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### 4.4 MARKET RESEARCH: ACTIVITY B

Read the case study information below and answer the questions that follow.

#### LOW MARKET SHARE AT RITZ



The Ritz Soft Drink Co. Ltd. is concerned about its low market share despite extensive press advertising and colourful displays in large retailers. The image the company was trying to create was a 'sports energy' drink for youthful consumers. This was because the directors had used census data to discover that the proportion of the population under 18 years of age was forecast to rise in the next ten years and the

sports participation rate of most age groups was increasing.

The directors believed that this image was the correct one to have and that other factors were to blame for the poor sale performance. Market research was undertaken using a telephone survey as they believed quick results were essential to allow them to take the correct measures to boost sales. A questionnaire was drawn up asking for details of soft drinks bought and the reasons for purchase decisions, names and addresses of the respondents so that free vouchers could be sent, income levels to identify consumer profiles and many other details that the directors thought might be useful. One hundred people were to be contacted by picking names at random from the telephone directory.

## 4.4B: Market Research: Activity

The results of the survey were disappointing. Many calls were not answered, some people refused to answer some of the questions and some elderly respondents said that all soft drinks were too sweet and fizzy for them anyway. The directors were no clearer after the survey about what could be done to increase sales of Ritz™ soft drinks.

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### QUESTIONS: 21 MARKS, 40 MINUTES

1. Explain the evidence in the case study suggesting that the business has used secondary research methods. **[3 marks]**
2. Analyse two possible reasons why the results of the telephone survey were so disappointing. **[8 marks]**
3. Discuss two alternative sampling methods that Ritz could have used to achieve more useful results. **[10 marks]**