SECTION A

Answer to Question One

Rationale

This question tests candidates' appreciation of the ethical behaviour of companies. It examines learning outcome A2(a) 'discuss concepts in established and emergent thinking in strategic management'.

Suggested approach

A good answer will analyse the issues for consideration and how they will benefit the shareholders of GG.

A weak answer will highlight the general arguments for being socially responsible but will not relate them to GG and the benefits to its shareholders.

Social responsibility refers to a firm's obligation to maximise its positive impacts upon stakeholders whilst minimising the negative effects. Social responsibility is facing some stiff opposition from the Board of GG Supermarkets because it believes investments designed to make a company look good could reduce profits in the short term. The Board needs to consider that it is becoming increasingly important to consider external demands for responsible business practices.
Socially conscious consumers
Good social responsibility tends to enhance a company's reputation and therefore its brand. Research continues to suggest that customers prefer organisations that they believe are good corporate citizens. Customer approval will attract more customers and keep current customers loyal, increase revenues and benefit shareholders.

GG Supermarkets can take this a step further and stock products that are ethically 'sound'. Examples include organic foods and fair-trade products. Consumers will often pay a premium price for these goods which will again lead to increased revenues.

Socially conscious investors
Ethical investment funds will be attracted to GG Supermarkets. This will increase the share price to trade at a premium which represents a direct rise in shareholder value. This will also offer greater access to capital markets and allow for further investment and growth.

Improves relations with governments and other regulatory bodies
Many governments are now fining or increasing taxes levied on businesses which pollute the environment. GG Supermarkets may depend on the goodwill of the government bodies for granting planning permissions. A good record in social responsibility may help the decision-maker to use discretion in the firm's favour.

Improved staff morale
If GG Supermarkets forces managers and staff to contradict their private ethics on a daily basis, the impact will be to reduce morale and increase staff turnover. This will harm financial performance and be detrimental to shareholders. As a socially responsible firm, GG Supermarkets should find it easier to recruit staff who will also stay longer, therefore reducing the cost and disruption of recruitment and retraining. Better motivated staff will be more productive. GG Supermarkets may become a preferred employer and attract higher calibre staff which should also increase efficiency and effectiveness and ultimately benefit shareholders.

In-line with expectations of society and compliance with environmental laws
A company's strategies should not conflict with the long-term needs and values of society. These practices may be tolerated at present but must eventually be brought to an end by legislation and financial penalties prompted by the rising tide of public concern about environmental degradation.

In cutting waste emissions and using more efficient technologies, GG Supermarkets will be lowering its cost base by reducing the chance of receiving fines and penalties and by reducing the cost of operations. Both will be beneficial to shareholders as they should lead to increased profitability.
Answer to Question Two

Rationale

This question tests candidates’ understanding of the benefits of the staff appraisal process. It examines learning outcome C2(d) ‘identify tools for managing and controlling individuals, teams and networks and for managing group conflict’.

Suggested approach

The answer could start by providing a brief overview of appraisal and then go on to explain firstly the value to TZY Company and then the value for staff.

Good answers will provide a comprehensive explanation of the value of undertaking appraisal for both TZY Company and also staff working in the Finance Department. Weak answers will provide only a couple of reasons, and may only consider either staff or TZY Company rather than developing the answer from both perspectives.

Essentially, the staff appraisal process can be considered as a tactical control system that can be used by organisations to review, monitor and evaluate the performance of employees. As well as being viewed as having a role in organisational control, appraisal can also be used to develop and motivate employees. If conducted in a regular and systematic way, staff performance appraisal should help improve the effectiveness of the staff working in the Finance Department of TZY Company.

There are a number of benefits of staff appraisal for TZY Company. For instance, it provides a system which could help KS in assessing the competence of the employees working in the Finance Department, as well as identifying areas for improvement. It can also be used to provide a fair process for reward decisions, not only financial rewards but also promotion. It would assist KS in identifying and formulating the training needs of his staff. It can also be seen to help in improving communications between KS and his staff, since it is an opportunity in the year to sit down in private to have a conversation. It also allows for the setting of clear objectives and targets for staff which should link to TZY Company’s corporate objectives.

From the staff perspective, the benefits of appraisal are that it provides a time when they can gain feedback about their performance and an assessment of their competence through comparison of performance against established objectives and targets. Research has shown that individuals have a strong need to know how they are doing, and the appraisal process will provide the opportunity for open communications between staff and KS. This should be a positive experience for staff, strengthening management / subordinate relations and raising the self esteem of staff, through helping them to improve performance and develop.

