

Pearson BTEC Level 3 Nationals

January 2022

Time 2 hours

Paper
reference

31489H

Business/Enterprise and Entrepreneurship

UNIT 2: Developing a Marketing Campaign

Part A

You do not need any other materials.

Instructions

- **Part A** contains material for the completion of the preparatory work for the Set Task.
- **Part A** is issued to learners on the afternoon before **Part B** is scheduled. Learners have two hours for **Part A**.
- **Part A** must be issued to learners on the timetabled date so that learners can prepare in the way specified.
- **Part A** is specific to each series and this material must only be issued to learners who have been entered to undertake the task in the relevant series.
- **Part A** should not be returned to Pearson.
- **Part B** materials must be issued to learners on the day specified by Pearson.

Turn over ►

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Instructions to Teachers/Tutors

This paper must be read in conjunction with the unit information in the specification and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document. See the Pearson website for details.

Learners should use the allocated two hours for **Part A** to annotate and prepare notes for **Part B**.

Learners are expected to spend two hours on **Part A**.

Learners may prepare summary notes from their **Part A** review of provided research. Learners may take up to two sides of A4 notes and an annotated copy of the **Part A** research pack into the supervised assessment (**Part B**). Learner notes and annotations should include facts and figures relating to organisations, such as the products they offer and the ways they use the marketing mix in their promotional campaigns. Notes should not include any pre-prepared promotional plans.

Teachers/tutors must not give any support or additional resources to learners during **Part A** or prior to **Part B**. All work must be completed independently by the learner.

The supervised assessment (**Part B**) will take place in a timetabled period specified by Pearson.

Refer carefully to the instructions in this paper and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document to ensure that the **Part A** period is conducted correctly and that learners have completed their preparation validly and independently.

All learner notes must be retained securely by the centre after **Part B** and may be requested by Pearson if there is suspected malpractice.

Instructions for Learners

Read the Set Task Brief carefully.

This contains the information you need to prepare for the set task.

In **Part B** you will be given a scenario. Use this **Part A** paper to prepare by relating your learning to the specific information given.

You will then be given the set task to complete under supervised conditions.

You must work independently and must not share your work with other learners.

Your teacher/tutor cannot give you feedback during the preparation period.

Set Task Brief

You have been asked to write a proposal for a marketing campaign for a business called *Decreal Gear*. The business produces and sells sportswear.

The business owners want to increase revenue.

You are required to use given research independently to analyse the market for sportswear in the UK.

This research will include primary and secondary data relating to:

- competitors
- market size, share and structure
- target market
- trends
- external influences
- costs
- timescale
- media options.

You are allowed a maximum of two sides of A4 of your individually prepared notes and you may annotate **Part A** to support you during the **Part B** supervised assessment.

Sportswear Market in the UK

By 2023, the market for sportswear in the UK is predicted to achieve a growth of 21%, according to GlobalData. An estimated £6.7 billion is forecast to be spent on sportswear in the UK. The growth in sportswear is likely to be higher than in all other areas of retail.

JD Sports and Sports Direct are the two leading sportswear retailers in the UK, with shops located across the country. In 2020, JD Sports had a £6.1 billion worldwide revenue with Sports Direct achieving £3.9 billion. In addition, Statista report that online purchasing has become more popular, with 55% of people in the UK using the internet to make purchases of clothes, shoes and associated items.

The most popular participation sports in the UK in 2020, according to Statista were:

Sport	Number of participants	Sport	Number of participants
Running	7 million	General fitness	2.2 million
Fitness classes	6.4 million	Football	1.4 million
Gym sessions	4 million	Golf	0.8 million
Exercise machines	3.3 million	Tennis	0.7 million
Hill walking	2.9 million	Boxing	0.6 million
Interval sessions	2.6 million	Badminton	0.6 million
Weight sessions	2.4 million	Rowing	0.4 million
Swimming	2.4 million		

The growth of sportswear was influenced by the COVID-19 pandemic. Many people were spending more time at home as a result of national/local lockdowns and working from home. This resulted in people wearing casual clothing and sportswear worn for leisure more often. This continued post-lockdown, with people being accustomed to wearing sportswear for multi purposes – to exercise, to wear casually during the day and even as part of an evening outfit.

