

TeeStart.com

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Executive Summary

TeeStart.com is a user-based online T-shirt store. Anyone with a design idea can submit it for free by uploading the .jpg or .png to the TeeStart.com portal. Once submitted, the design has 60 days to accrue 50 votes from TeeStart.com users. If the design gets 50 votes, then the designer is given 5 free T-shirts, 1 special TeeStart.com shirt, a chance to win a monthly raffle and is put on the company store site.

Along with daily designs, monthly campaigns offer a higher reward for designers. Each month there will be a different theme. For example, the winner of the college mascot design challenge will win \$500. The design will also go into the store for an opportunity to earn even more money.

Every 500 shirts sold, the designer earns \$250 dollars. The rest of the sale will go towards production costs such as silkscreen, ink, shirts and labor. If the design does not reach at least 50 positive votes, then the design is taken off the website. Users are not allowed to submit the same design multiple times.

As a digital start-up company, TeeStart.com will only offer T-shirt designs. Looking in the future, TeeStart.com will branch out to other apparel where users can showcase their artwork.

TeeStart.com is specifically targeting college students. Using social media platforms as the majority of the marketing efforts, TeeStart.com strives to offer college T-shirts designed specifically by college students.

Target Market

Market Analysis Summary

TeeStart.com will target U.S. college students as their main market, specifically targeting the millennial generation. Further, the market will be segmented into two groups, organized by the purpose the individuals serve in using TeeStart.com. The first group, Creators, are those individuals whose purpose in using TeeStart.com is to submit designs. The second group, Critics, Collectors and Joiners, are those individuals whose purpose in using TeeStart.com is to buy, rate/review/vote, comment on the shirts that Designers create, and maintain an active profile. Dividing the market by the individual's purpose offers an easy and measurable method of targeting each group. Currently, the market of U.S. college students is an affluent group that, according to the 2009 U.S. census, consists of more than 19 million individuals (Bureau, 2009).

Market Segmentation

TeeStart.com's market will be segmented into two distinctive groups. As mentioned above, these groups are divided based on the purpose of the individual's use of TeeStart.com. These two segments contain similar demographics, but differ in psychographics.

Creators – This group submits T-shirt designs to TeeStart.com. This group consists mostly of design related college majors (design and applied arts, film/video and photographic arts, fine and studio art), as well as other college students interested in art, design, or fashion.

- Predominantly between the ages of 18-24
- 100% are U.S. college students
- Median individual income is typically lower than STEM (science, engineering, technology, mathematics) students

Critics, Collectors & Joiners – This group purchases tees that Designers have designed and submitted to TeeStart.com. This group consists of all U.S. college students with purchasing power.

- Predominantly between the ages of 18-24
- 100% are U.S. college students
- Median individual income while enrolled is typically higher than design students

National Center for Education Statistics PowerStats

Job: earnings from work while enrolled (include work-study/assistantship) by Field of study or major (detailed CIP codes) and Major field of study with a focus on STEM fields.

Job: earnings from work while enrolled (include work-study/assistantship) by Field of study or major (detailed CIP codes) and Major field of study with a focus on STEM fields.					
	\$1-2,399 (%)	\$2,400-5,999 (%)	\$6,000-12,999 (%)	\$13,000 or more (%)	Total
Estimates					
Total	18.6	21.9	23.5	36.0	100%
Field of study or major (detailed CIP codes)					
Design and Applied Arts	21.9	25.3	24.9	28.0	100%
Film/Video and Photographic Arts	27.9	30.0	18.8	23.3	100%
Fine and Studio Art	25.0	29.3	22.1	23.5	100%
Major field of study with a focus on STEM fields					
Math/Computer/Sciences/Engineering/Technologies	22.1	22.6	22.9	32.4	100%
Social/behavioral sciences	26.0	26.9	22.3	24.8	100%
Non-STEM field	18.0	21.8	24.2	36.0	100%
Undeclared or not in a degree program	15.0	19.6	21.4	44.0	100%

The names of the variables used in this table are: STEMMAJ, MAJORS4 and JOBEARN2. The variable names are unique identifiers. To locate these variables, enter the variable name in the search box.

