

BTEC BUSINESS - Bridging Materials

Welcome to BTEC Business.

Please note all students are to complete their chosen subject specific bridging materials before Wednesday 4th September 2024.

Subject	BTEC Business
Context	This work is designed to help you prepare for your BTEC Business qualification. You will be given an introduction into the role of marketing and understand the key rationale behind marketing campaigns. You will also look into different types of businesses and understand the key features behind each form of ownership.
Securing	<i>Make flashcards on the key terms in the list below:</i> <ol style="list-style-type: none">1. Marketing2. The marketing mix3. Price4. Place5. Design mix6. Promotion7. Product life cycle8. Market segmentation9. Marketing strategy10. Aims11. Objectives12. Sole traders13. Partnerships14. Private limited company15. Public limited company16. Unlimited liability17. Limited liability18. Shares19. Shareholders20. Stakeholders
Processing	<i>Read through the Research Pack below about the food box business Wholly Nutritious to find out about the market and the business:</i>

Research pack

Market for food boxes in the UK

The food box market is estimated to exceed £1.5 billion within the UK in 2022, with sales of food boxes expected to rise 55% year on year. The sudden increase in the demand for food and recipe boxes has led to rapid growth within the market and has led to a significant rise in the number of local, national and international food box brands.

Approximately 26% of households are now purchasing food boxes weekly. The market is dominated by leading brands *HelloFresh*, *Gousto* and *Mindful Chef*, with an increase in the number of niche food box providers supplying specialised boxes such as Japanese, organic and vegan meals.

Market leader *HelloFresh* has recently reported an increase in demand and now provides 250,000 food boxes each month. Research by Statista has shown that over the past year alone food box subscriptions have increased by 48% and have become the leading type of subscription box around the globe. The Guild of Fine Food supports such findings by highlighting that 36% of consumers now use the internet to source ingredients, recipes or meal kits in the form of food boxes.

Mindful Chef is another food box company. Its most recent market share report has highlighted that its food boxes are most popular with those in the 18–34 age group, with 18% of those signing up to more than one food box service. In contrast, only 3% of those over the age of 55 use the service.

The concept of food boxes is not something new and some of the larger brands have been in operation since 2015. However, the past three years have led to changes in social trends, such as more people cooking at home and an increase in demand for the direct delivery of recipes and ingredients. Society has become more focused on enjoying cooking, which has resulted in a decrease of takeaway sales and an increase in the popularity of food boxes.

Research by the Financial Times shows that most people who purchase food boxes do so for the following reasons:

- The ease of having food and recipes delivered to their door.
- The enjoyment of being able to cook different recipes each week.
- The novelty and surprise of having meals delivered.
- The ability to try new foods and experiment with different ingredients.
- The access to high-quality products and restaurant-standard meals.

Some younger consumers also highlight that staying on trend is a key reason for subscribing to food boxes and will subscribe to multiple food boxes if there are offers and promotions.

More recently, supermarkets have challenged the food box market with both *Marks & Spencer (M&S)* and *Morrisons* launching meal kit boxes that consumers can cook and enjoy at home. *M&S* offers a selection of meals for two that include a starter, main, side and dessert, relying on its brand image, loyal customer base and guarantee of 100% British ingredients to attract buyers. Whereas *Morrisons* has specifically targeted the family market with food boxes that provide a family of four with five meals.

HelloFresh

The market leader in the UK is *HelloFresh* that offers weekly food boxes for two to four people. Boxes are priced at between £42.99 and £60.99. *HelloFresh* has a menu of over 37 recipes each week and offers themed and seasonal dishes throughout the year.

HelloFresh 2021/22 product range

Product	Description
Veggie Box	A selection of up to five vegetarian and meat-free alternative meals each week.
Family Box	A selection of up to five meals that contains meals from the full menu, including sweet dishes.
Quick Cook Box	A selection of up to five easy to prepare and quick to cook meals including cold dishes.
Calorie Smart Box	A selection of five meals that are under 600 calories per serving and have health benefits.

HelloFresh has a large social media following and regularly uses influencers to showcase its recipes. More recently, the brand has changed its marketing message to highlight the social benefits of its products. The 'Fresh from the 'gram' message has directly encouraged consumers to connect and interact through Instagram to share their stories and showcase the power of the products in bringing people together.

As part of its most successful marketing campaign, *HelloFresh* linked with celebrities who share their experiences of preparing, cooking, and eating different recipes over a 21-day period using the hashtag #RefreshWithHelloFresh on a range of social media platforms. The campaign was targeted at young adults and health-conscious families.

