td>
<td>Radio</td>
</tr>
<tr>
<td>Social Media (Facebook or Instagram)</td>
<td>Social Media (Facebook or Instagram)</td>
</tr>
<tr>
<td>Print (Magazine, Newspaper)</td>
<td>Print (Magazine, Newspaper)</td>
</tr>
<tr>
<td>Coupons</td>
<td>Coupons</td>
</tr>
<tr>
<td>Coupon received from:</td>
<td>Coupon received from:</td>
</tr>
<tr>
<td>Other:</td>
<td>Other:</td>
</tr>
<tr>
<td>__ Never seen an advertisement for Cherry Berry</td>
<td>__ Never seen an advertisement for Rocky Mountain Chocolate Factory</td>
</tr>
</tbody>
</table>

10. Please circle the number of the quadrant you believe Cherry Berry/Rocky Mountain Chocolate Factory is located in:

[Map of Missoula with quadrants labeled 1, 2, 3, 4]

Do not know ___
11. Please indicate your marital status:
   _____ Single       _____ Married/domestic partnership

12. How many children (18 or younger) live in your household?
   __________

13. What is your age?
    __________   Do not wish to disclose _____

14. Gender: M _____   F_____   Do not wish to disclose _____

   Thank you for your time!
Data Analysis

90 surveys were collected on the University of Montana campus. The following analysis includes a univariate analysis, which is a study of each individual question, and a multivariate analysis, which evaluates the relationship between separate questions. All univariate analyses will include the question, the type of question (ratio, nominal, ordinal, or interval), the purpose of the question, a frequency distribution, and an analysis. For information on types of questions, please refer to the methods section on page 6 of this document.

Univariate Analysis

QUESTION 1: In an average week, how often do you eat dessert?

TYPE: Ratio

PURPOSE: Before asking the respondents of the survey any questions pertaining to dessert preferences, it is important to determine whether they enjoy dessert foods in general. The question is also fairly non-threatening, which allows the respondent to feel comfortable answering honestly, making it easier for them to begin the survey-taking process.

**ANALYSIS**: Twenty-eight of the ninety respondents (approximately 31%) claim to eat dessert at least once a week. Most people answered between one and three times per week, with 2.44 being the average response. These results indicate that a large enough portion of the sample size have an interest in dessert, and will therefore supply valuable results for the rest of the survey.
**QUESTION 2**: Please rate your liking of frozen yogurt and ice cream below:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dislike</th>
<th>Dislike</th>
<th>Neutral</th>
<th>Like</th>
<th>Strongly Like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frozen Yogurt</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Ice-Cream</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**TYPE**: Interval

**PURPOSE**: While Cherry Berry has a couple of frozen yogurt competitors in Missoula, the business also competes with incredibly popular ice-cream shops like Big Dipper, Sweet Peaks, and Cold Stone Creamery. Question 2 addresses whether or not the respondents enjoy frozen yogurt when compared with a historically more popular version of the dessert, which allows the researcher to draw conclusions about subsequent questions within the survey. The liking of frozen yogurt likely leads to a general knowledge of the product offering in the area, which allows for a comparison to be made between both direct competitors (Roxiberry and U-Swirl) and slightly indirect competitors (Cold Stone Creamery).

**ANALYSIS**: Those surveyed showed a strong liking for ice-cream, with just over half of the respondents circling 5, “strongly like,” and a third of them circling 4, “like” (mean of 4.3). In contrast, the respondents did not feel as strongly about frozen yogurt, but just over half of them claimed to like it (mean of 3.8). In general, the participants of the survey enjoy both frozen yogurt and ice-cream, but prefer ice-cream. Overall, these responses allow for the researcher to accurately gather information about consumers’ awareness of both frozen yogurt and ice-cream competitors, because the respondents generally enjoy the product.
QUESTION 3: In an average month, how often do you eat frozen yogurt?

Never____  1-2 times/month_____  3-4 times/month_____

5-6 times/month____  If more than 5-6 times/month, specify here: _______/month

TYPE: Nominal

PURPOSE: To ensure that the sample size will provide valuable information about frozen yogurt businesses in the Missoula area, respondents are asked to approximate the number of times they eat frozen yogurt in a month. If the responses indicate somewhat frequent eating of frozen yogurt, it can be assumed that they have a knowledge of the frozen yogurt offerings in the area.