The weight variable used in this table is WTA000.

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

Computation by NCES PowerStats on 11/14/2011.

National Center for Education Statistics PowerStats

Age groups as of 12/31/07 by Field of study or major (detailed CIP codes) and Major field of study with a focus on STEM fields.

Age groups as of 12/31/07 by Field of study or major (detailed CIP codes) and Major field of study with a focus on STEM fields.				
	15-23 (%)	24-29 (%)	30 or above (%)	Total
Estimates				
Total	59.7	17.3	23.0	100%
Field of study or major (detailed CIP codes)				
Design and Applied Arts	69.9	16.1	14.0	100%
Film/Video and Photographic Arts	74.1	15.7	10.3	100%
Fine and Studio Art	68.1	17.3	14.6	100%
Major field of study with a focus on STEM fields				
Math/Computer/Sciences/Engineering/Technologies	66.3	16.5	17.2	100%
Social/behavioral sciences	74.4	13.8	11.8	100%
Non-STEM field	58.2	18.0	23.8	100%
Undeclared or not in a degree program	54.1	16.2	29.7	100%

The names of the variables used in this table are: STEMMAJ, MAJORS4 and AGEGROUP. The variable names are unique identifiers. To locate these variables, enter the variable name in the search box.

The weight variable used in this table is WTA000.

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

Computation by NCES PowerStats on 11/14/2011.

Target Market Segment Strategy

TeeStart.com chose this market because they are considered one of the most desirable demographic groups. Reasons this is so include: (1) the Age of Acquisition, (2) brand loyalty, (3) opinion leaders, and (4) spending power (Rockler-Gladen, 2010). College students are part of the Age of Acquisition, which means that they are the most sought-after target market for advertisers and a large percentage of media is created for them. Also, college students are very susceptible to becoming brand loyal, which means continually buying from one company as opposed to competing ones. This is because college students are young and have not yet established a brand loyalty to one particular company yet. College students are also considered opinion leaders who decide what is fashionable and in style. Lastly, college students have tremendous spending power, allowing them to spend money on consumables.

Market Needs

The design tee market has been saturated with unorganized and mainstream designs. Consumers are looking for more original and relatable designs, and TeeStart.com will offer these. By targeting to strictly only college students, a culture will be created within TeeStart.com.

Many consumers feel negative about the competitors in the crowd-sourcing tee design market. Critics claim that these sites have gotten overcrowded, over-critical, and unorganized. Because TeeStart.com has such a specific target market the designs will stay relevant and can be easily organized.