Appraisal should help employees to understand not only their strengths, but also their weaknesses. They can discuss any individual training and development needs with KS and also their future career aspirations. Appraisal will therefore help identify staff potential and inform decisions on promotion, and help staff in the Finance Department think about their career development. This can be instrumental in keeping employees motivated through recognition which should increase staff satisfaction.

Another benefit is that staff would have clearly defined performance standards since appraisals are designed to measure an individual’s contribution to the organisation in an objective a way as possible. The process involves setting criteria for assessment and the agreement of objectives with members of staff. Therefore, staff in the Finance Department should be clearer on their key deliverables, gaining greater clarity on what they are trying to achieve. The performance measures should link an individual’s objectives with those not only of the Finance Department, but also with key strategic objectives and priorities of TZY Company. This would help staff in having a better understanding of their responsibilities and appreciate how their contribution fits with the strategic business objectives of the company, providing a unifying framework.
To derive the benefits of appraisal it is important that there are jointly agreed outcomes from the process and there is good follow up by KS. Actions need to be agreed by both the appraiser and appraisee and monitored to make sure they do take place. For example, if training needs are identified and the member of staff in the Finance Department does not actually receive the training, this failure to follow up may lead to cynicism on the part of staff.
## Answer to Question Three

### Rationale

This question tests candidates' appreciation of the importance of identifying the power and interest of stakeholders so that appropriate strategies can be implemented for managing their expectations. The question examines learning outcome B2(b) 'recommend strategies for the management of stakeholder perceptions and expectations'.

### Suggested approach

The answer could start with an explanation of stakeholders. A good answer will identify the stakeholder's specific to the project and then suggest appropriate strategies for managing their expectations.

A weak answer will not relate the stakeholders to the project and give only general explanations on how to manage expectations.

A stakeholder of D Company is anyone (individuals and groups) who has an interest in D Company and who can affect or be affected by the operations of the organisation and, as such, may wish to influence mission, objectives and strategy. Mendelow developed a matrix based on the dimensions of level of power and level of interest. Each stakeholder group can be analysed based on the level of interest and power it possesses and placed in the relevant quadrant of the matrix. The matrix can be used to assess how to manage each stakeholder group, for instance:

### High Interest/High Power (Key Players)

*Government*

The Government has high power as it has the authority to approve the planning permission and is the enforcer of any regulations that may affect this decision. It also has a high interest in D Company in terms of the potential economic and social benefits that this decision may bring to the area, as well as the interest from the perspective of the reaction of its voters in political terms.

*Management of Government*

The Government is a key driver of the change and could stop D Company's plans if it is not satisfied. Its participation in the planning process is essential. D Company needs to provide a business plan to the Government to show the economic potential of the mining as well as its desire to ensure that it is not at the expense of the local environment.

*Cornbridge Protection Alliance*

The different groups colluding together form considerable power and will be a credible influencing force to exert pressure on the Government not to go ahead with the permission. It could also create disruption to D Company's plans for successful mining in the area. Its interest lies in the preservation of the environment as a whole and it can use this particular situation to pursue its environmental issues further.

*Management of Cornbridge Protection Alliance*

Again, as a key player, participation in the process is essential and getting some of the environmentalists involved in the planning of the mining will ensure that specific environmental factors will be considered by D Company that it may otherwise have ignored. Together a plan can be drawn up that balances the need to be profitable with the need to ensure that the rare birds are protected and the wider aspects of pollution are considered.

### High Interest/Low Power (Keep Informed)

*Local Residents*

Their individual power is relatively low in being able to influence the decision. However, if they can get other stakeholders involved (e.g. Cornbridge Protection Alliance) their position might change. They have high interest in the mine in terms of both success (creating jobs) and also
inconvenience (for example noise and pollution). They may also have interest in the potential negative impact of the project on property values.

Management of Residents
These stakeholders are interested in the strategy but lack the power to do anything. The locals need to have as much information provided to them as is reasonable on the development of their region. D Company needs to show willingness to take local resident’s concerns into account by open consultation with them and to promote the economic and social benefits of the project.

Low Interest/High Power (Keep Satisfied)

The Union
The union power is high because it controls resources of value. For instance, a unionised workforce will be powerful as it can control the key labour resource in the business. It has already stated that it has no concerns in this project as D Company has an exemplary reputation for health and safety.

