Pearson BTEC Level 3 Nationals

January 2023

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 ▶

W74387A

©2023 Pearson Education Ltd.

1/1/1/1

W 7 4 3 8 7 A

Pearson

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 may give guidance on when you can complete the preparation.

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 *Flares Skatepark*. The business operates a skatepark.

The management team at *Flares Skatepark* wants to increase the customer base.

You are required to use the research you have been given to independently analyse the market for indoor skateparks 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
- message communicated
- marketing mix
- appropriateness of the campaign.

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.

Skateparks in the UK

There are an estimated 1 600 outdoor skateparks in the UK, run by local councils or community groups. They are usually unsupervised and they give free access to all users. There are 74 indoor skateparks in the UK and customers pay to use the facilities. Most indoor skateparks are run by charities and provide a safe, supervised place for young people to enjoy sport. Any profit the charities make is invested in maintaining and improving facilities and paying for staff to run the business.

Skateparks are used by people who ride skateboards, BMX and other bicycles and adapted wheelchairs called WCMX. They are also used by skaters and people who ride kick scooters. Skateparks have positive benefits for the physical and mental health of the people who use them. They are affordable and accessible to people of all ages, genders and cultures.

Image 1



(Source: © FourOneFour Skateparks)

Image 1 shows curved areas and street obstacles at an indoor skate park.

There are up to 750 000 skateboarders in the UK. An estimated 85% of these are male and 15% are female. It is suggested that there are around 54 000 people who are regular skaters, with the average age of active skateboarders being 14 years old. The popularity of skateboarding has fluctuated for decades. It is currently very popular due to being affordable and easy to do anywhere. The global skateboard market is estimated to reach $2.4 billion by 2025, which would be a year on year increase of 2%.

BMX originated in California in the 1970s and became popular in the UK in 1980. In 2020 in the USA there were nearly 4 million BMX riders aged six years and over. In the UK, BMX clubs are reporting increased participation from new and experienced riders. Skateparks are now running BMX freestyle sessions for people aged over 40.

The Olympic Games increased the interest and popularity of both BMX riding and skateboarding. In 2008, the Beijing Olympic Games hosted the first BMX racing events for men and women. The 2020 Tokyo Olympic Games (postponed to summer 2021), introduced the first BMX Freestyle competition and the first skateboarding events for both men and women.

The UK won five Olympic medals at Tokyo:

- Bethany Shriever – Gold in Women's BMX Racing
- Kye Whyte – Silver in Men's BMX Racing
- Charlotte Worthington – Gold in Women's Park BMX Freestyle
- Declan Brooks – Bronze in Men's Park BMX Freestyle
- Sky Brown – Bronze in Women's Street Skateboard.

After the success of the UK BMX team at the Tokyo Olympic Games, British Cycling developed a UK freestyle competition structure to start in 2022. Its aim was to establish BMX freestyle centres and to develop talented BMX participants who could become the Olympic stars of the future.

The UK Government wants to improve the poor levels of participation in exercise by children and young people. In 2019, the UK Chief Medical Officers issued guidelines that children and young people should engage in moderate to vigorous activity for at least 60 minutes per day. This activity includes PE at school, after-school activities, play and sports. In the summer of 2020, approximately 50% of children and young people met this target.

Indoor skateparks in the UK

Some of the popular indoor skateparks are Adrenaline Alley in Corby, RAMP 1 Skatepark in Warrington, Onboard Skatepark in Sheffield, Source BMX Skatepark in Hastings and Creation Skatepark in Birmingham.

Adrenaline Alley is a six-acre site and is Europe's largest action sports venue. It has three buildings, allowing indoor riding for different abilities and includes foam pits to practise tricks safely. It has an outdoor pump track and street plaza, and an American diner selling food and drinks. Adrenaline Alley sells its own range of merchandise including T-shirts, hoodies, hats, beanies, accessories and gift vouchers. They hire out equipment such as BMX bikes, scooters, skateboards, inline blades, helmets and safety pads. They also rent a retail space to SkateHut, a business that sells a range of skateboards, scooters, inline skates, protection and clothing.

RAMP 1 hosts nine areas for different abilities and includes a 12 m skateable tunnel, one of the largest bowls ever constructed, ramps and a street plaza. It has a cafe, equipment hire, repair centre and a merchandise store.

Source BMX Skatepark is the world's largest underground skatepark with ramps and bowls suitable for all abilities and ages. It offers specific sessions for skateboarders, BMX riders and mixed sessions open to everyone including inline skaters and scooter riders.

Some indoor skateparks like Adrenaline Alley offer skateboarding, scooter and BMX lessons. Lessons focus on either beginners or on developing advanced skills and tricks. They have experienced coaches and charge approximately £45.50 for a seven-week course. RAMP 1 offers personal tuition at £25 per hour.

Some indoor skateparks host special events.

