

Introduction & Aims

In this marketing project I am going to look at a sport shops. I will be running a marketing campaign for a sport shop which will be selling sports equipment and sports clothing; this is because I am interested in sports and think there is a gap in the market for sports wear. The business will target people who want sports equipment, sport shoes, clothing etc.

The business will be called '**Adams Sports**'. I will need to conduct careful research into my target market and use the knowledge I have of the area to choose the right promotional techniques..

My research objectives are:

1. To see where the demand for my service is the highest
2. Also to see how much competition there is in the particular area
3. Find the right location using the above aims
4. To find out the quality of service the customers expect.
5. Last and final to find out the cost of running a marketing campaign.

I will need to gather the following information in order to meet my research objectives. I will need to conduct market research (eg. questionnaire) for people, to ask where they get their sports equipment from; this will give me an idea of the area to set up my business. I will look around the area and see how many sports shops there are and the competition by asking around, this will give me an idea what type of competition I am dealing with. The above research will help with the location. Another questionnaire will find out the quality of customer service the customers expect, for example excellent quality of service and high price. Finally, I will find out the cost of running a marketing campaign.

Competition – Other businesses that sell comparable commodities and services to your business.

Local Market – Where the business is determined to retail their merchandise and services.

Marketing Campaign – The technique in which the business encourages itself to draw customers.

Target Market – The segment of customers the business is intending to produce and services at.

Small Scale – when the business is run in a local area in this case barking and Dagenham.

National or International –**National** is when the business is run in the same country but different parts of the country.

International is when the business is being run worldwide, all different countries and different parts of the world.

Limited Money to Spend on Marketing, so The Methods Used Must be Effective – This means when you have a restriction of how much you can pay out on advertising/promoting the business. Also the process used to promote the business must be efficient.

COMPETITION

- JD sports have existed more than 12 years. JD sports sell mostly trainers and sports clothes, accessories and gear.
- Valence bowl stores sell and supply only one type of sport equipment, this is bowling.

The prices JD sports charge for their products are:



Accessories are from £6.95 for something like an Adidas wristband



The prices they charge for their trainers can be from any price up to £100. This trainer for example is called Nike Max 95 and it cost around £109.99.



The prices they charge for their cheapest trainers are under a category called less than £30 on their website. This is one of the trainers in that category, it's a Puma Toronto and it costs £29.99.

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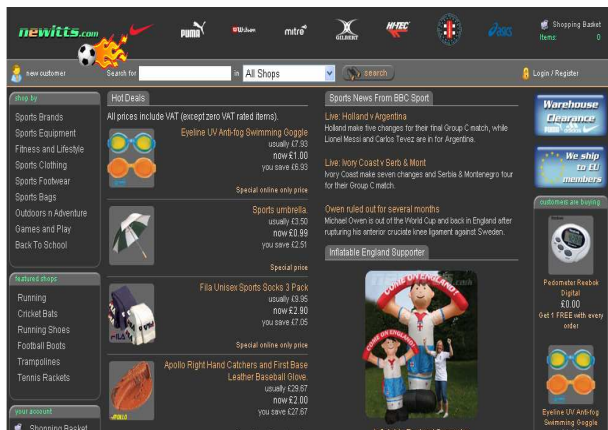


This T-shirt called the G-unit better t-shirt is an example of one of the cheapest t-shirts they sell, it costs around £29.99.

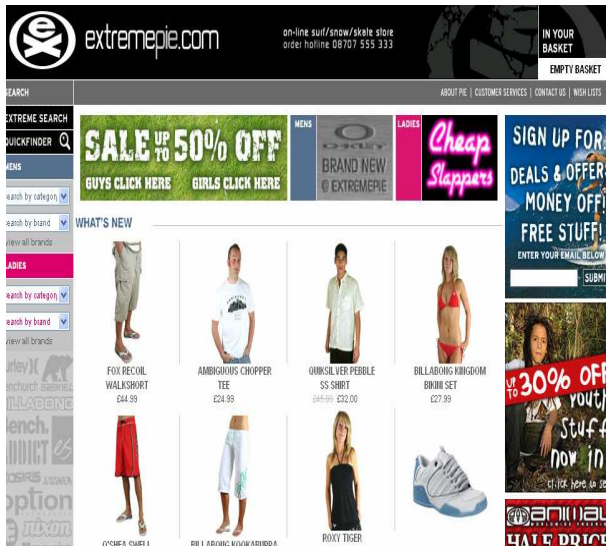


This is also another t-shirt that JD sports sell. It's called the G-unit Special ops T-shirt. It costs around £34.99 and is also one of the most expensive t-shirt that JD sports sell.