Management of the Union
The key here is to keep this stakeholder satisfied to avoid it getting concerned and moving to the 'key players' box. This could involve reassuring it of the safety of the project on a regular basis. It needs to know that the good image and reputation of the company is maintained.

Low Interest/Low Power (Minimal Effort)

Shareholders in general
This is just one decision by a multi-national company. Many shareholders would probably not be aware of the decision so interest will be low. Any individual shareholder will not have enough power to change the decision.

Management of Shareholders
Minimal effort is required since their lack of interest and power makes these stakeholders open to influence. They are more likely than others to accept what they are told and follow instructions.
Answer to Question Four

**Rationale**

This question tests candidates’ understanding of how to resolve a particular form of conflict. It examines learning outcome C1(d) ‘discuss the alternative approaches to the management of conflict’.

**Suggested approach**

The answer should firstly explain the form of conflict that is occurring in R Company. It should then develop to explain the different steps that BG could take to resolve the conflict.

Good answers will be contextualised with reference to the scenario information, explaining the steps that could be taken to resolve the particular form of conflict occurring in R Company.

Weak answers will provide a general discussion on conflict with no reference to the circumstance of R Company.

Conflict occurs when there is disagreement between different parties within the organisation. It can occur in a variety of forms and between different levels in an organisation. The conflict outlined in the scenario is an example of horizontal conflict and inter-department/inter-group conflict, in that it is happening between departments at the same level in the hierarchy. It is also dysfunctional and destructive in that it would appear to be harming the organisations performance and is demoralising for staff.

There are number of steps BG could take to resolve this which include:

BG could set super-ordinate goals that require the co-operation between departments. At the moment it would seem that the departments have developed their own plans with conflicting priorities rather than sharing the same goal and depending upon each other to achieve them. Setting super-ordinate goals should result in better communications and coordination.

He could also use confrontation, bringing the heads of department together to work out their differences. The idea of confrontation is that, through negotiation and bargaining, it will enable the department heads to reach an agreed solution. However, confrontation needs to be carefully managed since it is not always successful and emotions can mean that the discussions can get out of hand rather than resolving the conflict.

The conflict occurring in R Company is serious, impacting on performance with department heads and members of staff blaming each other and not co-operating, so BG may decide to use a third party consultant to help resolve the conflicts. This involves bringing in an expert from outside the organisation to meet with representatives from the different departments with the aim of working through the conflicts.

BG could also consider member rotation, which is where individuals from one department work in another department on a temporary or permanent basis. This helps individuals gain a deeper understanding of the values, problems and goals of other departments and the individual can explain the problems and goals of their original department to their new colleagues. The idea is that this can result in a better understanding of the work of different departments and a good exchange of views.

Intergroup training is another intervention that can be used to help resolve conflict. The training could be at department head level, or it could involve department staff attending workshops away from the organisation. The rationale for the training would be to develop company-wide co-operative attitudes focusing on R Company’s super-ordinate goals. Staff from the different departments are brought together and interventions are used to get them to explore perceptions and relationships. This requires free and open expression and needs to be managed carefully. At the end of the training, department employees should understand each other better and this should lead to improved attitudes and better working relationships over the long term.
This technique is expensive, but could be worth investing in to gain the long term benefits and resolution of the inter-department conflict which is currently damaging the performance of R Company.

(An alternative approach could be used to develop the answer using Thomas Kilmann's conflict handling framework applied to R Company.)
Answer to Question Five

Rationale

This question tests candidates' appreciation of how to approach negotiation. It examines learning outcome C2(b) 'discuss the roles of negotiation and communication in the management process, both within an organisation and with external bodies'.

Suggested approach

Answers should develop to explain how to approach negotiation. This should be followed by an explanation of the different stages in the negotiation process.

Good answers will discuss how to approach negotiation with specific reference to the negotiation situation outlined in the scenario. Weak answer will give a superficial explanation of how to approach negotiation, with reference to the scenario, and will not explain all the stages involved.

Negotiation is the process of satisfying needs by reaching an agreement. It is often necessary within organisations to resolve conflicts of interest between two or more parties which have arisen because the parties have different objectives. In this case, the senior management of PT Company have the objective of cutting costs, whilst for YE, the Marketing Manager, the cut to the promotional budget will have a detrimental impact on the launch of the new product range. YE will need good negotiation skills to help him to secure the budget he needs.