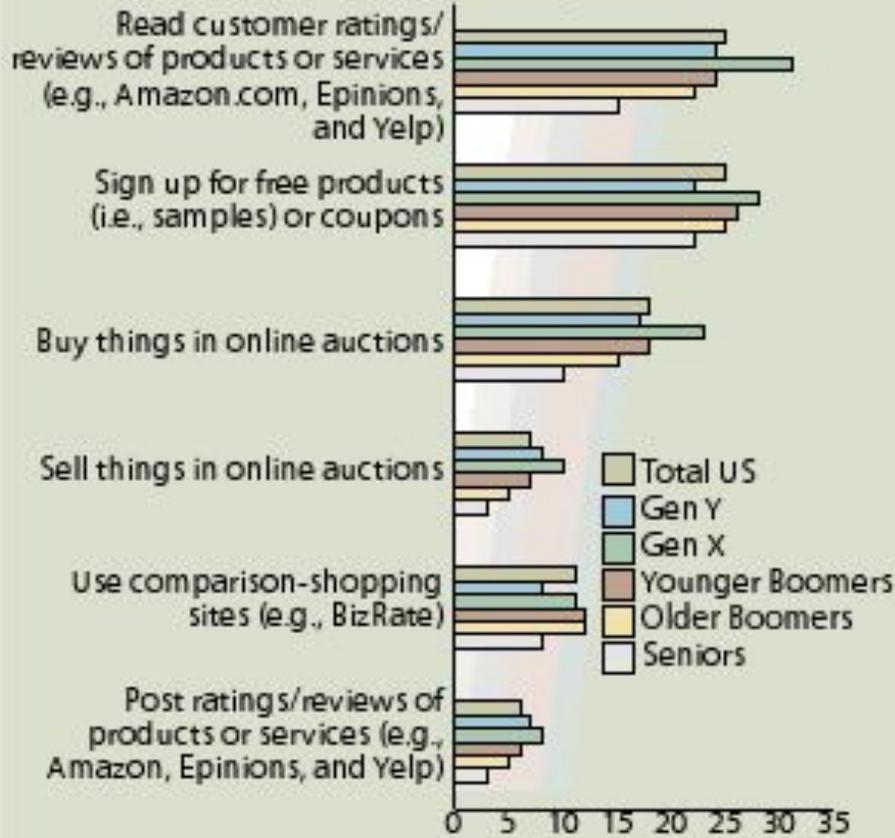
Market Trends

The millennial generational group is starting to become one of the largest groups in the United States. As the population of baby boomers begins to decrease, those in the millennial generation have grown to account for almost half of the adult population. Along with this increase in population, those in the millennial generation are most likely to engage in social media, rate and review products online, and buy products online. With these growing trends, TeeStart.com sees a valuable market within the millennial generation.

6-5

Gen Xers Lead In Online Retail Activities . . .

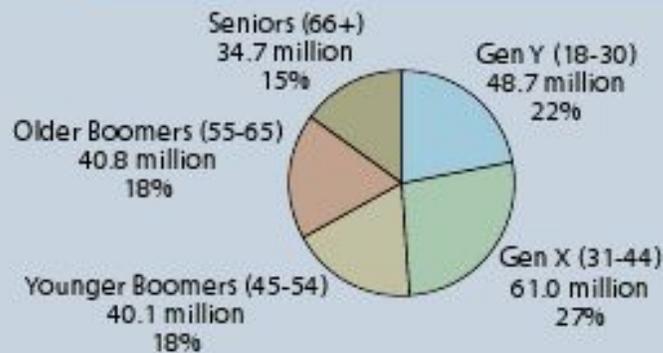
“Which of the following online activities do you do at least monthly?”



Base: 29,295 US online adults (multiple responses accepted)

2-2

Gen Y And Gen X Account For Almost Half Of The Adult Population



Base: US individuals

Competitor Analysis

The features offered by Threadless.com cater to its target market as do the feature offered by DesignByHumans.com (DBH). Both competitors have products that meet the needs of men, women, and kids. However, these two companies target markets much different from each other as well compared to TeeStart.com's target market.