Gousto

Gousto was the first UK-based food box service. It offers a menu of up to 60 recipes, which consumers can select for themselves. Boxes are priced between £24.99 and £47.75. *Gousto* offers festive meals, calorie controlled and healthy meals alongside branded *Lean in 15 recipes* endorsed by Joe Wicks.

Gousto 2021/22 product range

Product	Description
Two-Person Box	Offering two, three or four recipes for two people each week, which can be selected by the consumer from the main menu.
Family Box	Offering two, three or four recipes for two adults and up to three children each week. Recipes can be selected by the consumer.

In 2021 *Gousto* launched its 'Give it Some' campaign that was used to challenge the opinion that food boxes can become repetitive and boring. The campaign used a combination of music and celebrities to liken food taste and the products to music tastes with the message of 'whatever your taste, we've got something for you'. Interactions on

social media reached over one million and product sales reached a point where *Gousto* had to stop food box subscriptions for new customers.

The brand now has a heavily digital marketing strategy that makes use of social media platforms and post-sharing to reach new potential customers. However, its main aim is to retain customers and reduce subscription cancellations through customer engagement and innovation.

Smaller providers often have higher priced products due to their bespoke nature, with some charging £16.99 for a meal for two and others charging a different price for each meal selected. Most food box businesses offer discounts for new customers and offer incentives for those who encourage others to subscribe.

However, the long-term outlook for food boxes is not as positive say *Delish.com*, a specialist magazine on trends in food and drink. On average less than 20% of UK customers have kept their subscription services for more than a year, with research showing that the average consumer cancels their subscriptions within five months.

Most consumers highlight that their reason for cancelling is that the food boxes become repetitive and the meal choice is not sufficient. 46% of consumers state their cancellation is due to financial reasons. It is no surprise therefore that the market leaders in food boxes state customer retention as their key focus for the coming year.

In a recent report, a global food and drink analyst suggested that the success of any food box company is based on customer retention. They stated that food boxes are notably expensive to produce and rely on the consumer 'wanting' to stay in and cook, which limits their ability to be spontaneous. Therefore, food box brands now need to think outside the box and consider what other products, add-ons and benefits they can link to their products in order to sustain and maintain custom and relationships.

Food box brands have also come under more intense scrutiny due to their excessive use of single-use plastics. Consumers are calling for market leaders to review how they package ingredients and print recipe cards to reduce the amount of waste.

As part of the growing concerns for the environment, the UK Government has started a consultation on single-use plastic packaging. The consultation will challenge food box businesses to consider their carbon footprint and their impact on the environment.

Gousto has responded by cutting back on all packaging and is using environmentally friendly materials across all food boxes, which has cut plastic use by 50%. *Riverford* has also responded by launching a recycling guide to show consumers what can be reused, recycled and returned. The company has also pledged to remove all plastic packaging from its fruit and vegetables.

Wholly Nutritious market research report

Day: Saturday

Sample size: 80

Location: Food market based in a busy city centre

Time: 10 am–1 pm

Sample: Customers between the ages of 20 and 50

Summary of questionnaire responses

Gender:

Male	Female	Other
46	33	1

Age:

20–29	30–39	40–49	50+
10	35	28	7

How often do you order food boxes?

Once per month or less	Twice per month	Once per week
9	22	49

If you were purchasing a food box that provides two main meals for one person how much would you be willing to pay?

£10 – £15	£16 – £25	£26+
22	37	21

What type of food boxes do you prefer? (Select all that apply.)

Mixed boxes (whole range)	Vegetarian boxes	Family boxes	Low calorie boxes
56	25	42	49
Vegan boxes	Dairy free boxes	Quick cook boxes	Dessert boxes
9	2	46	37

Which of the following is the most important factor when considering a food box?

The range of meal choices	The ease of purchase and delivery	The freshness of ingredients
27	11	14
The cooking experience	The health benefits	The price of the food box
4	6	18

How interested would you be in online cooking demonstrations linked to your food boxes?

Not interested	Somewhat interested	Very interested
24	39	17

How important are celebrity recommendations when selecting a food box?

Not important	Somewhat important	Very important
23	32	25

What would persuade you to maintain an ongoing food box subscription? (Select all that apply.)