- Creation Skatepark had an all-night event. Riders paid £14 to ride all night and they were given a voucher for a hot meal.
- Adrenaline Alley hosted a UK WCMX Jam. This was a day of free activities for people with physical and learning disabilities.
- Onboard Skatepark hosts meet and greet events giving customers the chance to meet and ride with professional riders for £20.
- Adrenaline Alley ran a Christmas Camp with Olympic Bronze medallist Declan Brooks, priced at £65.
- Some indoor skateparks run holiday 'camps' during the school holidays.

The majority of indoor skateparks require customers to pre-book tickets online. Riders complete a registration form which confirms the centre cannot be held responsible for injuries and they have to agree to terms and conditions. Parental consent has to be given for under 18s.

Most indoor skateparks are staffed by paid employees and volunteers many of whom are riders themselves. They advise customers how to stay safe and how to use their facilities.

In June 2022, the following prices were charged by indoor skateparks.

Venue	Session	Price
Creation Skatepark, Birmingham Compulsory Membership: £3.00 per year Hire of scooter, skateboard or BMX: £6.00. Helmet hire: £3.00	All day	£9.50 – £11.50
	Late session	£6.00
	Full week	£25.00 – £30.00
Adrenaline Alley, Corby Optional Membership: £25.00 per year for 10–15% off prices	Half day	£20.00
	All day	£30.00
	Late session	£11.50
	Saturday under 16s price	£11.50
Onboard Skatepark, Sheffield No membership required	3-hour session	£10.00
	All day	£13.50
	Full week	£25.00

Most indoor skateparks have a limited marketing budget. At Adrenaline Alley, advertising is carefully targeted at young people aged 12–25 years old, using social media platforms such as Instagram and TikTok. They advertise on Google and Facebook, targeting the parents/guardians of children who live in the area. Customers are encouraged to post videos and pictures to promote the skatepark. The skatepark employs social media staff to repost videos and respond quickly to comments posted on social media about the venue. They spend money on professional videos, which are posted on their website and YouTube account.

The Adrenaline Alley team prints leaflets that are given to people at local family events. The leaflets often include a sales promotion offering money off with a voucher code. Posters are printed and displayed inside the venue to advertise forthcoming skatepark events. They regularly email their database of over 164 000 people.

Adrenaline Alley contacts professional skateboarders, scooter and BMX riders and offers them private, free of charge sessions in the skatepark with their friends. They do not pay these influencers but benefit from the influencers posting videos on their personal social media sites. This is particularly effective if they are opening new areas of the skatepark that they want to showcase.

***Flares Skatepark*: Market Research Report**
Date: Saturday 24th September 2022
Sample size: 100
Location: City Centre
The sample: Parents/guardians of children aged 10–17 years old

Summary of questionnaire responses:

How often does your child exercise for at least 60 minutes per day?

0 times per week	1–2 times per week	3–4 times per week	5–6 times per week	Every day
8	36	29	19	8

How would you describe the amount of exercise your child does each day?

My child should exercise more	My child does the right amount of exercise	My child does too much exercise
58	39	3

What is stopping your child from doing more exercise? (Answer as many as relevant.)
Question asked only to a parent/guardian who stated their child should exercise more.

Too much homework	5
Prefers passive activities at home, e.g. gaming	47
Dislikes exercise	31
No suitable activities available in the area	56
Cannot afford for child to join sports clubs	24
Medical reasons	2

Has your child ridden a skateboard, scooter or bike in the last year? (Answer as many as relevant.)

Skateboard	Scooter	Bike	None
32	19	51	37

Rate from 1 to 5 how much you think your child would enjoy riding at a skatepark like this one. (Participants are shown pictures of *Flares Skatepark*.)

1 Would love it	2	3	4	5 Would hate it
15	44	20	16	5

How much would you expect to pay for a 3 hour session at a skatepark like this?

£4.00–7.99	£8.00–11.99	£12.00–15.99	£16.00–19.99	£20.00+
14	23	31	21	11

What do you expect from a skatepark? (Answer all relevant.)

Excellent health & safety standards	Staff who enjoy skating/riding	Access for all abilities	Cafe with good food and drink
96	54	43	34
Loyalty scheme	**Discounts and offers**	**Area with Wi-Fi for parents to wait**	**Clean and well maintained**
35	99	67	31
Lessons	**Special events, e.g. meet and greet the stars**	**Equipment hire**	**Sessions for all ability levels, e.g. beginner**
29	37	88	92

Research on media selection

Flares Skatepark has researched the following options for increasing the customer base.