ANALYSIS: Two-thirds of the respondents claim to eat frozen yogurt at least once per month. Most of the participants (49 people) eat it once or twice a month, but few eat the dessert more frequently. Because the previous question indicated that most people prefer ice-cream, it is not surprising that a third of the respondents never eat frozen yogurt. One could speculate that because there is a clear preference for ice-cream in the data, some will choose to eat ice-cream rather than frozen yogurt. However, because most respondents eat frozen yogurt, their responses to following questions about frozen yogurt businesses will be well informed.
QUESTION 4: Please rate your familiarity with the following frozen yogurt and ice cream shops:

<table>
<thead>
<tr>
<th></th>
<th>I have never heard of this brand</th>
<th>I have heard of this business, but was unaware Missoula had one</th>
<th>I know this business is in Missoula, but I have never been there</th>
<th>I have been to this business in Missoula</th>
<th>I occasionally eat frozen yogurt/ice-cream here</th>
<th>I frequently eat frozen yogurt/ice-cream here</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roxiberry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Cherry Berry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>U-Swirl</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Cold Stone Creamery</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

TYPE: Interval

PURPOSE: Due to the lack of awareness the Missoula Cherry Berry currently faces, question 4 serves as a measure of both the familiarity of Cherry Berry and its competitors. By evaluating the familiarity of Cherry Berry against its local competitors (Roxiberry, U-Swirl, and Cold Stone Creamery), the researcher can examine the severity of the lack of awareness.

AWARENESS OF FROZEN YOGURT SHOPS

<table>
<thead>
<tr>
<th>Roxiberry</th>
<th>Cherry Berry</th>
<th>U-Swirl</th>
<th>Cold Stone Creamery</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>8</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>26</td>
<td>13</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>12</td>
<td>8</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>8</td>
<td>5</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>19</td>
<td>5</td>
</tr>
</tbody>
</table>

ANALYSIS: Most respondents indicated a lack of familiarity with the Cherry Berry brand while displaying a well-developed knowledge of U-Swirl and Cold Stone Creamery. The average response for Cherry Berry is 1.8, which indicates that most people have either never heard of the brand, or they have heard of the business but were unaware that Missoula had one. Not surprisingly, Roxiberry has a slightly better average response of 2.6, showing a recognition of the business even if they have not been there. Roxiberry opened around the same time as Cherry Berry, but has used social media as a tool to reach the Missoula population, leading to a higher awareness. U-Swirl and Cold Stone Creamery both have an average response of 3.8, meaning that many respondents have heard of the business and been there. Both U-Swirl and Cold Stone Creamery are older, more developed brands, so consumers tend to be more familiar with those stores.
QUESTION 5: Please rate your liking of the following frozen yogurt and ice cream shops:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dislike</th>
<th>Dislike</th>
<th>Neutral</th>
<th>Like</th>
<th>Strongly like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roxiberry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Cherry Berry</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>U-Swirl</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Cold Stone Creamery</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**TYPE:** Interval

**PURPOSE:** While the purpose of the survey is to evaluate the extent of any awareness issues, it is also important to examine the consumer experience and perception of the brand and its competitors. If consumers are aware of Cherry Berry, but do not like the business, changes can then be made to improve the experience. The liking of a business can also influence word-of-mouth, which could in turn effect awareness. If people strongly dislike or like a business, they are more likely to discuss it with others. However, if they don’t feel strongly about the business, word-of-mouth and increased awareness is less likely.

**ANALYSIS:** Due to the results of question 4, which indicate a lack of familiarity with Cherry Berry, most respondents claim to have neutral feelings toward the business. Roxiberry received a similar neutral response. Both businesses averaged a response of approximately 3. The more established competitors, U-Swirl and Cold Stone Creamery, received an average response of 3.7 and 3.6 respectively, slightly higher results that indicate a stronger liking to match the stronger familiarity.
QUESTION 6: Please rate your familiarity with the following chocolate shops:

