

Pearson BTEC Level 3 Nationals

Additional Sample Assessment Material

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**. The 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 *Calmsun*. The business produces and sells plant-based milk products.

The business owners want to increase sales.

You are required to use given research independently to analyse the market for plant-based milk products 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.

Market for Plant-based Milk Products in the UK

Plant-based milk has become very popular in the last few years. The first mass-produced plant-based milk was soya milk but now there is a wide range of plant-based milk. Almond milk, coconut milk, oat milk and soya milk are the most common of these milks. Plant-based milk is almost 75% of the alternative dairy product market. The other 25% of the market is plant-based ice cream, yoghurt, cheese and butter.

The market for plant-based milk is growing very quickly. In 2020 approximately 25% of people were using plant-based milk. In the UK an estimated £363 million was spent on plant-based milk and growth is expected to double within 5 years. Oat milk is now the most popular plant-based milk in the UK. The popularity of oat milk doubled in a year and sales were approximately £146 million in 2020. Almond milk is the second most popular plant-based milk and its sales were approximately £105 million in 2020, a small increase of £9 million on the sales of 2019. However, cow's milk is still very popular and sales were approximately £3.2 billion in 2020.

Plant-based milk is more popular with women than with men. Two thirds of people who use plant-based milk also use cow's milk. Plant-based milk is more popular with young people. There has been a drop in the use of cow's milk by people aged 16–24 and more than a third of them say they drink plant-based milk.

However, many British people love tea and they say that cow's milk is the best milk to have in it. Many people use cow's milk in cooking because they do not feel confident about using plant-based milk.

Plant-based milk has always been popular with people on a vegan diet. It is estimated that approximately 3% of people in the UK are vegan. If this estimate is correct, it shows there has been a significant increase in the number of vegans in the last ten years and this trend seems likely to continue.

Many people who are not vegan choose plant-based milk for the following reasons:

- they are flexitarian and they eat some vegan food and some non-vegan food each week
- they cannot drink cow's milk because they are lactose intolerant
- they think plant-based milk is lower in calories than cow's milk
- they think producing plant-based milk is better for the environment
- they are against dairy farming.

People sometimes say dairy farming harms the environment. Statistics show that producing cow's milk can generate three times the level of greenhouse emissions than any plant-based milk. Some environmentalists say dairy farming damages the soil and causes water pollution. However, many UK dairy farmers now use energy efficient methods to produce cow's milk. They protect the environment by not polluting rivers or canals and by managing the soil, hedgerows and woodlands.

The production of plant-based milk can also damage the environment. Most almonds are grown in California and they need large quantities of water. Bee colonies are moved into the area to help pollinate the almond trees, but moving the bees causes large losses to the bee population. Transporting the almonds around the world creates a large carbon footprint. Soya bean farming damaged the environment when large areas of the Amazon Rainforest was cleared so that soya beans could be planted. Now most soya beans used in soya milk production are grown in North America, Europe or Asia. Soya milk production uses 10 times less water than almond milk production. Coconuts are grown

in Indonesia, the Philippines and India. Growing the coconuts does not use much water, but transporting them causes a large carbon footprint. Some coconut milk producers are accused of exploiting the farmers by not paying a fair price for the coconuts they buy. Rice growing needs large amounts of water and the rice plants emit greenhouse gases that damage the environment. Oats, hemp, peas and hazelnuts are the most eco-friendly crops used for plant-based milk production.

In November 2020, the UK Government launched its “Path to Sustainable Farming” plan. The aim of the plan was to help farmers produce food in a sustainable and profitable way.

The plan includes:

- ways to improve the environment, such as creating natural habitats
- planting new woodlands to help reduce the rate of climate change
- reducing carbon emissions by using sustainable farming practices
- supporting the health and welfare of animals.

The Government is also going to introduce a ‘Sustainable Farming Incentive’ that will pay grants to farmers who look after the environment.

The dairy industry and plant-based milk producers have argued about the use of the word ‘milk’. The USA dairy industry lost its court case to stop plant-based milk producers from using the word ‘milk’ on their product labels.

Many people think that cow’s milk is a better source of protein, vitamins and minerals than plant-based milk. Some plant-based milk producers add vitamins and minerals to their milk.

The market for plant-based milk has been made more popular by Costa, Starbucks and other coffee shops that offer a range of plant-based milk options for their coffee and tea. Customers often choose Barista-style plant-based milks for ethical reasons and also for their taste.

