

### 3. WELSH RUGBY UNION SIGNS £10m DEAL FOR NEW KIT

The Welsh Rugby Union (WRU) has unveiled a new four-year kit deal believed to be worth more than £10m.

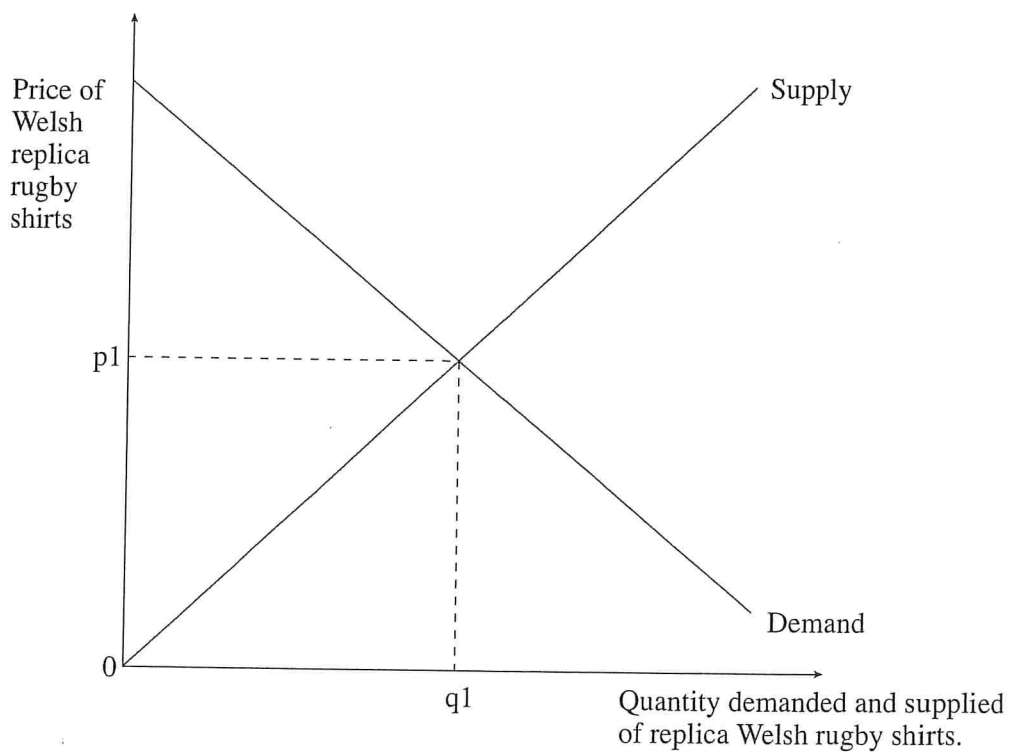
American company *Under Armour* will replace *Reebok* as the new kit supplier, for all the Welsh rugby international teams and support staff, under the deal which will begin in the autumn of 2008.

The WRU said the company's new kit will be based on technology used to produce kit for top American football teams. It will be used for Wales's internationals in November.

The WRU said the company's design and manufacture teams had been studying Welsh rugby and its history and heritage, as part of its market research.

*Adapted from news.bbc.co.uk, 14 February 2008*

- (a) Adapt the demand and supply diagram below and explain what might happen to the price of replica Welsh rugby shirts if the Welsh team is more successful. [4]



.....

.....

.....

.....

.....

.....

.....

(b) Explain **two** factors, other than the success of the Welsh rugby team, that may influence the demand for replica Welsh rugby shirts. [4]

(i) .....

.....

.....

.....

(ii) .....

.....

.....

.....

(c) Consider the view that the primary market research carried out by *Under Armour* is of much greater value to the business than its secondary market research. [6]

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**Total Mark**

**Turn over.**