The closure of sports facilities and gyms also changed the way that many people engaged in exercise, with home exercise and outdoor pursuits becoming more popular. The pandemic made people more aware of their health and wellbeing.

Market analyst Kayla Marci stated that in 2020 there was an increase in purchases of sportswear for relaxing or exercising at home, for instance jogging bottoms, t-shirts, hooded sweatshirts and leggings. In the first quarter of 2020 the sales of men's sportswear grew by 18% while women's was up 43% in comparison to the same quarter of 2019. According to Pi Datametrics, the top 10 most popular online searches related to sportswear were loungewear, women's tracksuits, men's tracksuits, running shoes, sports bras, pyjamas for women, joggers, loungewear sets and gym leggings.

In 2020 people became more interested in choosing exercise linked to improving wellbeing to help manage their stress and anxiety. An impact of this was an overall 36% increase year on year in the sale of yoga sportswear, with a 45% increase in yoga-wear for men.

2021 saw an increase in people buying sportswear for the outdoors, with sports jackets and running clothes being very popular. Retailers are stocking 14% more loungewear products in 2021 compared to 2020.

The most popular sports clothing brands in the UK in 2021 were Nike, Adidas, Puma, Reebok, Slazenger, Lacoste and Fred Perry, with a large number of other branded competitors in the sportswear industry. These brands ranged from high street to luxury brands as well as sustainable sportswear businesses such as BAM, Contur, Olly Olly & Co, SOS Activewear and Tala, who use recycled and/or sustainable materials.

Some of the 2021 trends in the sportswear industry were:

- Collaborating with fashion designers. Japanese designer Nigo has designed a range called "Human Wear" for Adidas. Victoria Beckham designs sportswear for Reebok.
- Collaborating with celebrities and influencers. Alo Yoga associates with supermodels Candice Swanepoel and the Hadid sisters. Supermodel Kate Moss and her daughter Lila are fans of PRISM Squared. PE Nation is worn by the Jenners and the Hadids.
- Creating unisex sportswear items which can be worn by either male or female as designed by Spirit Jersey and Zoezi Sport.
- A focus on black and white colours, as favoured by brands such as Kith and Rick Owens, or a focus on pastel colours, used by brands such as FP Movement.
- Using colour blocks in the design, as used by brands like Port De Bras and Outdoor Voices.
- The use of technology such as special fabrics that absorb sweat and odours or 3D knitting.

According to Kayla Marci, the average price of women's sportswear in the UK increased in Spring 2020, in comparison with Spring 2019.

Women's	Spring 2019	Spring 2020	Men's	Spring 2019	Spring 2020
Hooded tops	£60	£68	Hooded tops	£68	£67
Leggings	£53	£61	Leggings	£53	£64
Shorts	£32	£35	Shorts	£39	£39
Jogging bottoms	£55	£57	Jogging bottoms	£62	£62
T-shirts	£28	£29	T-shirts	£31	£30

Retailers offered bigger discounts in Spring 2020 than in the previous year, with average discounts of between 32–42% off the full price.

In 2020, some brands including Nike and Gymshark adapted their marketing messages towards supporting customers through the first Covid-19 lockdown. Nike created a social media campaign called "Play inside, play for the world", encouraging people to stay at home. Nike also gave free access to Nike Training Club apps, with hundreds of home workouts and health advice. Gymshark temporarily changed its brand name on Twitter to Homeshark, to remind everyone to stay at home and continued to build relationships with customers by providing online access to home workouts, healthy recipes and tips to support mental health.

In 2021 sportswear marketing messages have evolved to promote both outdoor exercise and home exercise. Some brands have also used themes of diversity in their advertising. Many brands have introduced a more inclusive range of product sizing and used models of different shapes and sizes to reinforce the message that exercise is for everyone. Brands such as Nike have promoted their maternity range of exercise clothing, using images of heavily pregnant females participating in exercise. Further examples of diversity in sportswear advertising comes from Sweaty Betty's "#RespectYourSweat" campaign, which shows images of a boxer wearing a hijab, sports people with disabilities and an older person on roller skates.