There are many businesses on the internet that might sell the same thing as 'Adams Sports' these are indirect competitors, there are many competitors like:



This online competition is called www.newitts.com they sell a whole variety of sports gear, equipment, clothes and footwear.



This could be another online competition it's called www.extremepie.com as it sells all sports wear, luggage, sunglasses and many more accessories. This website doesn't supply the major brands like Nike, Adidas, Puma and etc...

They also don't sell sports equipment and gear. They sell sports brand name like animal, quicksilver, billabong and etc...

These companies are mostly

like surfing or extreme sports company wear.

Research Methodology

Research Objective

My research objectives are:

- 1 To see where the demand for my products is the highest
- 2 Also to see how much competition there is in the particular area
- 3 Find the right location for the business from the above aims
- 4 To find out what type of quality of service the customers are looking for
- 5 Last and final to find out the cost of running the marketing campaign

Information Needed

<u>Information</u>	<u>Source</u>
How and where the demand for my service is the highest	Questionnaire/ survey
How much competition there is in the particular area	Yellow pages
Find an appropriate location for the above information	Estate Agents/ Letting Agency (commercial property)
Price range and quality of service	Questionnaire
Service/ price offered by competitors	Observation

Competition Information needed	How will I collect the information?	Research Method	Achieved (yes/no)
JD sports in Barking	Through internet	Secondary Market research	yes
JD sports in Dagenham	internet	Secondary research	yes
Tesco's	internet	Secondary research	yes
JJB sport's	internet	Secondary research	yes

Competition

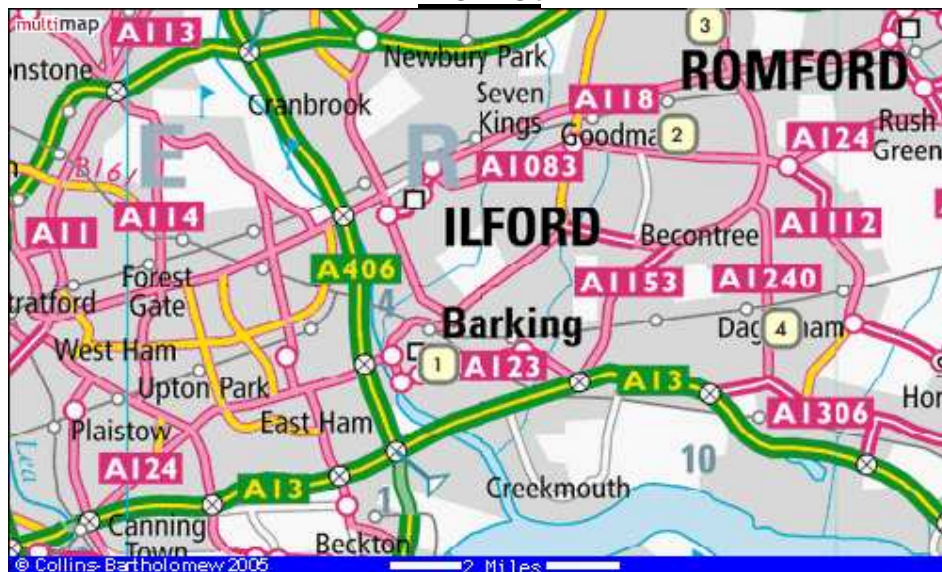
To find out if there is competition, also how much competition there is in the particular area? I need to find out what type of products that there are selling to the customers.

