



## **Focus Groups**

**AAF**

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## Executive Summary

On Friday, September 24, 2010 the AAF Focus Group Team successfully held a focus group where seven women between the ages of 25-44 attended. The client, JCPenney, was to remain anonymous for the first half of the focus group so that no biased answers would be given. About two thirds of the way through the discussion, questions about JCPenney were inserted to see what opinions the target market had. After asking some open ended questions about their shopping habits we were able to come up with a few major findings.

First, the most interesting finding was that the participants felt that there wasn't anything in JCPenney that appealed to their age group. One female stated, "I feel like there is either little teeny bopper clothes or clothes my grandma would wear, but there's this big gap where I can't find anything for me."

Second, the general opinion seemed to be that the overall layout of the store was "confusing". The consumers felt that everything was scattered and would like to see a more organized look. For instance, the shoes, purses and belts are all located at opposite ends of the store. Most women felt this as an inconvenience; however, there was one participant who wasn't bothered because it gave her the opportunity to browse the store. Generally speaking the consumers all agreed that the overall layout of JCPenney stores are unorganized- creating an unappealing atmosphere for shoppers.

Third, the overall attitude towards JCPenney was a negative one. Most consumers tended to label the store as "cheap". They also seemed to associate the store's clothing as low quality therefore labeling its other products and services offered, such as the portrait studio and salon, seem low quality as well. This is something to capitalize on because one specific department is bringing down the rest of the store. We realize that cheap can mean different things to different people. The word cheap can be positive to frugal shoppers who are looking for low prices. It seems that this target market however, is willing to spend the extra bucks if it means the quality of the product is high. There is also an in between handful of participants who feel that they would like to find a moderately exceptional quality product that is also priced reasonably. Brands that the store carries could play a major role with most participants agreeing that major competitor Macy's carries the brands that appeal to them and are always promoting their sales.

Last, most consumers felt that JCPenney reminded them of their Mom. This can be interpreted to mean that the store is "out-of-date". Many of the females stated that when they browse any given JCPenney store it reminds them of when their Mom would take them shopping, also that the store looks the same as it did twenty years ago. Therefore, the overall perception of JCPenney is old, out-of-date and cheap. To reiterate the concept of cheap, it can mean both positive or negative depending on the perception of the shopper.

Major conclusions are based off of the major findings as stated earlier. As far as brand loyalty, we can conclude that most females are not very brand loyal when it comes to clothing with the exception of jeans. Our participants made it very clear that the right fit of jeans are hard to come by, so when they do find the brand that fits, they stick with it. Another conclusion is that although most consumers have a negative image and perception of JC Penney, they don't really know why, and they don't feel the need to become more open-minded. In the focus group we had four posters with ads posted on them from anonymous stores which were to be ranked by the

participants. The good news for JCPenney is that when the focus group was over and the store names matching each poster were revealed to the participants, they were shocked to see which poster belonged to JCPenney. They even mentioned they would have to go take another look.

Reflecting on our focus group we can see that there is room for improvement for the next two scheduled for October 14 & 13, 2010. First, there are some changes that need to be made in the moderator guide. There will be a different moderator for each of the focus groups, as well as probing more deeply into participants answers by asking them why they feel the way they do. In addition, we will focus on finding out what the word “cheap” means to these consumers and if it is more commonly used as a negative or positive connotation. We also want to go into more detail about the “gap” of the clothing styles offered. We want to know why our target market feels that there is nothing that suits their taste but rather, seems to cater to the young or the old. Also, what exactly is it that they would like to see inside a store that will appeal to their taste. Finally, we want to focus on why consumers are unsatisfied with the store layout and any suggestions they might have on how to improve it. We plan to change two of our posters before the next focus group to make them more consistent, resulting in a more accurate ranking from our participants.

To conclude the major findings, we found that JCPenney has a “gap” of clothing offered that caters to young or old but not in the target market age. We found that the overall layout of stores creates a frustrating shopping experience and that the general attitude of the store is cheap, out-of-date and of low quality. From the posters we created with ads from anonymous stores we found that our participants were both shocked and delighted to find out which ads belonged to JCPenney. We will probe our participants to the next level in our following focus groups to find out more about their overall attitudes towards shopping. We will also expand our focus to see what it is about JCPenney that is appealing to them, and what is not.

