



BV Sport's Communication Budget

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Market Analysis Tools

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INTRODUCTION:

In 1989, Dr. Michaël Prüfer, co-founder of BV SPORT, multiple world champion and Olympic speed skiing champion in 1992 at the Albertville Olympic Games, became interested in improving the performance of top athletes. He invented a new concept of revolutionary compression socks specifically adapted to athletes... The BV SPORT company (Booster Veins Sport) was created in 1998. The success is immediate and the customers are prestigious. BV SPORT products are used by the biggest European clubs and the best international athletes.

SALES FORECAST (2020):

The communication budget of the year 2020 is linked to the sales of the same year, so we need to find these sales to have a precise idea of what we will need as communication budget. To find the sales of 2020, we must first find those of 2019 by studying the results obtained in 2017 and 2018.

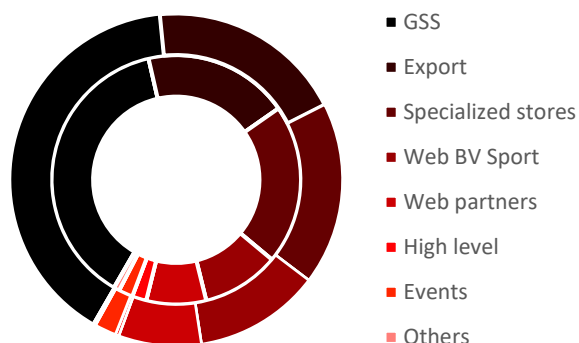
1) 2017 AND 2018 ANALYSIS:

To do this analysis, we need to look at the results obtained from 2017 and 2018, make a comparison and extract and deconstruct the important information necessary for our analysis.

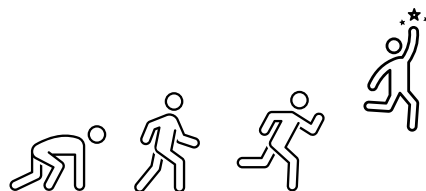
Once we have this information (see the table below), we will look at its meaning.

Network	Actual 2017	Actual 2018	GAP	Evolution	Comments
GSS	€ 2 012 874,00	€ 1 874 879,00	-€ 137 995,00	-7%	Less store sales due to online sales mainly
	38,1%	40,1%	2,0%		
Export	€ 997 831,00	€ 894 429,00	-€ 103 402,00	-10%	
	18,9%	19,1%	0,2%		
Specialized stores	€ 1 097 540,00	€ 831 798,00	-€ 265 742,00	-24%	Less store sales due to online sales mainly
	20,8%	17,8%	-3,0%		
Web BV Sport	€ 531 545,00	€ 573 305,00	€ 41 760,00	8%	More and more online sales = should grow
	10,1%	12,3%	2,2%		
Web partners	€ 409 998,00	€ 376 241,00	-€ 33 757,00	-8%	More and more online sales = should grow
	7,8%	8,0%	0,3%		
High level	€ 98 278,00	€ 16 351,00	-€ 81 927,00	-83%	Events were more importants than high level
	1,9%	0,3%	-1,5%		
Events	€ 97 857,00	€ 98 269,00	€ 412,00	0,4%	Similar to the level of 2017 and 2018 in view of the events in preparation.
	1,9%	2,1%	0,2%		
Others	€ 38 737,00	€ 12 256,00	-€ 26 481,00	-68%	
	0,7%	0,3%	-0,5%		
TOTAL	€ 5 284 660,00	€ 4 677 528,00	-€ 607 132,00	-11%	The evolution is negative, we should try to "reverse" the trend

Evolution from 2017 to 2018



As we can see from the table above and the diagram just before, sales are down, so we will try to understand why but also use this data to better forecast the results for 2019 and 2020.