New recipes	Seasonal dishes	Themed recipes	Unique ingredients
49	62	22	27
Special offers	Discounted pricing	Free samples	Loyalty scheme
54	39	24	8

Research on media selection

Wholly Nutritious has researched the following options for improving customer engagement:

1 TikTok ads

- TikTok 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 and 2020, 9.3% of users in the UK were aged 25–34.

2 Facebook

- Average Facebook ads cost £0.78 per click.
- More than 48 million people in the UK use Facebook. Approximately 44% of people use Facebook every day.
- 26% of users are aged 25–34 and 19% are aged 35–44.
- In households with one or more children, users access Facebook for 2–3 hours each per day.

3 Google ads: Pay per click – with spend cap

- Monthly budget cap that you can vary month by month.
- Budget of £200/month will generate an estimated 180–270 clicks or calls.
- Google ads allow you to do your own demographic targeting, e.g.
 - Age: 18–24, 25–34, 35–44, 45–54, 55–64, 65+ and Unknown
 - Gender: Female, Male and Other
 - Household income: Top 10% of earners, 11–20%, 21–30%, 31–40%, 41–50%, Lower 50% and Unknown
 - Parental status: Parent, Not a parent and Unknown

4 YouTube

Allows you to set a budget – daily budget from £6 depending 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 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 Snapchat ads

- Monthly budget cap that you can vary month by month.
- Average Snapchat ads cost £0.56 per click/swipe.
- More than 20.1 million people in the UK are active users of Snapchat.
- 59% of users are aged 20–55.
- Chance to connect with potential customers in real-time through the creation of filters, add-ons and interactive stories.
- Opportunities to blend viral advertising with ecommerce and website directions.
- Location based targeting through snap-map and locators.

6 Instagram ads

- Average Instagram ad 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.

7 Food festivals

- There are approximately 180 food festivals in the UK where you can have a stall, sell products and meet your potential customers.
- Food festivals are usually held in the summer and Christmas periods.
- Local food festivals attract between 200 and 1 000 visitors, with national events attracting over 15 000 visitors per day.
- Stalls cost from £250 to £1 500 and you need public liability insurance, a basic food hygiene certificate, stallholder insurance and you must follow guidance about selling food and drink.
- Create brand awareness and showcase products alongside the latest trends in food and drink.

Exploring	Using the information from the Research Pack above about Wholly Nutritious and their market, fill in the table below with key information you have found:	
THE PRODUCT		
What is the product?		
Who buys the product?		
How much do they pay? How/ why do prices vary?		
When / Where is the product bought?		
ABOUT THE MARKET		
How large is the market?		
What are the main segments of the market? How large are they?		
How fast is the market growing? Are some segments growing faster than the overall market?		
How important is product innovation/branding?		
Who are the market leaders?		
What advantages do the market leaders have?		
THE MARKET AND COMPETITORS		
What else do we learn about the market and competitors (positive or negative)?	1.	
	2.	
	3.	
HOW USEFUL IS THE MARKET RESEARCH?		
What market research is included? Where is it sourced from?		
What does the market research report/ questionnaire tell you?		
What is the sample size? Who responded to the questionnaire? What is missing?		
Based on the results of the market research report, how might this impact on decisions made about Wholly Nutritious?		

What other market research might be useful?	
Reviewing	Complete the table below to review the information you have collected about Wholly Nutritious. Consider what impact this has on the Marketing Campaigns they may consider developing to succeed in their market:
MARKETING CAMPAIGNS	
What different campaigns and messages are used by competitors to Wholly Nutritious?	1.
	2.
	3.
	4.
	5.
What different market media are used by the competitors?	1.
	2.
What media might be effective in helping Wholly Nutritious to grow sales? Choose the top 3 and explain why you have chosen them	1. Why?
	2. Why?
	3. Why?
WHICH CUSTOMER AUDIENCE MIGHT BE GOOD FOR PROMOTIONAL CAMPAIGNS	
Who do you think are the best customers that Wholly Nutritious might want to target?	
Why do you think this? What evidence can you include to support this?	

How could Wholly Nutritious reach these customers?	
Which marketing media are they most likely to respond to? Why?	

Well done for completing this task.

We look forward to welcoming you onto the Year 12 BTEC Business Course in September.

Bring your completed Bridging materials with you – we will be using your research about Wholly Nutritious throughout the first few weeks of the course.

BTEC BUSINESS

2024-2025

WELCOME TO UNIT 2

DEVELOPING A MARKETING CAMPAIGN

SUMMER PRE-LEARNING TASK