Action plan

Information needed	How will I collect the information?	Research Method	Achieved (yes/no)
What competition do I have?	Questionnaire Interviews Observation The internet	Primary Market research	Yes
Where should I locate?	By looking at www.yell.com and finding all the other sports shop and try to locate somewhere away from them.	Secondary research by using the internet.	Yes
What price I	I decided by	By using	Yes

should advertise my products?	looking at the websites from my competition and to see weather what they sell and see weather they sell the same things as me and to see what prices they sell them at.	secondary research and primary research top find out the prices they price there product.	
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Section 2: Researching the Local Market



1

Valence Bowl Stores

76, Valence Avenue, Dagenham, Essex RM8 1TL
Tel: **020 8590 6980**

2

JD Sports plc

Unit 2 The Mall, Heathway, Dagenham, Essex RM10 8RE
Tel: **020 8595 8300**

3

J.D Sports plc

2, Ripple Rd, Barking, Essex IG11 7NF
Tel: **020 8591 6083**

Classification match only: Sports Goods Shops

4

Ron's

1 Tolworth Parade, East Rd, Chadwell Heath, Romford, Essex RM6 6YU
Tel: **020 8597 8200**

Classification match only: Sports Goods Shops

Swot Analysis

<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Location of competition – competition is not located near to my shop. • The trends of sports gear. • Location of my shop– near to other shops • My shop caters to a niche market – specialist sports. • Few competitors within that area. • Good parking facilities • Easy access, train station close by as well as bus stops • Barking attracts a lot of shoppers from all over the borough. 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Prices -Tesco's are able to benefit from economies of scale and are therefore able to charge a lower price for their sports equipment than my shop • Initially unable to purchase stock on credit. • Customer loyalty to other shops. • Competitors selling the same goods. • Parking costs money
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • The location of my shop to other shops means that people may come into my shop while shopping at other shops. • Local shops no longer promote themselves giving me opportunity to promote mine. • Chances to expand business e.g. start selling skate board, roller blades and energy drinks. • Set up an internet website so customers can buy products online. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Competitors objectives -JJB Sports intend to locate a shop in every town in the country and therefore may end up locating near to my business. • Promotion – large businesses can afford to pay for extensive promotional campaigns such as Tesco's TV ads whereas my business can only afford the local paper and flyers. • High chances of more competitors in the future. • Market stall may sell same goods as me but fake and cheap which customers will buy from. • Do not have enough money for TV ads and billboard posters so I will have an advert in the free paper that comes through you letter box, e.g. the yellow advertiser

COMPETITORS

1. Valence Bowl Stores
- 2.JD Sports plc
- 3.Ron's

Competitor	Product	Similarities	Pricing	Promotion	Place
Valence	Skateboards and roller skates	Nothing	high	Buy one get free	Dagenham
JD	Trainers and clothing	Trainers and clothing	Very high	Sale 20% off selected items in store	Barking
Ron's	Sports equipment trophies and medals	Not much sports equipment	Medium but lower than JD	2 for £20 on selected memorabilia	Dagenham

