Home Learning Task – Market Research

T in the Bag

Case Study 1

On the train back from Scotland’s biggest music festival, Alistair, Shazia and Suzy shared photos of their experiences. They had seen many bands and met loads of students from abroad. “I’d liked to have swapped something with them as a momento” said Suzy. “Yeah” agreed Alistair, “something like a customised t-shirt.” And so the idea was born. By the time the train had pulled into their home city, the three had formed a marketing plan to set up a t-shirt business.

As the biggest investor, Alistair wanted figures to prove if any profit could be made and so undertook some desk research. He checked the websites of the ticket agencies and the actual festivals to gauge ticket sales and establish a rough level of demand. He visited the music shops to check out the prices of t-shirts and gained the estimated production costs from a manufacturer’s catalogue. After doing a quick calculation of potential profit they all agreed the venture was a viable option.

Shazia insisted the company be market-led, “No ‘one-size fits all’ here,” she promised. So putting the customers’ views at the centre of the business, she took charge of field research. Her postal survey, although cheap, had a low response rate, so she phoned a few students from lists purchased from universities. This method was again cheap and she was able to cover the whole of Britain, but customers’ ideas for designs were difficult to explain over the phone and many students disliked being interrupted during their leisure time. In the college canteens, Shazia arranged some focus groups. Opinions and ideas flowed about the styles of t-shirts, for instance, customising each t-shirt with a photo of the customer at the festival. She observed, also, how colour was more important to females and necklines to males.

Test marketing their idea at Scotland’s flagship festival gave them the idea of the brand name: T in the Bag. They monitored to see if prices were too high, identified the popular styles and sizes and evaluated the effectiveness of advertising. They also alerted customers to their website for future ordering and encouraged online surveys with free tickets for concerts. Suzy was convinced their idea would create a niche market, so prices could be raised and competitors would not see them as a threat.
Question 1
Explain the term "market-led".

Question 2
Explain the benefits to Tin the Bag of taking this approach to their business.

Question 3
Describe, using examples, 4 methods of field research that a firm, such as Tin the Bag, could use to gather information on their business.

Question 4
Discuss the advantages and disadvantages of each of the forms of research described in question 2 (a).

Question 5
Describe, using an example, the term desk research.

Question 6
Explain the value of information from desk research to Alistair.