## **Problem Definition**

In this year's AAF case study research class, we were presented with the case study from JCPenney. JCP asked all the case study teams to develop a \$100 million proposal for a national, fully-integrated marketing campaign to run from Feb. 2012 to Feb. 2013, designed to increase market share among females 25-34 years old. There are three overall objectives:

- acquire female customers ages 25-34,
- retain female customers ages 25-34,
- increase shopping frequency and grow share of wallet among current female customers ages 25-34.

We set out to explore and learn more about JCPenney and their 4 P's.

Product: What does our target market think about JCPenney's products?

Price: Views that our target market has on price and value

Place: Thoughts and feelings the target market has towards our retail outlets

Promotion: Is the target market aware of JCPenney's current sales promotions?

## **Approach**

Because our problem is establishing the 4 P's for our client, JCPenney, our mere student case team must take on the task of this primary research to dive into deeper findings. With a limited university budget, we must use minimalist tactics to complete as much research as possible. Our team must use creativity to absorb secondary data in hopes that it will confirm the findings from our focus groups. A hypothesis for our originally stated problem would be, JCPenney has a low price, they are in need of more consistent promotion, the store layout is in need of revamping, and finally the product. We feel the product is the brand as a whole. The brand needs to be repositioned into a higher quality, higher style, and a more functional line of apparel for women, accessories, home goods, and more.

## Research Design

Our research framework used was the qualitative approach of focus groups. We needed to execute exploratory research to discover consumer perceptions of JCPenney and their competitors. This design was implemented to gather primary research data. Our needs consisted of willing participants, recording equipment and possessing enough knowledge to properly analyze the data that was discovered.

## Data Analysis

When asked about JCPenney, participants thought of back to school time when Juniors went shopping for the new year's clothes but also they thought of old women doing their usual department store shopping. "JCPenney just isn't hip enough" one consumer stated, "Usually the pants are okay, but there's no way I'd buy the top." Another consumer described that there were large "teeny-bopper" sections and large "old women" sections, but nothing really in between. There was a simple lack of selection.

Most participants felt lost whenever they walked into a JCPenney store, and that the layout just didn't make sense to them. One consumer noted that she wished the shoes were closer to the purses because they would want to match an outfit. In general, the consumers felt like the layout was the first thing that needed to change. One suggestion was also to place price scanners more frequently around the store, because everyone wants to visually see that they were getting a good deal, "It's a nice surprise to see a lower price when you actually scan the item for yourself...just to make sure."

Cheap is a hard word to define, and towards the beginning, cheap was used in a positive context that represented the frugality trend of consumers. "I have to really love something in order for me to spend any money on it." But when the consumers were asked what they thought of JCPenney, they used the word "cheap" to describe the store in a negative context. We intend to do more research in order to find out what exactly "cheap" means to our consumers. For now, we can infer that they meant low quality in style and in store upkeep as well as a simple word that can be translated into- "It's definitely not my favorite store out there."

## Results

After reviewing the video and notes from the first focus group we saw three main points that stood out in the data:

- 1- That there is a “gap” in selection between the “teeny-boppers” and “old ladies”.
- 2- That the store layout is confusing and old fashion and needs immediate attention.
- 3- That the perception of JCPenney is described as “cheap”.

Due to our status as beginner research students and the time constraints on this project it is safe to say that we are unqualified to state any major results from the data gathered.

## Limitations

- As novice researchers, we are unable to completely and correctly analyze data
- Unable to come to conclusion based of one focus group due to time constraints
- Difficulty with finding target market participants in/around campus

## Conclusions

- Most consumers have a negative “image” and perception” of JCPenney
- The perceived image of JCPenney, described as:
  - “cheap”
  - “old”
  - “out-of-date”
  - “reminds me of my mom”
- Consumers felt there was a “gap” between JCPenney’s styles
  - There is a large “teeny-bopper” section
  - Large “old-lady” section
  - Nothing that fits the 25-44 age group

## Recommendations

- In the next focus groups...
  - Make changes in moderator guide
  - Find out what “cheap” means
  - Concentrate on learning more about the “gap” in JCPenney’s style
  - Find out why people are unsatisfied with store layout and suggestions on how to improve it

## Plans

- ▶ Focus Group Two
  - Scheduled for 4pm Friday, October 15<sup>th</sup>
  - Location: Clark High School
  - 10 women confirmed
  - Light snacks will be provided
  - \$10 Gift Card will be raffled
- ▶ Focus Group Three
  - Scheduled for 12pm Saturday, 22<sup>nd</sup> October
  - Location: Macaroni Grill (not confirmed)
  - Catered lunch provided

## Exhibits

### Moderator Draft

#### Focus Group Question Draft (1 hour)

\*Qualify the person for the focus group.