1. Facebook

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

2. 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 an active user of YouTube.
   - 46% of women in the UK and 54% of men use YouTube.
   - YouTube use is growing the fastest amongst Baby Boomers and Gen-X-ers.
   - The most active demographic are aged 25-44, accounting for 44% of all users.
   - Some of the most popular YouTube channels in the UK for BMX are:
     - Ryan Taylor with 2.36 million subscribers
     - Scotty Cranmer with 1.72 million subscribers
     - Ryan Williams with 1.64 million subscribers
     - Red Bull Bike with 1.64 million subscribers
     - Billy Perry with 1.38 million subscribers
     - Ride UK BMX, with 18 200 subscribers.
   - Some of the most popular YouTube channels in the UK for skateboarders are:
     - Braille Skateboarding with 5.73 million subscribers
     - Andrew Schrock with 4.74 million subscribers
     - Thrasher Magazine with 2.94 million subscribers
     - Ride Channel with 1.73 million subscribers
     - The Berrics with 1.36 million subscribers
     - Sam Tabor with 1.33 million subscribers.

3. Television advertising

   - There are two costs – production of the advert and buying advertisement slots.
   - Production 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–£33 000 for a 30-second advert.
   - Costs are much less for the ITV channels like CITV, also letting 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.

4. Instagram ads
   - Average Instagram ads costs £0.35–£0.75 per click.
   - More than 34 million users in the UK with 54% using the platform several times a day.
   - 30% are aged 25–34 and 55% are women.

5. TikTok ads

   - Minimum £50 per day, with options to target by gender, age or interest.
   - TikTok has 17 million active users in the UK who engage with the app for an average of 66 minutes a day.
   - In 2019, 26% of TikTok users in the UK were aged 18–24 and 9.3% were 25–34, accessing TikTok from smartphones.
   - 65% of TikTok's UK users are female and 35% are male.

6. Google Ads

   - Pay per click, with spend cap.
   - Monthly budget cap which you can vary month by month.
   - Budget of £102 per 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.

7. Influencers

   - Cost – varies depending on influencer – typically £80 per post per 10 000 followers.
   - Mid-tier influencers with 50 000–100 000 followers charge £600–£1 000 and mega influencers with 500 000 – 1 million followers charge £1 750–3 000 per post.

8. 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.

9. Print media

   - Flyers – A5 premium glossy 1 000 – £32.03, 5 000 – £83.59
   - Vouchers – A6 standard 1 000 – £20.85, 5 000 – £46.04
   - Business cards – 100 from £10.05
   - Local newspapers – quarter page colour advertisement from £250

10. Spotify
    - Spotify has 422 million listeners worldwide who using Spotify to stream music and podcasts. Of these, 182 million premium subscribers listen advert-free.
    - Research has shown that Spotify is the most trusted social media platform for adverts.
    - Audio advert campaigns start at £250.
    - You can create your own voice-over advert using Spotify's professional quality production tools at no extra cost.
    - You can target your audience by location, age, genre of music and device.

11. Sponsorship

- Opportunities exist to sponsor sports teams, events and charities. Shirt sponsorship for a local football team will cost around £1 000. Sponsorship of a small local music festival will cost from £500-£5 000 depending upon the package.

12. Other

- Staff to hand out leaflets/vouchers – £10 per person per hour
- Video production – £500–£10 000
- Animation – from £1 000
- Voice-over – from £500
- Motion graphics – from £3 000
- Filming – from £2 000 minimum
- Stock images/video £500

Pearson BTEC Level 3 Nationals

January 2023

Supervised hours 3 hours

Paper reference **31489H**

Business/Enterprise and Entrepreneurship

UNIT 2: Developing a Marketing Campaign

Part B

You must have:
Calculator, note paper and pen
Your notes from **Part A** (maximum two A4 sides).

Instructions

- Complete **all** activities.
- **Part A** will have been used in preparation for completion of **Part B**.
- **Part B** must be issued to learners as defined by Pearson and should be kept securely.
- **Part B** must be undertaken in 3 hours on the timetabled date and under the conditions specified by Pearson.
- **Part B** is specific to each series and must only be issued to learners who have been entered to undertake the task in the relevant series. It is to be issued at the beginning of their timetabled supervised period.
- **Part B** should be kept securely until the start of the 3-hour supervised assessment period.

Information

- The total mark for this paper is 70.

Turn over ▶

©2023 Pearson Education Ltd.

W 7 4 3 8 8 A

Pearson

Instructions to Teachers/Tutors and/or Invigilators

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.

The **Part B** set task is undertaken under supervision in a single session of three hours on the timetabled day specified by Pearson. Centres may schedule supervised rest breaks during the session.

Centres must schedule all learners in the same session and must release **Part B** to individual learners only for their scheduled sessions.

The **Part B** set task requires learners to apply research. Learners should bring in notes as defined in **Part A**. The teacher/tutor and/or invigilator needs to ensure that the notes comply with the requirements.

Work should be completed using a computer. Learners are not allowed access to the internet.

All learner work must be completed independently and authenticated by the teacher/tutor and/or invigilator before being submitted to Pearson.