There is increasing competition in the plant-based milk industry. Brands such as Alpro, Rude Health, Plenish and Innocent produce plant-based products made from almonds, oats, coconuts and other plants. Some brands use only one type of plant-based milk such as Califia Farms, Oatly, Rice Dream, Koko, Good Hemp Seed and Mighty Pea. There is also competition from a large range of supermarket own-brand products.

For a long time Alpro has led the market in plant-based milks. The company has a large range of products and most of them are sold in supermarkets throughout the UK:

Alpro 2021 Product Range

Product type	Alpro Product range
Plant-based milk	Almond, soya, oat, coconut, hazelnut, rice and cashew milks, with sweetened and unsweetened varieties.
'Barista' plant-based milk	Almond, soya, oat and coconut milks which are specially formulated to use in hot drinks.
Flavoured plant-based milk	Vanilla, chocolate and strawberry flavour soya milk, a chocolate oat milk and an oat milk designed to improve your immune system.
Growing-up plant-based milk	Soya or oat milks designed specifically for 1–3 year olds.
Caffe Latte	Brazilian coffee and almond, Ethiopian coffee and soya caramel, Columbian coffee and oat for on-the-go coffee.
Non-dairy ice cream	7 flavours: vanilla, macchiato, mango, hazelnut chocolate, chocolate, almond salted caramel and coconut.
Non-dairy yoghurt	20 products in sharing or individual pots, including plain, Greek style, cherry, mango, blueberry and more. Kid's-style yoghurt and fromage frais.
Other	Desserts, mousse, custard and cream.

The market leader in oat milk in the UK is Oatly, with a product range available in supermarkets throughout the UK:

Oatly 2021 Product Range

Product type	Oatly Product range
Oat milk	Drink available in whole, semi and skinny versions, as well as organic and barista style.
Flavoured oat milk	Chocolate and chocolate deluxe oat milk.
Non-dairy ice cream	Flavours including: vanilla, strawberry, chocolate fudge, salted caramel and hazelnut swirl.
Non-dairy yoghurt	Oatgurt in plain, Greek style and strawberry flavour
Other	Single cream in standard or organic, a whippable double cream, custard, oat fraiche and cheese-like spread.

Average prices of plant-based milk and associated products in a UK supermarket

Product	Branded	Supermarket own-brand
Soya milk (1 litre pack)	£0.55 – £1.30	£0.85
Almond/oat/coconut/other milk (1 litre pack)	£1.40 – £2.50	£0.95
Yoghurt (500g)	£1.60 – £2.50	£1.25
Ice cream (500g tub)	£2.00 – £5.00	n/a

Plant-based milk brands use different marketing messages, including promoting a vegan lifestyle, protecting the environment and the great taste of plant-based milk. In 2021, Oatly started a humorous promotional campaign called 'Help Dad' aimed at children encouraging their parent to give up cow's milk for oat milk. The campaign was on ITV1, Spotify, Twitch and double page spreads in national newspapers. Oatly partnered with The Guardian on newspaper supplements discussing climate topics. It also put statistics on their website showing the impact that animal products have on the environment, to encourage debate on adopting vegan diets.

Alpro launched a fun campaign in 2021 called 'Eat your way to a better planet!' The campaign mocked traditional ways to save the planet such as wearing thick wool jumpers to save putting the heating on. The online adverts encouraged choosing plant-based products to improve the planet. The adverts fit with Alpro's brand mission to get more people choosing a plant-based diet by 2025.

Rude Health created a campaign on the great taste of their plant-based milks, with brightly coloured billboard adverts showing pictures of their packaged milks and slogans such as "Our almond milk is saving the world from not-very-nice almond milk", "Take a stand against the bland" and "You can go dairy free without going flavour free". The company also takes its milk vans to events and festivals to sell directly to customers and talk about their products.

Plenish adverts feature a burst of fresh ingredients behind their packaging, implying the product bursts with flavour. It has previously targeted university students with free product vouchers and offers both discounts and subscription options to customers purchasing via its website.

Calmsun: Market Research Report

Day: Tuesday

Sample size: 100

Location: City Centre

Time: 2pm–6pm

Sample: customers who had used plant-based milk or other products in the past year

Summary of Questionnaire responses:

Sex:

Male	Female	Other
38	60	2

Age:

16–25	26–35	36–45	46–55	56+
11	15	20	25	29

How often do you consume plant-based milk or other non-dairy products?

Occasionally	At least monthly	At least weekly	Several times a week	Every day
9	7	25	32	27

Why do you choose plant-based milk or other products? (answer all relevant)

I am a vegan	5
I sometimes follow a vegan diet	15
I oppose dairy farming	21
I believe dairy farming is bad for the environment	54
I have an intolerance to dairy milk	24
I believe it is healthy for me	34
I prefer the taste	45

How often do you choose a branded plant-based milk or product?