Approaches to the negotiation process can be best achieved through focusing initially on each side's primary objectives, rather than becoming distracted by minor negotiating points at an early stage. It will be important for YE to listen to what the senior management position is and to make an effort to compromise so that both sides can attain their goals. However, this is often where negotiation can fail because of the tensions between the different objectives that can never coincide. This could occur in this scenario since there will be a finite overall company budget and other department heads will want what they perceive to be a fair share in order to to deliver their departmental objectives. YE needs to anticipate this and have his negotiation strategy worked out.

The ideal will be to achieve a win-win outcome where both sides achieve enough of their objectives to be satisfied with the end result, trading-off wins and losses so that each side gets something in return for everything they concede on. Win-lose or lose-lose outcomes are in no ones best long term interest. In this case, YE may be able to put forward alternative approaches to help in managing the rising costs, in order to secure the budget needed to promote the new product range.

YE needs to be aware of some of the important tactics for effective negotiation. For instance, he should use questions effectively so as to control the situation and use persuasion. During the negotiation process it is important from time to time to test that both sides understand clearly what is being proposed and at what stage the negotiations are at.

YE also needs to be aware that effective negotiation should go through a number of stages, for example:

- **Preparation**
  This involves the parties in the negotiation gathering information and insight to the problems in order to understand the constraints acting on the negotiating parties. Issues such as who is involved in the negotiation, what the concerns of each party are and what the goals of the negotiation are, all need to be determined. YE could collect information on the level of cuts to other budgets. He could also seek out possible alternative ways the marketing department could reduce costs.
- **The opening phase of negotiation**
  This involves the senior management and YE presenting their starting positions to one another. It is at this stage that the greatest opportunity is present to influence the other side.

- **The bargaining phase**
  This is where both parties will aim to narrow the gap between the two initial positions to persuade the other party that their case is so strong that the other must accept less than they had planned. YE could present his case in terms of the positive contribution the new product range will make to the company’s financial performance in the long term, hence justifying the need for the size of the promotional budget.

- **The closing phase of negotiation**
  This represents the opportunity to capitalise on the work that has been done at the earlier phases. It is at this stage that agreement is reached. The outcomes from the agreement should be publicised and implemented.
## Answer to Question Six

### Rationale

<table>
<thead>
<tr>
<th>Requirement (a)</th>
<th>Requirement (b)</th>
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<tbody>
<tr>
<td>tests candidates' appreciation of the need to manage projects using a recognised methodology. It examines learning outcome B1(c) 'construct an outline of the process of project management'.</td>
<td>tests candidates’ appreciation of the contribution of Critical Path Analysis in project management. It examines learning outcome B1(e) 'apply key tools and techniques, including the evaluation of proposals'.</td>
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### Suggested approach

**(a)** The answer could start with an explanation of the Project Management Institute’s process. It should then make reference to the five stages of the process explaining how each stage is important to the overall success of the project. The issues in the scenario should then be related to each stage of the process.

A pass standard answer will define clearly the importance of each stage in the successful delivery of a project and relate the issues to each stage. A weak answer will discuss the stages and issues at a general level and not relate them to the scenario.

**(b)** A pass standard answer will construct an accurate diagram and explain the contribution to the project. A weak answer will show little understanding of the construction of a CPA and its use in project management.

### Requirement (a)

Successful project management is based around a complex series of activities. The Project Management Institute identified five important stages in the process of project management. Great emphasis is placed on the planning and controlling of activities in order to enable successful delivery of the overall project objectives.

**Project initiation**

A project initiation document (PID) is produced at the outset of the project. It will be a statement of what is expected of a project. If a project requirement is set out clearly from the outset the project has a greater chance of success and less chance of escalation of costs due to rework, continual changes and customer dissatisfaction.

The overall scope of the project is vague, which means there are no boundaries to the project activities. This is important in preventing ‘scope creep’ where additional activities are added making it difficult to achieve the cost and time objectives. Managing variations to scope is one of the complex aspects of project management. P must ensure that every time a change or addition to the scope is requested the cost and time consequences of the change must be identified and agreed changes must be signed off. Such changes should be fully recorded and documented to avoid any conflict about what changes were required and authorised.

**Planning**

The planning stage is essential in communicating what has to be done, when it has to be done and by whom. The project team and other stakeholders need to understand clearly what constitutes a successful project and be committed to its delivery. Project planning is the arrangement of activities required to achieve the project objective. This means determining exactly what the project aims to achieve. It is a benchmark against which actual project results can be compared and monitored. Planning is vital because it lays out a ‘road map’ that clearly shows how the project activities and tasks will be accomplished within budget and to schedule.
If nobody in S Company is committed then there will be no motivation or understanding of the project requirements. If the project is to be a success, then senior management and users need to be involved from the start and continuously throughout the project. Project stakeholders should all be committed to achieving a common goal; successful completion of the project.