<table>
<thead>
<tr>
<th>Type of Shop</th>
<th>I have never heard of this brand</th>
<th>I have heard of this business, but was unaware Missoula had one</th>
<th>I know this business is in Missoula, but I have never been there</th>
<th>I have been to this business in Missoula</th>
<th>I occasionally eat chocolate here</th>
<th>I frequently eat chocolate here</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Montana Chocolate Company</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Posh Chocolat</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Rocky Mountain Chocolate Factory</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

**TYPE:** Interval

**PURPOSE:** Due to the lack of awareness the Missoula Rocky Mountain Chocolate Factory currently faces, question 6 serves as a measure of both the familiarity of the business and its competitors. By evaluating the familiarity of Rocky Mountain Chocolate Factory against its local competitors (Montana Chocolate Company and Posh Chocolat), the researcher can examine the severity of the lack of awareness.

**AWARENESS OF CHOCOLATE SHOPS**

**ANALYSIS:** Rocky Mountain Chocolate Factory, Montana Chocolate Company, and Posh Chocolat all displayed relatively low awareness. However, Rocky Mountain Chocolate Factory exhibited the highest awareness of the three businesses. With an average response of 2.3, most people claim to know the brand, but are not aware that Missoula has a Rocky Mountain Chocolate Factory. Overall, the lack of awareness of chocolate shops across the board indicates a stronger familiarity and liking of frozen yogurt shops in the area.
QUESTION 7: Please rate your liking of the following chocolate shops:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Dislike</th>
<th>Dislike</th>
<th>Neutral</th>
<th>Like</th>
<th>Strongly like</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Montana Chocolate Company</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Posh Chocolat</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Rocky Mountain Chocolate Factory</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

TYPE: Interval

PURPOSE: While the purpose of the survey is to evaluate the extent of any awareness issues, it is also important to examine the consumer experience and perception of the brand and its competitors. If consumers are aware of Rocky Mountain Chocolate Factory, but do not like the business, changes can then be made to improve the experience. The liking of a business can also influence word-of-mouth, which could in turn effect awareness. If people strongly dislike or like a business, they are more likely to discuss it with others. However, if they don’t feel strongly about the business, word-of-mouth and increased awareness is less likely.

ANALYSIS: Due to the results of question 6, which indicate a lack of familiarity with Rocky Mountain Chocolate Factory, Posh Chocolat, and Montana Chocolate Company, most respondents claim to have neutral feelings toward all three businesses.
**QUESTION 8:** Did you know that Cherry Berry and Rocky Mountain Chocolate Factory currently operate as a co-branded business in Missoula?

_____Yes  _____No

**TYPE:** Nominal

**PURPOSE:** Part of being aware of the business is understanding that the Missoula Cherry Berry/RMCF operates as a co-branded franchise. In order to determine whether the population understands the joined product offering, the researcher must ask if the respondent is aware that the two businesses operate together in one location.

**ANALYSIS:** Examining questions 4 and 6, awareness for both Cherry Berry and Rocky Mountain Chocolate Factory is low. Due to limited familiarity and experience with the store, 93% of respondents did not know that the store is a co-branded franchise.
QUESTION 9: Please check any advertisements you’ve seen for Cherry Berry and/or Rocky Mountain Chocolate Factory in Missoula:

<table>
<thead>
<tr>
<th>Cherry Berry</th>
<th>Rocky Mountain Chocolate Factory</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Television</td>
</tr>
<tr>
<td></td>
<td>Radio</td>
</tr>
<tr>
<td></td>
<td>Social Media (Facebook or Instagram)</td>
</tr>
<tr>
<td></td>
<td>Print (Magazine, Newspaper)</td>
</tr>
<tr>
<td></td>
<td>Coupons</td>
</tr>
<tr>
<td>Coupon received from:</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td>Never seen an advertisement for Cherry Berry</td>
</tr>
<tr>
<td></td>
<td>Never seen an advertisement for Rocky Mountain Chocolate Factory</td>
</tr>
</tbody>
</table>

TYPE: Nominal

PURPOSE: Advertising and promoting a business and its offerings can often improve customer awareness. In order to determine which advertisements for Cherry Berry/RMCF capture the most attention, question 9 gives respondents a list to choose from. Because the owner has not committed to any long-lasting advertising efforts, it is expected that advertisement recognition will be low. However, the options also allow for the researcher to determine which methods have been most effective.