Threadless.com		DBH	TeeStart
Design Challenges (monthly) "threadless loves": dysfunctional families patterns political parodies \$2000 cash \$500 Threadless GC (or \$200 cash) 15 of your shirts	Community Forum Tee-V Artist Programs Designer Interviews Street Team (with the street team users can earn points by linking to threadless from other websites. If your referral results in a sale you get more points.)	Vote and Submit <u>In the Running:</u> Shirt of the Day Awarded Mon-Thurs. \$1,000 and 6 Shirts Rockstar Awarded Based on # of shirts sold \$500-2,500 <u>Special Contests:</u> Prizes vary Cash, Concert Tickets, Apparel, and more	Design Challenges <u>Monthly Campaigns:</u> Most votes recieves \$500 Music Artist Sports Era Music College Challenge(mascot, school spirit) Charity Challenge Logo Challenge Girls vs Guys Campaign Beer Olympics Team Shirts Holidays <u>On-going Campaign:</u> 60 days to get 50 Votes! Win 5 shirts of their design plus 1 special tee And a chance to win the monthly raffel (speaker system, beer-pong table, ping pong balls, shot glasses)
Continuous Challenges 7 day voting/commenting Win: \$2000 cash \$500 Threadless GC (or \$200 cash) \$500 per reprint Alumni Membership	Retail Store Chicago, IL only one What else they offer Jobs Able to supply wholesale vendors	Shop Mens Womens Kids Special Tees	
Bestee Awards Design/Slogan of the Year \$1,000-\$20,000		Community Forum Gallery(shirts of the day) DBH News Artist Interviews Design Critiques(before subission)	Community Support Portal (Forum) Facebook Twitter Photos and Videos Gallery
Slogan Challenges win \$500 submit up to 1 per day voting/commeting-1 week		Profile Dashboard Friends Messaging Follow Artists Your Stats	Profile Messaging Portfolio Friends Tweets Stats
Shop: Guys Girly Kids Clearance Bags, Puches, iPhone case Book Covers, Lunch bags Scarves, Umbrellas			

DBH

DesignByHumans.com shares a target market more closely related to that of TeeStart.com. This target market shares common interests in music, media choice, and fashion. Design challenges created by DBH include music series themes and television series themes. The award system used by DBH has two means of awarding artists. The first offers \$1,000 plus 6 of that artist's shirts for winning shirt of the day. Shirt of the day is DBH's continuous challenge. The second is the Rockstar award, which is determined by the number of shirt the artist sells, or in other words how many shirts made by an artist are sold by DBH. Special Contents, as mentioned before, offer specific themes and award artists with a variety of prizes awarded to users such as concert tickets, apparel, and cash. DBH has developed a community of users on their site. Artists and users can follow each other's artwork, comment and share critiques, and message one another. Forums and News are also available on the site.

Threadless.com

Threadless.com is a well-known design T-shirt company that also offers many other products such as bags, pouches, iPhone covers, scarves and even umbrellas. The designers for Threadless T-shirts feature some of the greatest artists in the world. This is why awards for Threadless designers range from \$1,000 to \$20,000 cash. This also makes it very difficult to create a worthy design acceptable for voting. Along with design challenges, Threadless.com also features Slogan challenges. Users can submit ideas daily for a chance to win credit toward their account. Another way users are rewarded is by linking to Threadless.com from other sites. If a users referral results in a sale they get credit added to their account.

In addition, Threadless also has one store located in Chicago, IL. They offer jobs and the opportunity to become a wholesale vendor. Threadless has a large community connected by videos and interviews and they also offer Artist programs that include scholarships instead of cash reward for designs accepted for print. They even offer a chance to add Threadless 101 to your school curriculum if approved by a professor.

TeeStart.com

TeeStart.com is an ongoing custom T-shirt design competition targeted exclusively to college students. Design challenges and rewards cater specifically to the interests of college students. Users submit ideas for a chance to win money, prizes, and shirts.

One feature offered is the monthly campaigns. These campaigns consist of themes that change every month and are focused around music, era music (70's, 80's etc.), sports, charity/causes, school spirit, party themes, and holidays. When a user wins a monthly campaign they receive \$500 cash.

The second challenge is an on-going challenge awards users once their design has reached 50 votes. If a user succeeds, which must be within 60 days, they will receive 5 T-shirts of their design and one free special T-shirt. Further, for every 500 T-shirts sold artists will receive a \$250 bonus.

TeeStart.com features a community that will be one of its most important competitive aspects. Our target market is exclusive to college students. College students who have accounts with Facebook, Twitter, and Gmail will easily be able to create a TeeStart.com account with their current social media accounts. This also makes it possible to share and tweet ideas, stories from the weekend, and communicate with other users. Users will be able to friend, follow, message and comment on other users ideas and artwork. Further, users will have their own profile that features what they've done, awards they've won, who they're friends with, previous tweets and posts, and comments by friends. User submitted photos and videos are also encouraged. The support portal is another feature that offers help to users and allows them to share FAQ's.