Decreal Gear: Market Research Report

Date: Saturday 25th September 2021

Sample size: 100

Location: City centre

The sample: People aged 17–35 who exercised on average twice a week or more

Summary of questionnaire responses

1 Sex:

Male	Female	Other
52	45	3

2 How often do you exercise on average per week?

2 times per week	3–4 times per week	5–6 times per week	Every day
21	36	34	9

3 What type of exercise do you enjoy (answer as many as relevant)?

Gym/weights (in a gym or at home):	61
Cardio/Exercise classes (in a gym or at home):	30
Yoga/Pilates/Tai Chi	26
Running	36
Cycling	31
Football/Rugby	34
Netball/Hockey/Other team sports	21

4 How much do you spend per year on sportswear (excluding footwear)?

0–£50	£51–£100	£101–£150	£151–£200	£201–£250	£251–£300	£301 +
2	7	14	24	31	13	9

5 How important is branded sportswear?

I rarely buy branded sportswear	I sometimes buy branded sportswear	I often buy sportswear from different brands	I usually buy sportswear from one brand
5	16	45	34

6 Thinking about your favourite sportswear brand, what entices you to purchase that brand (answer all relevant)?

Quality	Price	Fashionable	Celebrity endorsed	Environment factors	Technology enhanced
81	24	71	56	36	67

7 What would enhance your relationship with a brand (answer all relevant)?

Training videos	Fitness trackers	Access to sports experts	Wellness and stress support
67	86	43	34
Loyalty scheme	Discounts	Nutrition advice	Being part of an online community
95	99	23	31

Research on media selection

Decreal Gear has researched the following options for increasing revenue through increased brand awareness and loyalty for their sportswear products.

1 Influencers

- Cost – varies depending on influencer – typically £110 per post.
- Typically generates between 3 000–15 000 new followers per month depending on the influencer.

2 TikTok ads

- Tik Tok has 100 million European users/community,
- TikTok has 3.7 million active users in the UK who engage with the app for an average of 41 minutes a day. This is lower than the global average TikTok user, who spends 52 minutes actively using the app.
- In 2019, 26% of TikTok users were aged 18–24 and 9.3% were 25–34 in the UK, accessing TikTok from smartphones.

3 Google ads: Pay per click – with spend cap

- Monthly budget cap which you can vary month by month.
- Budget of £102 /month will generate estimated clicks or calls of 140–235
- Google ads allows you to do your own demographic targeting, e.g. age, gender, household income, parental status.

4 YouTube

- Allows you to set a budget – daily budget from £6 dependent on exposure needed.
- More than 35.6 million adults in the UK use the platform.
- 35% of the UK population are active users of YouTube.
- 46% of women use YouTube in the UK vs 54% of men.
- YouTube use is growing the fastest amongst Baby Boomers and Gen-X-ers.
- The most active demographic is aged 25–44, accounting for 44% of all users.
- The most popular YouTube channel in the UK was Ed Sheeran with 43 million subscribers. The channel also boasted around 18.78 billion views.

5 Trade/consumer fairs

- There are many trade and consumer exhibitions that showcase health and fitness products, some of which are focused on particular areas of fitness, such as weight training, cardio classes, running or yoga.
- International Fitness Showcase – Blackpool
- Elevate – London

- Bodypower Experience – Birmingham
- Run Fit Expo – Liverpool
- National Running Show – Birmingham and Farnborough
- OM Yoga Show – London and Manchester
- A stand at an exhibition in the UK typically costs £300–£350 per square metre, so even a small exhibition stand is likely to cost around £3 000.
- This is a direct route to the UK gym and fitness market – connect directly with hundreds of thousands of consumers, influencers and trade buyers.
- Create brand awareness and showcase your products alongside the latest trends in health and fitness.
- Source fresh leads from an industry guest-list packed full of the leading professionals from across the UK.

6 Print media

- Flyers – A5 premium glossy 1 000 – £30.51; 5 000 – £79.62
- Business cards – 100 from £12.65

7 Billboards

- Billboard rental costs in the UK vary according to the size and location of the billboard. Typically, a standard billboard costs £500–£600 for two weeks and smaller advertising panels like bus stop shelter advertisements cost £240–£270 for two weeks.

8 Other

- Video production – £500 – £10 000
- Animation – from £1 000
- Voice over – from £500
- Motion graphics – from £3 000
- Filming – from £2 000 min
- Stock images/video £500