Case Study 3

Alistair, Shazia and Suzy sat nervously in the Head Office reception of a large sports retailer. Their quirky t-shirt, *T in the Bag*, inspired by the festival T in the Park, had caught the eye of a director, who was keen to sell the t-shirt in their UK shops, but wanted first to know more about their marketing plans.

As manager of promotion, Alistair explained they had lacked the finances to organise a TV campaign and instead had advertised on the social networking sites. Adverts in this medium were cheaper and allowed for better targeting of their audience. Also, colour and moving imagery gave impact to their products and ads could be easily changed to suit the season. Festival brochures, that were often retained as momento of concerts, could also be used as an advertising medium.

When asked about their into the pipeline promotions, Shazia showed their range of point of sale materials, e.g. a display board showing a reveller wearing their t-shirt. She also offered the retailer a “sale or return” arrangement where any unsold t-shirts could be returned to reimburse any unsold stock. Shazia had also introduced a competition where the sports retail outlet with the highest t-shirt sales could win tickets to a music festival of their choice.

In return Suzy asked for support with direct selling. Customers could purchase their t-shirts directly from the sports retailers catalogue and website. Despite savings with fewer staff and high street outlets, the sports retailer was reluctant to sell in this way as they had experienced problems chasing in unpaid bills from students whose addresses frequently changed.

The director gave advice on distribution of the t-shirts. Selling via the sports shops would escalate sales, meaning *T in the Bag* should change to a Chinese manufacturer. The t-shirts could be delivered to an independent wholesaler who would package the products and organise deliveries to the sports retailer’s shops. Image of the product was the primary consideration, so the t-shirt would initially be available in the shops before being put on sale via the catalogues. The director also added he would like the brand to act as a sponsor for the Commonwealth Games to get it associated with a healthy lifestyle and obtain increased exposure from re-runs of events on TV.
Question 1
Discuss 4 advertising mediums that a firm, such as *T in the Bag*, could have used to promote its products. (4)

Question 2
Describe the term "into the pipeline promotions". (2)

Question 3
Describe 4 ways in which a firm, such as *T in the Bag*, could encourage a wholesaler or retailer to stock their products. (4)

Question 4
Describe 2 forms of direct selling a firm, such as *T in the Bag*, could use to maximise its sales. (4)

Question 5
Describe 2 factors that would influence a firm's, choice of channel of distribution. (2)

Question 6
Describe the role of a wholesaler. (4)