PRODUCT

Very similar also sells additional products

SIMILARITIES

Few of the same products and do not update products regularly

PRICING

1. Reasonable
2. Poor too high
3. Poor

PROMOTION

1. Reasonable
2. Reasonable
3. Poor

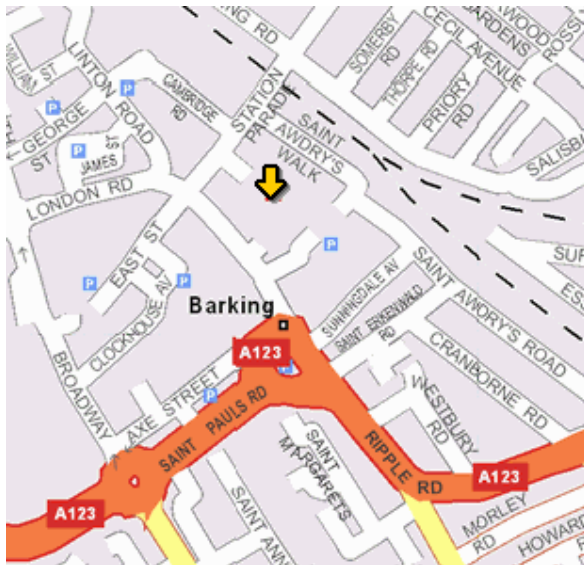
PLACE

1. Outside mall in Dagenham
2. Outside mall in Barking
3. Inside Mall in Dagenham

Through my research I have identified there are some competitors in Barking & Dagenham. One of them is JD Sports, there is also Ron's and Valence Bowl Stores. Valence Bowl Stores is not too much of a concern to me mainly for the reason that it only has a small collection of customers. They seem to focus more on providing quality products. The thing with Valence Bowl Stores and JD Sports is that some of their items and service are similar to the ones I intend to sell but the positive thing for me is that their prices are very high so I have a greater chance to price my items lower than theirs. This would also give me a chance to establish my sports shop to customers before they start to reduce their prices. Ron's also sells similar products to the ones I intend to sell. However Ron's also sells additional items such as trophies and

autographed shirts. This could mean that Ron's is better than my outlet when it comes to product range. However Ron's prices its products very high too, and do not often do offers. Promotion is bad in Valence Bowl Stores and JD Sports but in Ron's it is reasonable. Some effort has been made for promotion by Ron's but in my opinion it could be much better. Another thing I have realised is that these outlets do not get new stock on a regular basis and do not sell latest goods as soon as they can. However all of these outlets are very nearby and sell similar products and service. This means that they are likely to be in perfect competition with my business occasionally.

Having three similar outlets selling similar products in the same area would mean that competition is bound to be high. To overcome this problem I will try to differentiate my products; for example having a variety of colours and designs of a particular product and increasing my product range by selling products ranging from bats to balls.



I have chosen to situate my business in barking central. In order to get a vast share of the market I would like to open a new Sport shop on the ground floor of Vicarage Field. I will set it up in this location because many people come into vicarage field to look at other shops and on the way they could see mine.

The address will be unit 25, Vicarage Field Shopping Centre, Ripple Road, Barking, Essex, IG11 8DQ

There is a direct competition close by, called JD Sports. However they are not inside the actual shopping centre and therefore should not pose too much of a threat.

The shoppers will not have any trouble getting to my store as there is plenty means of transport, and a car park.

The Economy

If there were high unemployment in the local area, this would hugely affect *Adams Sports* because it would mean that consumers would have less money to spend on luxury goods because they are on benefit. Those people who are unemployed would be worrying about necessity goods instead of luxury, for example, utility bills, mortgages and food. But if they do wish to purchase luxury goods from *Adams Sports*, it will be in the medium range pricing, affordable enough for consumers to buy.

However, if there were low unemployment in the local area, this would mean that customers would have more money to spend on luxury products. They will have a whole range of choice to choose from, which is called consumer power. If consumers want to purchase sporting goods, the price range would be medium high.

- Recession – this is when there is high unemployment, consumer and government spending is low and this leads to companies going out of business.
- War – If there is a war people become scared and so do not spend much money, it might also mean that imports are banned and so your suppliers may not be able to deliver stock.
- Oil Prices – If oil prices rise then the price of petrol increases, this will lead to a general rise in the price level. If this happens spending decreases and your costs increase.
- Current Inflation – the rate at which the general level of prices is changing over a period of time.
- Interest rates – the rate of interest is the charge for borrowing money for a period time. If interest rates increase it is more expensive to borrow money and so consumer spending decreases, it also makes investment more expensive and so as a business you might find it difficult to raise capital.

Research methods

In order to determine if my business proposal is feasible I need to carry out primary and secondary research. The main reason for undertaking research will be to see if there is any demand for the services of my business. It will also establish what start-up costs will need to be incurred, what is the target market, and likely income from sales that can be achieved. The results of the research will then allow me to draw conclusions as to whether the business proposal is feasible.

My research will need to contain a combination of primary and secondary research. I will need to directly survey certain local people face to face as they will provide me with specific data which is required to identify if the business is feasible. Also sources of secondary information are required with regard to any legal requirements, any resources or equipment required and competition.