Porter's Five Forces Model

Barriers to Entry

With low barriers to entry, there is potential for new competition to enter the market. The current industry for a user-based online store is quite small, however TeeStart.com will have a niche market of college students.

Buyers

To start off our website, the buyers of TeeStart.com will generally be college students. Eventually, we will branch the company out to other Colleges. With unique designs and competitions, we hope to meet the demands of College students.

Substitute Products

A substitute product could be any type of clothing store. Consumers can easily go to their local mall or shop at any online website. However, TeeStart.com will offer unique designs with designers that can be exclusively found on our website. Using special marketing tactics, we hope to gain customer loyalty.

Suppliers

Suppliers of TeeStart.com will include the company that will provide the white T-shirts needed to print the images on. Designers will also be our suppliers as they are submitting the designs to the website for potential future sales.

Industry Competition

Currently, there are three websites, Threadless.com, Designbyhumans.com and shirt.woot.com that play a major threat to TeeStart.com. Threadless is a well known website that offer a wide variety of the best designs T-shirts. Design by Humans has become a popular website to buy one of a kind T-shirts. Shirt Woot has emerged by having a shirt of the day that you can buy for \$10. However, they still allow you to buy previous shirts of the day for \$15. TeeStart.com will stand out against the competition by specifically targeting college students to design and buy T-shirts.

Marketing & Sales Plan

Marketing Mix

Product

TeeStart.com offers custom design T-shirts created by young and unique people for young and unique people. A majority of these custom design T-shirts will be miscellaneous themes thought of by the individual designer who submits it.

TeeStart.com also offers predetermined themes created by TeeStart.com that change every month. Along with offering a wide variety of custom design shirts, TeeStart.com will also give away “party” products in a raffle for designers who get their shirt accepted into the store. These products include beer-pong tables, speaker systems, shot glasses, 100 ping-pong balls and much more.

Price

T-shirts sold from TeeStart.com will cost a minimum of \$15. This price is for the regular/miscellaneous designs that are continuously submitted into the On-going challenge. Special tees will be sold for \$20. These tees come from the monthly campaigns and will cost more than regular design tees and will also offer a greater reward to the designer.