ADVERTISEMENTS

ANALYSIS: Most people who took the survey claim to have never seen an advertisement for either Cherry Berry or Rocky Mountain Chocolate Factory. A few of the participants remember seeing social media and print ads, and one of the respondents wrote “student coupon book” in the “coupon received from” blank for Cherry Berry. Another respondent wrote “walking around downtown” in the Rocky Mountain Chocolate Factory blank for “other,” possibly showing a confusion between Montana Chocolate Company (which is located downtown) and Rocky Mountain Chocolate Factory (which is not located downtown). Overall, experience with Cherry Berry/RMCF advertisements is extremely low.
QUESTION 10: Please circle the number of the quadrant you believe Cherry Berry/Rocky Mountain Chocolate Factory is located in:

Do not know ____

TYPE: Nominal

PURPOSE: After finding the Cherry Berry/RMCF franchise in Missoula, many consumers claim that they had no idea the store existed. The realization is understandable, because the shop is nestled in a strip mall away from Reserve, the main street providing access to the store. In response to this claim, question 10 examines whether or not respondents can identify the general location of the store on a map of Missoula, with quadrant 1 being the correct answer.

ANALYSIS: 42% of respondents claimed to not know where Cherry Berry/RMCF is located, while another 35% guessed the incorrect location. Only 25% of the people taking the survey correctly identified quadrant 1 as the location of the business. While the store is located on Reserve, a particularly busy street in Missoula, it is not easily visible from the street, which could explain the low awareness of the location. Quadrant 2, containing Montana Chocolate Company, was guessed by 15% of respondents, which could again point toward a confusion between that store and Rocky Mountain Chocolate Factory.
QUESTION 11: Please indicate your marital status:

____ Single  ____ Married/domestic partnership

TYPE: Nominal

PURPOSE: Industry information indicates that young couples enjoy eating frozen yogurt, because it’s a low-cost, fun way to socialize with other young peers or spend time together. In order to determine if married couples in Missoula are aware of Cherry Berry/RMCF or enjoy going to the business as a couple, respondents are asked to disclose their relationship status.

ANALYSIS: Because the study was conducted on the University of Montana campus, many of the respondents were younger and unmarried. Only 14% of the participants are married or in a domestic partnership, making it difficult to draw any conclusions about frozen yogurt preferences among couples.
**QUESTION 12**: How many children (18 or younger) live in your household?

**TYPE**: Ratio

**PURPOSE**: Just as frozen yogurt businesses attract young couples, they also attract young families. Because frozen yogurt is lower in calories and has toppings like fruit incorporated into the dessert, many parents feel that eating frozen yogurt with their kids is a great way to spend time together while treating their kids to a relatively healthier snack at a low cost. In order to determine if families are aware of or enjoy Cherry Berry/RMCF, respondents are asked to disclose the number of children living in their home.

**NUMBER OF CHILDREN IN HOUSEHOLD**

![Bar Chart]

**ANALYSIS**: Similar to question 11, because this study was conducted on a college campus, not many respondents have children or live in a household with children. The lack of responses from households with children make it difficult to draw any conclusions about frozen yogurt preferences among families in the area.
QUESTION 13: What is your age?

TYPE: RATIO

PURPOSE: Frozen yogurt consumers are typically between the ages of 18 and 35, because the bright and colorful atmosphere attracts a younger demographic. Most businesses also operate as “self-serve,” which does not appeal to older demographics, who prefer a more stylized, hands-on approach. To determine whether the younger demographic, Cherry Berry’s target market, is aware of or likes the business, respondents are asked to disclose their age.

ANALYSIS: Because the target market for Cherry Berry/RMCF is relatively young, the amount of data collected from people between the ages of 21 and 23 proves useful. Gathering information from a variety of people within the target market allows the researcher to examine the awareness problem from the perspective of a target consumer.
QUESTION 14: Gender: M _____          F_____         Do not wish to disclose _____

TYPE: Nominal

PURPOSE: Approximately 70% of frozen yogurt consumers are women. In order to determine whether women in the area enjoy frozen yogurt or are more aware of Cherry Berry than men, respondents are asked to disclose their gender.