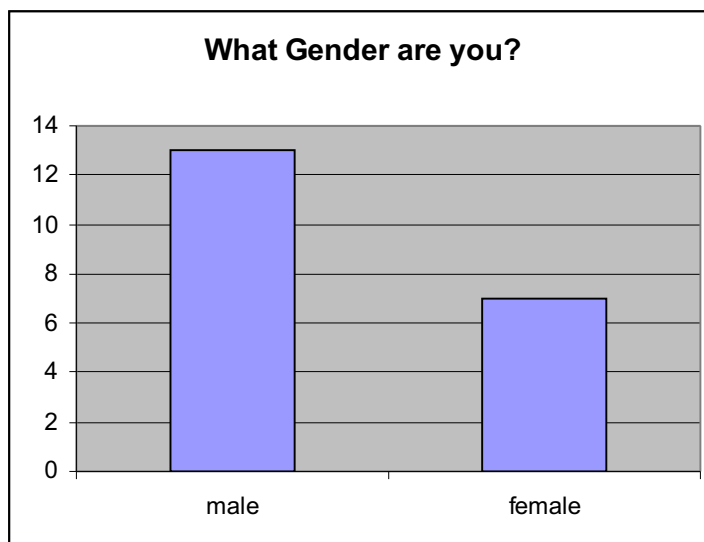
The main resource of my primary research will be questionnaires. The questions included in my questionnaire will be relevant to local people of Barking & Dagenham as they will be the main customers to the business. By carrying out this questionnaire I am hoping to find out relevant information such as their opinions of the designer wear shop and whether they are suitable to the target market of the business.

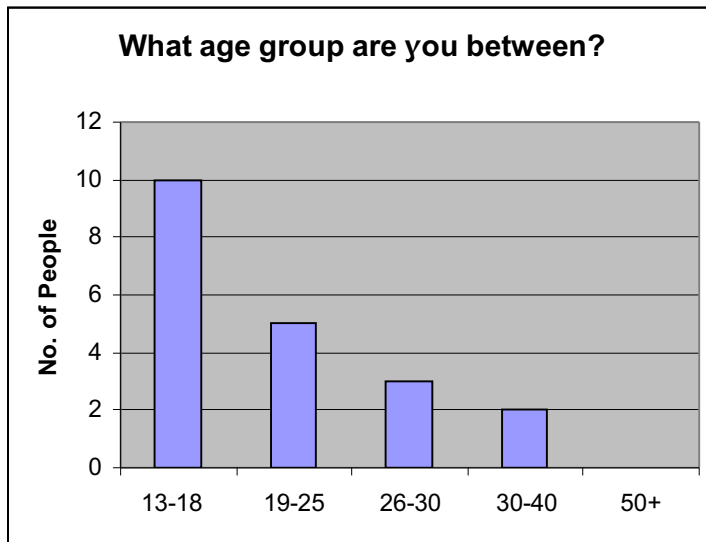
I intend to survey 20 people face to face to gather information which will help me to identify if the business is feasible.

Reasons why I used questionnaires

In order, to find out what the local people opinions were about a new sports shop opening, I used a questionnaire to find this out. A questionnaire is a series of a questions asked on paper, which is given out to people to fill. I decided to use questionnaires to help me research my target market, because it's an easy and quick way to find out research and you also produce a wide range of information in a short time. However, there are some disadvantages of using questionnaires such as, people being untruthful or not wanting to participate in the questionnaire.