I rarely buy branded products, preferring the supermarket own brands	I sometimes buy branded products	I often buy branded products	I usually only buy from one brand
27	16	45	34

Other than standard plant-based milk, which other non-dairy products have you purchased? (answer all relevant)

Flavoured milk	Yoghurt	Ice cream	Custard/cream	Other (e.g. spread)
81	59	63	15	23

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

Large choice of plant-based milk	Good range of non-dairy products	Recipe ideas	Discounts
67	86	33	84
A brand I can relate to (trendy and fun)	Products sold in sizes suitable for my needs	Ability of brand to care for the environment	Competitions to win prizes
51	92	78	19

Research on media selection

Calmsun have researched the following options for increasing sales of their plant-based milk products:

1. TV advertising

- There are 2 costs – production of the advert and buying advertisement slots.
- Production cost varies from £25 000 for a basic 30 second advertisement to £250 000 for top stars and a recognised music track.
- ITV daytime slots are £3 500–£4 500 and peak time (evening) slots are £10 000 to £33 000 for a 30 second advert.
- Costs are much less for the ITV channels like CITV. These channels also let you target a more specific market.
- Channel 4 daytime slots cost £1 000–£2 000 with peak rates of £10 000–£20 000.
- Channel 5 daytime slots are £800–£1 600 with peak rates of £2 500–£4 000.
- Sky TV daytime slots are £150–£250 with peak rates of £650–£1 150.
- Other digital channels cost £50–£150 for daytime slots and £150–£300 for peak time.

2. 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 2 weeks and smaller advertising panels like bus stop shelter advertisements cost £240–£270 for 2 weeks.

3. Print media

- Flyers – A5 premium glossy 1 000 – £30.51, 5 000 – £79.62
- Vouchers – A6 standard 1 000 – £16.12, 5 000 – £35.58
- Business cards – 100 from £12.65
- National Food-lovers Magazine – readership 170 000 – full page colour advertisement average price – £6 750
- Local Newspapers – quarter page colour advertisement from £250
- National Newspapers – half page advertisement:
 - Guardian – 2.9 million readership – £11 000
 - i – 1.2 million readership – £5 950
 - Metro – 2.3 million readership – £23 900 (colour)
 - Daily Mail – 6.5 million readership – £22 800 (colour)

4. Product Sampling

- You can give away free product samples at venues such as supermarkets, either at the store entrance or within the store aisles.
- Customers can try your product and make an immediate purchase from the supermarket.
- Product sampling staff are your brand ambassadors, informing shoppers of your product information and brand message.
- Money off vouchers can encourage more product purchase.
- Supermarkets charge £200–£350 per day for site space, plus the costs of staffing and product. You may also need a counter where you can offer the samples. Bespoke pop up counters cost £160–£750.

5. Farmers' markets

- There are approximately 650 farmers' markets in the UK where you can have a stall, sell products and meet your potential customers.
- Stalls cost from £10 to £75 and you need public liability insurance, a basic food hygiene certificate, stallholder insurance. You also have to follow the guidance about selling food and drink.

6. Festivals

- Taking a pitch at a festival such as the 4 day Glastonbury festival costs between £3 000–£17 000 plus staffing, travel and product costs.
- Most food stalls cover more than their costs and make a 30–50% net profit.

7. Facebook

- Average Facebook ads costs £0.78 per click.
- More than 48 million people in the UK use Facebook. Approximately 44% of people use Facebook every day.
- 26% are aged 25–34 and 19% are aged 35–44. People aged 13–17 are the least likely to use Facebook.

8. 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 YouTube.
- 35% of people in the UK actively use YouTube.
- 46% of women and 54% of men in the UK use YouTube.
- YouTube use is growing the fastest amongst Baby Boomers and Gen-X-ers.
- The most active demographic are aged 25–44 and they are 44% of all users.
- The most popular YouTube channel in the UK was Ed Sheeran with 43 million subscribers. The channel also had approximately 18.78 billion views.

9. Instagram ads

- Average Instagram ads costs £0.35–£0.75 per click.
- More than 30 million users in the UK with 54% using Instagram several times a day.
- 30% of users are aged 25–34 and 57% of users are women.

10. TikTok ads

- TikTok has 100 million European users/community.
- TikTok has 6 million active monthly 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.

11. Influencers

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

12. Other

- Video Production – £500–£10K
- Animation – from £1000
- Voice over – from £500
- Motion graphics – from £3000
- Filming – from £2000 min
- Stock images/video £500