

# The fossil company case study



The Fossil company, a producer of watches, eye wear, leathers goods, sports caps, and boxers shorts with a 1950s retro look, has decided to open up retail stores to peddle its goods. The Fossil Company has to consider the impact business research has on the development and marketing strategy of trendy fashion products. Since the Fossil Company has decided to open retail stores, its research information has to be used differently to maximize its competitiveness.

### Case Questions

1. A company that focuses on a retro image of the 1950s needs business research to determine if there is a market for these products and which particular items will be in demand from the many different items from that era. Business research could also play a significant role in making sure that the products the company creates are authentic looking.

2.

The information needs that change as a company moves from an entrepreneurial company and begins to market its products through its own retail stores are the pricing strategy, store location, and product placement information. When the Fossil Company used a traditional channel of distribution, it was mainly concerned with covering its cost of production and making a profit. Now the company has to consider additional costs associated with the sale of its products such as purchasing or leasing of buildings or mall space, retail store employee cost, and other overhead resulting from operating retail outlets.

When operating retail stores the Fossil Company must use business research information in order to determine store location. Once the Fossil Company has decided on the stores' location business research will be utilized to determine the number of employees needed to operate the store, wage or salary of employees, retail price of product, etc. Even product placement within the store is influenced by business research.

The biggest difference between the way the Fossil Company uses research information as a retail store operator versus using traditional distribution channels is that the company will place a greater emphasis on the post-distribution side of the business. The Fossil Company will now use research information all the way from product development to retail sale.

3. A company such as Fossil can use research to determine the best products to sell in a global market by randomly sampling the various markets and analyzing the information. Fossil can identify which products will have the highest probability of being successful across the various markets. Fossil could use this knowledge to create a two tier marketing strategy. They could use the products that would sell well across various markets as the foundation of the company's product line with slight variations tailored for specific markets. This would allow the company to maximize its marketing potential.

4. A company that focuses on high fashion watches can benefit greatly from research because high fashion products are so trendy that consumers' purchasing decisions will fluctuate frequently.

By using business research correctly, a company can identify consumer desires and create new fashion trends. To be able to stay competitive, a company must adjust to consumer desires very quickly or risk missing great business opportunities.

### Concepts Illustrated

The concept illustrated by the Fossil case is the overall role of business research. The text outlines four main areas where business research can help an organization: 1. Identifying problems or opportunities, 2. Assessing problems or opportunities, 3. Selecting and implementing a course of action, and 4. Evaluating the course of action.

Fossil used research that identified that there was an opportunity to expand their business by opening retail stores. Next, they assessed what was necessary to launch the chain and remain competitive in the retail environment. Finally, the case touches on the course of action they took to open retail stores and develop their product mix. Although the case did not address the step of evaluating the course of action, it did a good job of demonstrating the importance of research for any business.

### Manager Recommendation

Managers of Fossil have recognized that research can and should have an important role in the decisions that the company makes about its products and operations. The Fossil Company has used this research to formulate a business strategy that has led them to open retail stores, which allowed them to showcase their growing product line. They have created a core

product line that they can market globally and a product line that is tailored to specific markets. When used effectively, business research information can be a powerful tool that can transform an idea into a successful corporation.