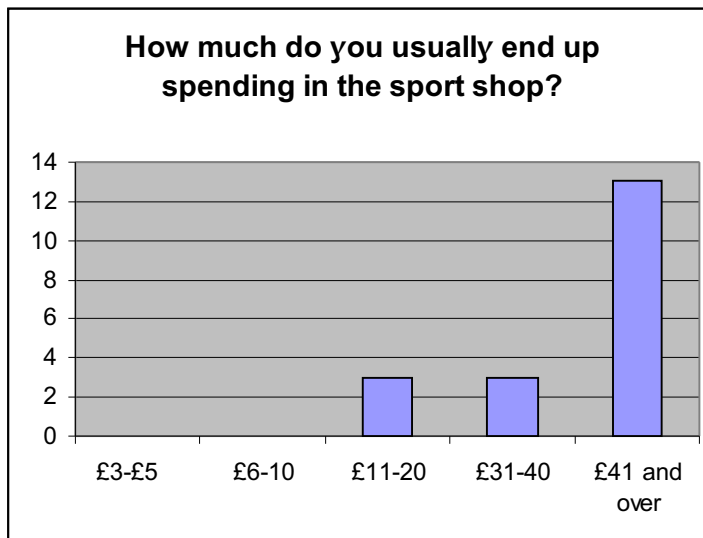
Questionnaire Graphs



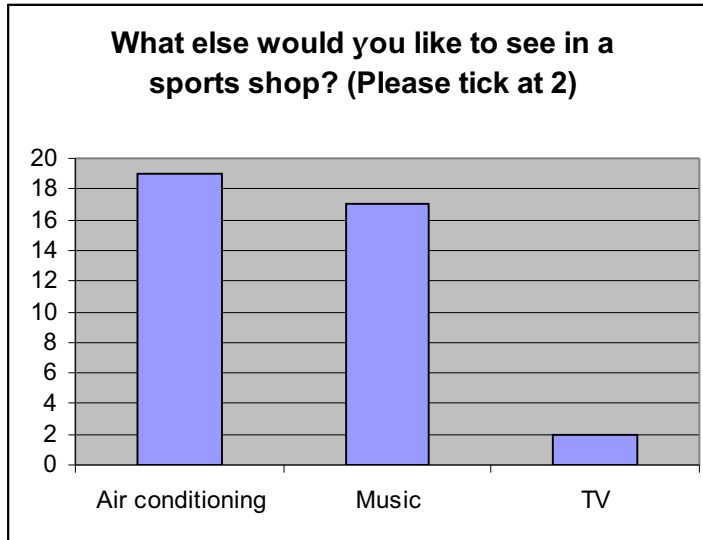


This bar chart shows the chosen target age group, which are 10 -25 year olds. This means that my business will be targeting mainly young adults .





The majority of the people spend £41+ on their sports clothes, which suggests that I should charge my products at a medium range.



This graph supports the idea that, the most popular choices for this question were air conditioning, and music.



This graph shows that the majority of the people buy clothing, which means they are loyal consumers.

Questionnaire Analysis.

From the completed questionnaires, I have found out what I was hoping and it will help me make decisions about my business. I asked twenty people to complete my questionnaire because it's fair and also to vary the responses according to gender. My questionnaire provided me with the information from the chosen target age group which is 13-25 year olds. This particular age group would be most interested in sporting goods than any other because it mostly appeals to them.

The majority of the local people I asked do buy sportswear in general, which applies a lot to my business because, if consumers do not have any interest in purchasing sports goods, "Adams sports" would not become a successful sports shop. People mainly buy clothes for themselves, which means there would be less refunds and exchanges, unless the product is faulty.

A vast amount of people shop at the popular shopping centre, Gallions Reach, however I will still locate my business in Barking. The reason being is, not only do a lot of customers come to Barking for their consumer purchases, but there is also no sports shops that sell equipments for different types of sports. The most popular public transport people use to commute to their local shops is taking the bus. However, it would be difficult for people who do not live in the local area to get to my shop.

Most consumers spend between £41 and over on their sports clothes. I've decided to charge my products £45 and below because it is a sensible and reasonable price, also it will be affordable for the customers. My final question that I asked in my questionnaire was "What would you like to see in a sports shop?" the three most popular choices were music, magazines and seeing a practise area in the shop. These features would attract the local to shop at "Adams sports". By including these features, it would make "Adams sports" well known, popular and successful.

The Marketing Campaign

There are many ways, in which a business promotes their product to increase sales, such as producing posters and leaflets, TV advertisements, local radio and a small add in the newspaper. Marketing is everything involved in selling and promoting a product or service.¹ I must consider the following factors:

- Product – the design of the product or service, packaging, after sales service
- Promotion – advertising, publicity and display
- Price – the price of the product or service, discounts and offers
- Place – where the product or service will be sold; shops, mail order and direct selling

Adams Sports provides luxury goods such as trainers, sport bags, clothes wear, wristbands/headbands, watches and footballs. I have decided to use posters to inform consumers about the new sports shop and what makes them so much better than any other sports shop. The cost of the products are charged at a medium range £40 and below because customers will be able to afford it. The premises of *Adams Sports* will be in Barking.