Take 5-10 to get everyone warmed up, so you discuss "safe" topics and ensure that everyone says something.

#### Activities and Visual aids:

- Have print ads on Posters ranked a-d (JCP, Macy's, Kohl's, Sears, Target) with the store names covered up and ask the group which adds they like most to least . \*What kind of car would each poster drive?

#### Identify general purposes for shopping.

- What do you all like to do for fun?
- Do you consider shopping fun or a chore?
- Do you have a purpose in mind when you go shopping or do you prefer to browse through merchandise?

#### Identify- where people shop and why?

- At what department store do you shop most?
- Why do you shop at \_\_\_\_? What specifically do you like about shopping at \_\_\_\_?
- What types of products do you normally buy at \_\_\_\_\_?
- Who are the purchases normally for?
- Did you go directly to one product?
- Did you take time to look at other products?
- Did you compare prices?
- Brands purchased?
- Do you ever go to \_\_\_\_ to buy your children clothing?

Identify customer perception of the JCP and competitors I'D USE THE "MIND MAP" EXERCISE TO FIND THIS OUT ABOUT JCP AND ALL COMPETITORS.

#### Identifying JCP's physical identity

- When you hear the words "JCPenney" what comes to mind.
- When you hear the words "Macys", Target, etc. what comes to mind
- Do you shop at JCP? If yes, how often? What specifically do you like about shopping at JCP?
- What kind of an image do JCPenney shoppers have?
- Do you bring your spouse with you when you go to shop at JCP.

- How often do you go to JCP with a friend? By yourself?

### **Non JCP Shoppers**

- Why do you think you have never shopped at JCP?
- Is there anything particular that you don't like about JCP?
- When you hear the words "Macys", Target, etc. what comes to mind.

### **JCP Store Environment**

- What do you think about JCP's store environment?
- What do you think about JCP's store layout?
- If money was no option what is one thing you would like to see in a JCP.
- Should JCP be concerned with creating an area where one's spouse can relax while they shop.
- Ask about the services JCP offers such as portraits, hair salon, etc. and if these services entice the shoppers more or less

### Related Info:

- Do you go to other stores before or after you go to JCP.
- How far are you willing to travel to go to JCP
- Do you shop for department store products such as clothes, bedding, makeup, house wares, more at a Shopping mall, strip mall or stand alone store?
- \*If time permits\* Describe any interesting or innovative past commercials that caught your eye for the following store brands: JC Penney, Target, Wal-Mart, Kohl's, Dillard's, Sears, Macy's.

## Demographics

Please check the line for every category that most accurately fits your description.

Age: Under 18 \_\_\_ 18-24 \_\_\_ 25-34 \_\_\_ 35-44 \_\_\_ Over 44 \_\_\_

Marital Status: Single \_\_\_ Married \_\_\_ Divorced \_\_\_ Separated \_\_\_ Widowed \_\_\_

Do you have children? Yes \_\_\_ No \_\_\_

If so, what are their ages (Please list) \_\_\_\_\_

Education: Some High School \_\_\_ High School Graduate \_\_\_ Some College \_\_\_  
Attending College \_\_\_ Associates Degree \_\_\_ Bachelors Degree or higher \_\_\_

Household Income: Under \$24,999 \_\_\_ \$25,000-49,999 \_\_\_ \$50,000-74,999 \_\_\_  
\$75,000-100,000 \_\_\_ Over \$100,000 \_\_\_

Ethnicity: Caucasian \_\_\_ Hispanic \_\_\_ Native American \_\_\_ African American \_\_\_  
Asian American \_\_\_ Other (specify)  
\_\_\_\_\_

Please write the city and state and zip code for which you reside: \_\_\_\_\_

## Poster Ranking Format

The posters in front of you represent a collection of ads from unknown companies.

Rank the posters that you feel are most appealing from 1-4

(1 being most appealing, 4 being least appealing)

Also, if these unknown companies were cars, what kind of car would you designate each poster to be represented by?

A \_\_\_\_\_

B \_\_\_\_\_

C \_\_\_\_\_

D \_\_\_\_\_

CAR \_\_\_\_\_ CAR \_\_\_\_\_ CAR \_\_\_\_\_ CAR \_\_\_\_\_

Posters:



B

A



D

C