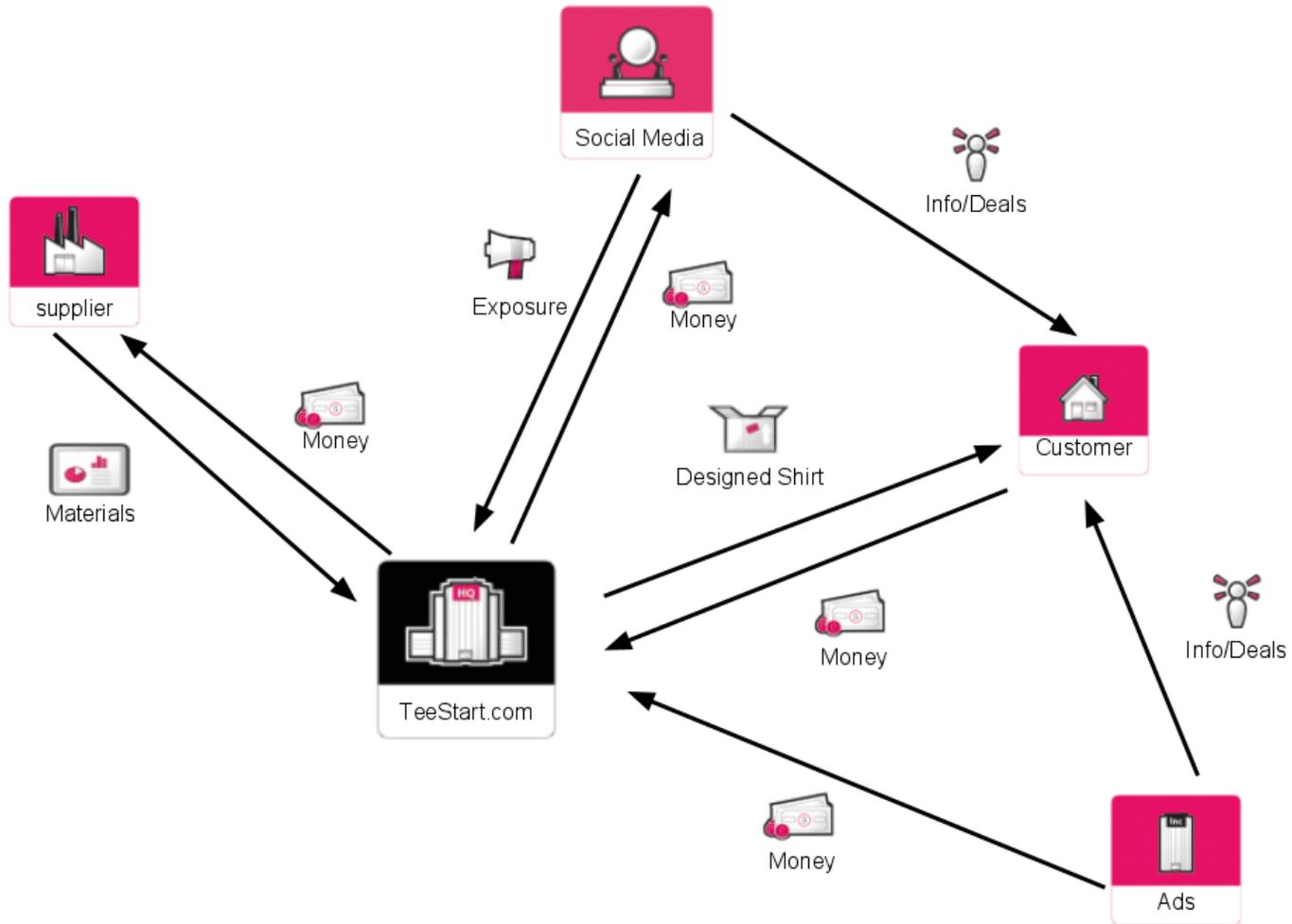
Placement

Our main source of business is through our website. The website allows designers to submit their designs and allows consumers to vote and buy shirts. Social media also plays a key role in our placement strategy. We will utilize Facebook and Twitter as a way to deliver the message and gain awareness of our brand. The operations for the company will be held in Rochester, NY.

Promotion

TeeStart.com will be targeting College students by using marketing tactics, such as social media. Consumers in the age-range of 18-25 appreciate a more personal outreach. Social media will provide us the opportunity to inform consumers of what is going on and the capability to interact with them. We will social media to promote our website and encourage users to vote on different designs. Also, we will have different contests and promotions designers can compete in. We hope this will draw the attention of creative designers. Another key promotional activity will include exposure at campus events. At these events, we will spread the word of what TeeStart.com is and provide the opportunity for students to purchase shirts. These events will help us reach out to our main target audience.

Business Model



Integration with Social Media

Registering for TeeStart.com

Anyone can register for TeeStart.com using Facebook, Twitter or email. If the user decides to sign-up for TeeStart.com using Facebook, TeeStart.com will be able to analyze its target audience based off the profile information of synced users. Since TeeStart.com is a college focused website, finding the right target audience is important. If synced with Twitter, automatic tweets will be posted when the user likes certain designs and if he/she uploads new designs onto the website.

Facebook

A Facebook Page will be created on behalf of TeeStart.com. The Facebook page will offer the following:

Posts to Showcase Artwork

Showcasing some of the artwork from TeeStart.com to the Facebook community will create more buzz for the actual company.