ANALYSIS: The data displays a fairly even split between males and females, which allows for an equal representation of opinion.
Multivariate Analysis: Correlations

Due to the small sample size of the survey, determining significant relationships between variables is difficult. As a measure of significance, any relevant connections between variables with a correlation of 0.2 or higher and -0.2 or lower was deemed significant enough to speculate a possible relationship. Results closer to 1 or -1 indicate a stronger relationship. If a result is between 0 and 1, there is a positive relationship, meaning the variables increase or decrease together. If a result is between -1 and 0, there is a negative relationship, meaning the variables increase or decrease in opposite directions. Below is a list of possible connections between variables, their correlation, and the assumptions that can be made as a result of their relationship. A more detailed report of the study will be provided upon request.

VARIABLES: Liking of frozen yogurt (question 2) and awareness of frozen yogurt shops (question 4)

CORRELATION: 0.438

RELATIONSHIP: People who enjoy frozen yogurt are primarily more aware of U-Swirl.

VARIABLES: Number of times frozen yogurt is eaten/month (question 3) and liking of frozen yogurt shops (question 5)

CORRELATION: 0.333

RELATIONSHIP: People who frequently eat frozen yogurt tend to like U-Swirl best.

VARIABLES: Gender (question 15) and awareness of frozen yogurt shops (question 4)

CORRELATION: 0.224

RELATIONSHIP: Women tend to be more familiar with Cherry Berry than men.

VARIABLES: Gender (question 15) and liking of frozen yogurt shops (question 4)

CORRELATION: 0.336

RELATIONSHIP: Women tend to like Cherry Berry more than men.

VARIABLES: Awareness of frozen yogurt shops (question 4) and liking of frozen yogurt shops (question 5)

CORRELATION: 0.435

RELATIONSHIP: People who are familiar with Cherry Berry tend to like the business.
**VARIABLES:** Awareness of frozen yogurt shops (question 4) and awareness of co-branded franchise (question 8)

**CORRELATION:** 0.416

**RELATIONSHIP:** People who are familiar with Cherry Berry tend to remember that it operates with Rocky Mountain Chocolate Factory as a co-branded franchise.

**VARIABLES:** Awareness of chocolate shops (question 6) and liking of chocolate shops (question 7)

**CORRELATION:** 0.315

**RELATIONSHIP:** People who are familiar with Rocky Mountain Chocolate Factory tend to like the business.

**VARIABLES:** Awareness of frozen yogurt shops (question 4) and experience with Cherry Berry advertisements (question 9)

**CORRELATION:** 0.364 (social media) and 0.281 (coupons)

**RELATIONSHIP:** People who are familiar with Cherry Berry claim to remember seeing ads through social media or on coupons.

**VARIABLES:** Awareness of co-branded franchise (question 8) and experience with Cherry Berry advertisements (question 9)

**CORRELATION:** 0.518

**RELATIONSHIP:** People aware of co-branding tend to remember seeing ads on social media.

**VARIABLES:** Awareness of Rocky Mountain Chocolate Factory (question 6) and experience with Rocky Mountain Chocolate Factory advertisements (question 9)

**CORRELATIONS:**
- Radio: 0.285
- Social Media: 0.271
- Print: 0.314
- Coupons: 0.225
- Other: 0.324
- Never seen an advertisement: -0.331

**RELATIONSHIP:** People aware of Rocky Mountain Chocolate Factory either have a very clear notion of the brand and remember all advertisements, or they are confusing it with another brand.
Conclusion

The results of the survey confirm my hypothesis that the awareness for Cherry Berry/RMCF is low, and the recognition of advertisements is low as well. Valuable relationships were examined between these two variables, which revealed a connection between a familiarity with the brand and remembering the brand from social media and coupons. This relationship could display a need for increased social media use and coupon distribution, as these two mediums result in the greatest recognition of the brand. Strategies related to social media and coupon distribution can be found in the new Cherry Berry/RMCF business plan. The survey results also revealed that university students are much more familiar and engaged with frozen yogurt businesses, with U-Swirl being the main competitor for Cherry Berry. However, familiarity with chocolate shops is incredibly low. Strategies for targeting the university population can also be found in the Cherry Berry/RMCF business plan. Finally, those who are familiar with the Missoula Cherry Berry/RMCF tend to like the business, which likely means that if awareness of the business were to improve, it would experience increased sales and foot traffic as well as positive word of mouth.