**Execution**

Once the project plan has been developed and agreed by the customer and project team, the project can commence. At this stage the project manager must provide leadership and co-ordination to the project team members and other stakeholders with the aim of successfully delivering the project objectives. This is the stage where stakeholders need to be focused and the project team needs to perform the tasks it is responsible for in the plan.

P, as the project manager, should play a key role in determining the overall success or failure of the management accounting system project. He is the person who will ultimately be responsible for ensuring that the desired result of the project is achieved. The project manager has a complex task in managing, co-ordinating, controlling and communicating project tasks. There will be a concern that the execution of the project will be made difficult because there is an inexperienced project manager.

**Monitoring and Control**

The project manager will monitor actual project progress against the project plan. The project manager should report any deviation and take corrective action when required. It is important that action is taken as quickly as possible. The most important aspect of project control is ensuring that the monitoring of progress is carried out on a regular basis. A regular project reporting period should be set up (i.e. daily, weekly or monthly) depending on the complexity or duration of the project.

A project control system is a simple tool for the project manager. It enables recognition of problems before they become too difficult to solve. The system must provide timely information on problem areas so that corrective action can be initiated. The timescales for reporting will depend on the size and scope of the tasks to be managed but should be set around a regular timescale, not on an 'as and when' basis at the whim of the project manager. Corrective action must be carried out as quickly as possible before the project slippage gets too great.

The project should identify key outcomes and should determine how each outcome will be tested. The project had no detailed functionality which means poor requirement identification. Poor requirements cannot be tested and non-planned tests (i.e. user testing) means that the system is not being methodically checked. No user acceptance testing will mean a lack of confidence in the system and no ‘buy in’ from users which will mean the management accounting system is unlikely to deliver the efficiency and effectiveness required to deliver the business needs and justify the investment in the project.

**Completion**

The final stage of the project process is the closure of the project once the project work is finished. When a project closes, important tasks need to be carried out, such as confirmation that all of the deliverables have been provided and accepted, and all payments have been made and received. Project performance is evaluated and appraised in order to learn from the project for future reference.

To produce this information, reference will be made to the project initiation document, the customer requirements and the original project deliverables. With no detailed functionality and poor requirement identification there is no benchmark against which performance can be measured.

*Requirement (b)(i)*

See diagram on page 13
Critical path = A, C, D, F, G
Requirement (b)(ii)

The critical path analysis will allow S Company to determine the overall duration of the project - 27 weeks.

The diagram will also allow the critical path to be identified (A, C, D, F, G); any delay to an activity on the critical path will delay the project as a whole. These activities should be given priority in terms of project management attention.

Awareness of float time on non-critical activities (B, E) will allow P, as project manager, some flexibility in the management of resources.
Answer to Question Seven

Rationale

Requirement (a) tests candidates' understanding of the value chain concept. It examines learning outcome A2(b) ‘compare and contrast approaches to strategy formulation’.

Requirement (b) tests candidates' appreciation of different types of research in the context of competitor analysis. It examines learning outcome A1(a) ‘discuss the nature of competitive environments’.

Suggested approach

(a) Answers could start by explaining the purpose of the value chain. Answers should then develop to explain how FF Company could use the value chain framework to help it understand its internal capability, with reference to its different components.

Good answers will evidence a sound understanding of the purpose of the value chain framework and provide a robust explanation of how FF Company could use it, drawing on information in the scenario. Weak answers will provide only a limited explanation of the value chain framework, with no reference to FF Company.

(b) Answers should develop to discuss qualitative research and the types of information that could be collect to inform FF Company's competitor analysis. They should then go on to discuss quantitative research and the information that could be collected using this technique.

Good answers will develop to provide a sound explanation of both approaches to research with good examples of the information that can be collected by each type of research to inform FF Company’s competitor analysis. Weak answers will provide a general account of the type of information needed for competitor analysis but not linked to the terms qualitative and quantitative research.