Refer carefully to the instructions in this paper and the *BTEC National Instructions for Conducting External Assessments (ICEA)* document to ensure that the supervised period is conducted correctly and that learners submit evidence that is their own work.

Learners must not bring anything into the supervised environment or take anything out without teacher/tutor and/or invigilator knowledge and approval.

Centres are responsible for putting in place appropriate checks to ensure that only permitted material is introduced into the supervised environment.

Maintaining security

- During supervised assessment periods, the assessment areas must only be accessible to the individual learners and to named members of staff.
- Learners can only access their work under supervision.
- During any break materials must be kept securely.
- Any work learners produce under supervision must be kept securely.
- Learner notes must be retained securely by the centre after **Part B** and may be requested by Pearson if there is suspected malpractice.

Outcomes for submission

Two documents will need to be submitted by each learner:
- a rationale for a marketing campaign
- a budgeted plan for the marketing campaign.

Each learner must also complete an authentication form.

Instructions for Learners

Read the set task information carefully.

This session is **three** hours. Your teacher/tutor and/or invigilator will tell you if there is a supervised break.

Plan your time carefully.

You have prepared for the set task given in this **Part B** paper. Use your notes prepared during **Part A** if relevant. Attempt both the activities in **Part B**.

Your notes must be your own work and will be retained by your centre until results are issued.

You will complete this set task under supervision and your work will be kept securely during any breaks taken.

You must work independently throughout the supervised assessment period and must not share your work with others.

Outcomes for submission

You will need to submit the following **two** documents on completion of the supervised assessment period:

- a rationale for the marketing campaign
- a budgeted plan for the marketing campaign.

You must also complete an authentication form to declare that the work you submit is your own.

Set Task

You must complete BOTH activities.

You will need to refer to the extra task information on the following pages and your notes from the research and preparatory work undertaken in **Part A**.

Activity 1

Prepare a rationale for a marketing campaign for *Flares Skatepark* to increase the customer base.

Your rationale should include:

- marketing aims and objectives
- analysis of research data on the market and competition
- a justification for your rationale.

(Total for Activity 1 = 34 marks)

Activity 2

Based on your rationale from Activity 1, develop a budgeted plan with a timescale for your marketing campaign.

You must produce this plan in an appropriate written format for the management team at *Flares Skatepark*.

(Total for Activity 2 = 36 marks)

TOTAL FOR PAPER = 70 MARKS

Skateparks in the UK

There are 74 indoor skateparks in the UK, usually trading as charities. Skateparks are used by people who ride skateboards, BMX and other bicycles and adapted wheelchairs called WCMX. They are also used by skaters and people who ride kick scooters. Skateparks have positive benefits for the physical and mental health of the people who use them. They are affordable and accessible to people of all ages, genders and cultures. Interest in skateparks has increased since the most recent Olympic Games when the UK won five medals in BMX and skateboard.

Flares Skatepark

Flares Skatepark is a new indoor skatepark that has been open for two months. It is a registered charity and was founded by a local entrepreneur. The entrepreneur donated a large sum of money to buy and regenerate an old factory site into a place for the local community to enjoy. The area where *Flares Skatepark* is located has very few activities that younger people can enjoy. The skatepark was designed by a reputable skatepark designer and a team of employees and volunteers has been hired to run it. It is hoped that *Flares Skatepark* will become known as one of the best indoor skateparks in Europe.

The indoor skatepark is designed to target beginner, intermediate and experienced riders. It has a cafe offering hot drinks and snacks and customers can to hire equipment such as skateboards, BMX, scooters, helmets and safety pads.

The skatepark was featured several times on local TV and in local newspapers which generated a lot of positive free publicity. A website was made for the skatepark to keep local residents informed. The website included an option to sign up to receive marketing information from the skatepark. As a result, *Flares Skatepark* already has a database of 2 000 email addresses with consent to receive marketing emails.

The *Flares Skatepark* website allows customers to make advanced bookings online. This includes a section where customers can agree to receive marketing information. All riders complete a registration form and a parental consent form for under 18s.

Increasing the customer base

The management team of *Flares Skatepark* wants to increase the customer base within the next six months. They believe that they need to raise awareness that the skatepark is open, among both the local community and regular visitors to other skateparks. They want to invite professional skateboarders, BMX and scooter riders.

The management team of *Flares Skatepark* is considering two options to help achieve the goal of increasing the customer base.

EITHER

Offering special deals for people in the local community.

OR

Creating a full-day experience package to offer to professional and regular visitors to skateparks.

The management team of *Flares Skatepark* has allocated a budget of £10 000 for the campaign. The campaign should run for 6 months.

What is a skatepark?

A place to skate or ride. It consists of ramps, bowls, pipes, banks, ledges, stairs, and rails. The surface can be either concrete or wood. It can be either indoors or outdoors.