From conducting a SWOT Analysis, I have understood the strengths and weaknesses by business faces. I can therefore, overcome these issues with the SWOT as mention before. I gathered that there is a wide range of marketing my new shop such as posters, leaflets, TV advertisements, newspapers and local radio. By producing posters to advertise *Adams Sports*, would be a good idea because it would cost me less money and it's a strategy, which grabs the audience's attention.

Costs of different methods of advertising

The cost of different types of advertising varies, according to the different types such as posters, leaflets, TV advertisements and local radio. Here are some examples:

- Post-card in a newsagents' window - £1 per week
- Small add in a 'free' newspaper – 20p per word
- 30 second advert on a local radio from Wednesday to Friday, 4-7 hours - £700

Promotional activities

Promotional activities play a big role in my marketing campaign, as it includes offers such as "buy one get one free", "spend £10 or more and receive a £5 voucher" and "Half price summer sale". When *Adams Sports* opens up, there will be an opening sale to attract customers. Without promotional activities, the products wouldn't sell quicker.

Promotional activities	advantage	disadvantage	Costs
Poster	Its noticeable	May not be looked at	£50 for 100
Leaflets	Gets handed out to nearly everyone and business is more promoted with this method	People will not take care and say its " <i>piece of junk</i> " chuck it In the bin	£50 for 200

Television	Everyone watches television	Not everyone watches the same T.V channel	10 X 30 second spots, 3 peak + 7 off peak, for £14,600. This cost would also include a production subsidy to contribute to the cost of making a television commercial
Radio	Its broadcasted to everyone in U.K	Not everyone listen to the same radio channel	30 second advert on a local radio from Wednesday to Friday, 4-7 hours - £700
Billboards	Very large and noticed	May get vandalized	Not sure cant find

I am going to choose to do a poster because poster are noticed every where and every day an example of my poster is below

Adams sports has been put together by the best sports coaches around. It is opening on **Saturday 21st October 2006** it has all the sports equipment you need and clothing. It also has footwear, that is only limited in the European countries and you can have professional football kits printed. It is one of the professional sports shops around.

**Unit 25,
Vicarage Field Shopping Centre,
Ripple Road,
Barking,
Essex,
IG11 8DQ**



Sponsorship/ Public Relations

My sponsorship helps my business to market itself by collecting money from customers for charity and to help hospitals and children in need. *Adams Sports* will also be sponsoring a local football team, with the shops logo on their football shirts.

Marketing Plan – Calendar

Week 1	Week 2	Week 3	Week 4
Design the posters	Will be printed or produced at the printers	Will be given to company which hands them out or Starts to display posters	Start to display posters
Given out questionnaires	Collect questionnaires	Special offers on sporting equipment and clothes.	

U.K Trends – There is an alarming number of obesity in the U.K, which is a cause of concern to the Government and to local individuals. The increase of fast food, take away and unhealthy lifestyles is the reason for the mass increase of obesity. The impact, which “Adams sports” will have, is that if people want to get fit, they can purchase sportswear such as a tracksuit to go jogging or to work out at a gym. If people choose to do sports, they can buy trainers and sporting equipment such as footballs, tennis rackets and basketballs.

Conclusion and recommendation

My marketing could have been improved by organising it in a more detailed table. I also believe that the fact that I only used 1 advertising method would have not been enough I should have used more advertising methods and more direct approach methods. My original research was fairly reliable but to make the research more accurate more people could have been surveyed.

How reliable was your original research and knowledge of the market? & What could you have done to make your research more accurate?

I asked my questionnaire to 20 people this is not representative sample therefore my results are biased. If I was going to do my project again. I would want to ask a large number of people this would take a lot of time which means money. I should have asked more relevant question i.e. “what brand do you prefer”.

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Also I could have asked a wider range of people such as the elderly. This would enable me to target a wider audience across Barking and Dagenham and promote my business further.

Did you use your research to plan appropriate marketing activities that would enable the new shop to compete and meet its objectives

Yes all my objectives were achieved. To see where the demand for my service is the highest

Also to see how much competition there is in the particular area

Find the right location using the above aims

To find out the quality of service the customers expect.

Last and final to find out the cost of running a marketing campaign.

Recommendations on improving the product range, how and why.

As I am selling all sports equipment and things every sport should have .

A final explanation about why you used the methods you did.

I used all methods .