A Support Portal

The support portal will be set up as a Questions and Answers type of interface so that Facebook users can find frequently asked questions. If the question is not there, users can create their own question. However, after the user clicks submit, there will be a pop-up recommending questions that may already have the answer for them.

Uploaded Designs from TeeStart.com

User-Submitted designs have up to 30 days to accumulate 50 votes. Each week, random shirts will be showcased on the Facebook page. The likes on Facebook will be included in the 50 votes.

User-Submitted Photos and Videos

Facebook is all about interaction with people who have the same interest. Users will have the opportunity to upload pictures and videos of themselves in their brand new T-shirts. TeeStart.com would love to see uploaded pictures of the monthly giveaways being used such as the beer pong tables, ping-pong balls, and speaker systems.

Exclusive Offers and Promotions

TeeStart.com will offer promotional codes for discounts and also promote the different contests that will be taking place. Users have an opportunity to win \$500 in monthly-

themed campaigns. Since \$500 is a lot of money, especially for college students, posts will be created to promote such events.

The overall objective of the Facebook page is to generate awareness of TeeStart.com and refer new users to the website. Considering Facebook has over 800 million users and a majority of them within our target audience, Facebook must be implemented properly to maximize awareness.

Twitter

The overall purpose of the company Twitter page is to direct Twitter users to the website to vote on designs and purchase shirts from the online store. Traceable bit.ly links will be used to see how many users are clicking on the shortened URLs to get to a specific landing page TeeStart.com. Additional strategies will be implemented on the Twitter page. These strategies include:

#TeeStart.comYourMonday Implementation

Every Monday, @TeeStart.com followers can tweet a weekend college story using the hash tag, #TeeStart.comYourMonday. The craziest and wildest stories will get retweeted by @TeeStart.com and put in a pool for an opportunity to win a coupon code. The user will be announced on Twitter by 11:59PM on Monday every week.

Support Portal

Although it will not be promoted, TeeStart.com understands that Twitter users will be asking questions on Twitter. In this instance, a link to bring them to the specific question on the website's FAQ page will be tweeted back to them. For customer complaints, TeeStart.com will be keeping everything public so that followers see that the company has nothing to hide.

Promotions

Every once in awhile TeeStart.com will post tweets for updates and promotions to the website. To create more buzz as a start-up and make users act fast, only 50 orders will allow the promotional code. This way people have to act fast to purchase items from the store. Once TeeStart.com is a larger company, there will be no limit to the amount of people who use the codes. Therefore, promotional codes will last for 24 hours.

Updates

General updates regarding monthly campaigns, item give-aways, and random tweets of new designs will be tweeted on a regular basis. This strategy will increase awareness of the brand.

Financial Insights

Year 1: Goal = sell 3,000 shirts nationwide

Costs:

Shirt Design: $3,000 \times \$8 = \mathbf{\$24,000}$

Fixed Costs (Storage, Domain Name, Hosting, etc.): **\$1,000**

Advertising Costs: **\$12,500**

Total Costs: \$37,500

Revenue:

Shirt Sales: $3,000 \times \$17.00 = \mathbf{\$51,000}$

Advertising Clicks: **\$500**

Total Revenues: \$51,500

Total Profit After Year One: \$14,000

Year 2: Goal = sell 7,000 shirts nationwide

Costs:

Shirt Design: $7,000 \times \$8 = \mathbf{\$56,000}$

Fixed Costs (Storage, Domain Name, Hosting, etc.): **\$1,000**

Advertising Costs: **\$20,000**

Total Costs: \$77,000

Revenue:

Shirt Sales: $7,000 \times \$17.00 = \mathbf{\$119,000}$

Advertising Clicks: **\$1,000**

Total Revenues: \$120,000

Total Profit After Year One: \$43,000

Total Profit After First Two Years: \$57,000