**Requirement (a)**

The value chain is 'the sequence of business activities by which, in the perspective of the end user, value is added to the products or services produced by an entity' (CIMA Official Terminology). It is a framework that could be used by FF Company to help it understand its internal capability (along with an analysis of its resources and competences). Michael Porter popularized the use of the value chain as an analytical tool to examine the relationship between the different activities of an organisation to determine where value is added. Linking these activities to the various approaches to strategic development, Porter's view is that resources should be arranged to enhance either least cost production strategies or facilitate differentiation strategies, for example through product quality and product innovation. In the case of FF Company, it would seem that it is using its resources and competences to pursue a strategy of differentiation.

The value chain framework can be used by FF Company to analyse the different value adding activities that are the basis of its strategic capability, and hence assist in understanding its internal strengths and weaknesses. For instance, how well the organisation’s resources are being used and where value is being added. Part of this would involve assessing whether the strengths of the company actually matter; in other words do they provide value to the customer, and benchmarking its strengths against the competition to gain some idea of how they compare.

The value chain is built up of primary and support or secondary value activities. Primary activities are those that are directly related to the creation or delivery of the product or service and include:

- inbound logistics (receiving storing and handling inputs/raw materials);
- operations (transformation of inputs/raw materials into finished goods);
- outbound logistics (storing, distributing and delivering the finished products to customers);
• marketing and sales (making customers aware of a product and providing opportunities to buy the product);
• service and support (activities that occur after the point of sale).

In the case of FF Company, operations must create value in terms of producing high quality perfumes, skin care and home scents. Marketing and sales are also value adding activities in terms of supporting and building FF’s brand. The effective management of outbound logistics will be crucial to the web-based sales, adding value by making sure orders are received and delivery dates are met, otherwise this could seriously undermine the customer relationship.

Support activities are those which help to improve the effectiveness and efficiency of the primary activities. They include:
• procurement (purchasing, including negotiation with suppliers);
• technology development (how the firm uses technology);
• HRM (all matters relating to staff, including recruitment, performance management, training and development);
• firm infrastructure (how the firm is organised).

For FF Company, procurement of the high quality inputs, including the essences used to create its unique scents, will be an important activity. In this regard maintaining good relationships with its suppliers to ensure continued access to these high quality inputs is vital. Technology development is imperative to the new product development process, but also in supporting the main distribution channel, and sales and marketing activities. The Company’s HR function has a key role to play in developing policies to retain staff with the key skills, knowledge and experience, particularly the fragrance designers.

Porter includes margin in the value chain framework to denote added value, i.e. the difference between total value and the collective cost of performing value activities. The ultimate value FF Company creates should be measured by the amount customers are willing to pay for its products above the cost of carrying out the value adding activities, crucial to sustaining a differentiation strategy.

To conclude, resources are of no value unless they are used by FF Company to create value to the final consumer. It is, of course, how well FF Company manages the links between its value adding activities that can help to sustain competitive advantage.

Requirement (b)

The overriding purpose of research is to gain competitor intelligence in order to understand competitor actions. This would help FF Company in understanding the strengths and weaknesses of both its known competitors and also its potential competitors and help predict likely competitor behaviour.

Qualitative and quantitative research techniques can be used to collect information. This should be viewed as a continual process, hence the setting up of the market analysis team will enable FF Company to continuously monitor its competitor rivals for signs of activity and scan the industry for the emergence of potential new rivals.

Qualitative research data would involve FF Company collecting non-numerical data from in-depth interviews or focus groups. This type of data could be used by the market analysis team to help gain an insight into customers (and customers of its competitors) on attitudes and behaviours. For instance, information could be collected to help in understanding the decision making process in purchasing scents and skin care products and why consumers prefer one brand over another. It could also be used to test new product ideas, and to gain feedback on consumers’ attitudes towards FF Company’s competitors’ products.

Quantitative research is often undertaken by conducting surveys with customers and the customers of competitors. Surveys can be undertaken in a number of ways, for example by questionnaires sent electronically via email, face-to-face, or by telephone. The results will generate numerical data and statistical methods can be used to analyse the data. This type of
survey research could be used to quantify levels of consumer satisfaction or establish brand awareness of FF Company. This type of data could also be used to help understand the customer profiles for its own products and for those of its competitors. This, in turn, could help in developing segmentation strategies. Quantitative research could also assist FF Company understand and track its market share, providing trend data on its competitors’ share of the market. This will help FF Company understand the level of competition it faces and the nature of the market. The results could input into future strategy development decisions, for instance on how FF Company should respond to its competitors’ strategies.

Quantitative data can also be used to collect data which would enable FF Company to benchmark its performance against its competitors.