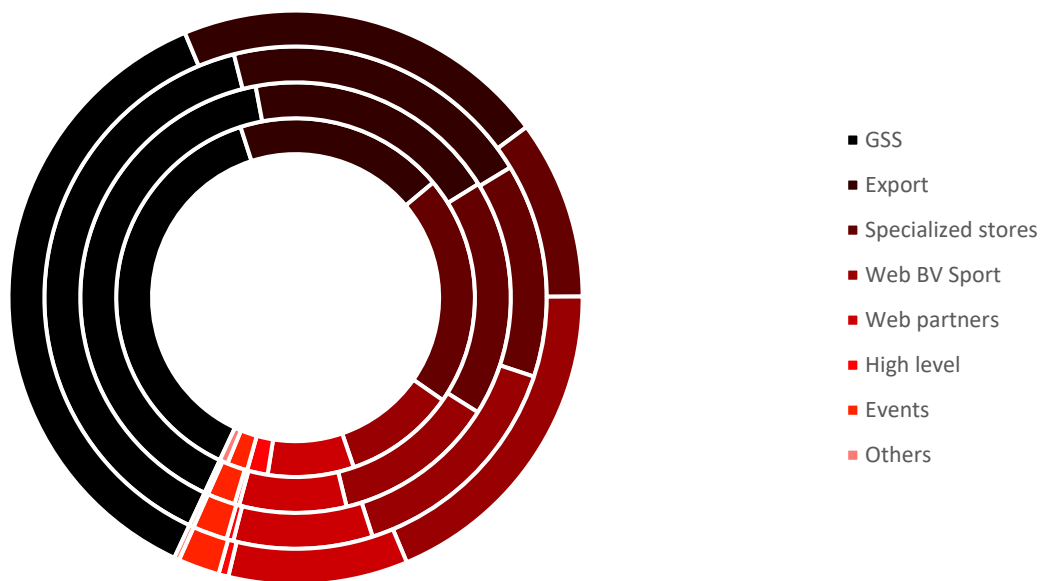


- In addition to the figures obtained from these tables, we know that the "Running" market is following a downward trend, due to the decrease in the results of the women's segment of this market, by 2.6%.
- We also know that over the last 5 years, purchases related to running have increased by 7%.
- 20% of runners use BV Sport products, 50% do not and the 30% of runners do not know the brand yet
- New products such as the launch of the V2 of BV Sport's flagship product (the V1 represents 47% of the brand's sales).
- Competition, with the arrival of a new powerful competitor from Germany, the development of "Compressport" in France and the competition of Kalenji (Kalenji does not target the same type of customer, selling products that are much more affordable but of inferior quality).

2) 2019 AND 2020 ANALYSIS:

Network	Actual 2017	Actual 2018	Previsional 2019	Previsional 2020	Evolution Curve	2019	2020
GSS	€ 2 012 874,00 38,1%	€ 1 874 879,00 40,1%	€ 1 724 888,68 39,1%	€ 1 552 399,81 36,8%		-8%	-0,1
Export	€ 997 831,00 18,9%	€ 894 429,00 19,1%	€ 894 429,00 20,3%	€ 894 429,00 21,2%		0%	0%
Specialized stores	€ 1 097 540,00 20,8%	€ 831 798,00 17,8%	€ 607 212,54 13,8%	€ 425 048,78 10,1%		-27%	-30%
Web BV Sport	€ 531 545,00 10,1%	€ 573 305,00 12,3%	€ 659 300,75 14,9%	€ 791 160,90 18,7%		15%	20%
Web partners	€ 409 998,00 7,8%	€ 376 241,00 8,0%	€ 395 053,05 9,0%	€ 426 657,29 10,1%		5%	8%
High level	€ 98 278,00 1,9%	€ 16 351,00 0,3%	€ 19 621,20 0,4%	€ 23 545,44 0,6%		20%	20%
Events	€ 97 857,00 1,9%	€ 98 269,00 2,1%	€ 98 269,00 2,2%	€ 98 269,00 2,3%		0%	0%
Others	€ 38 737,00 0,7%	€ 12 256,00 0,3%	€ 12 256,00 0,3%	€ 12 256,00 0,3%		0%	0%
TOTAL	€ 5 284 660,00	€ 4 677 528,00	€ 4 411 030,22	€ 4 223 766,22		-5,7%	-4,2%

Evolution from 2017 to 2020



The market trends as well as the data provided in the document or found through our first analysis of 2017 and 2018 will serve to guide our research and thus give a forecaste as accurately as possible.

We then forecasted the results of 2019, down -5.7% compared to the results of 2018. To do this we multiplied for each category their result in the column "actual 2018" by the percentage present in the column "2019". We then repeated the manipulation using the results for each category in the "previsional 2019" column by multiplying them by the associated percentage in the 2020 column, which we then summed to find the 2020 sales total. 2020 again being down from 2019, by -4.2%, showing a slowdown in the drop.

COMMUNICATION BUDGET (2020):

As stated in the instructions, the communication budget must be equal to 10% of the total sales of 2020. Thanks to the forecaste of the 2019 and 2020 data above, we now know that the communication budget is /// €. We now must distribute it among the different components of this budget based on the 2019 figures.

1) SPONSORING CONTRACTS – PARTNERSHIP:

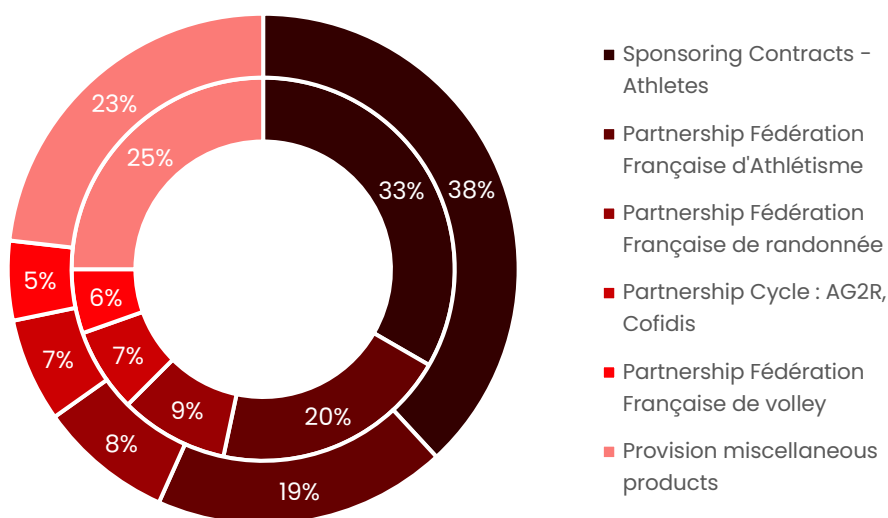
In order to increase their visibility, BV Sport has contracted many partnerships with several federations and selected top athletes to communicate on the brand.

*The partnership is a technique very much used in marketing, which consists of entering a relationship with different stakeholders to gain visibility and recognition.

	2019	2020
Sponsoring Contracts - Partnerships (Total)	€ 60 000,00	€ 64 650,00
Sponsoring Contracts - Athletes	€ 20 000,00	€ 30 000,00
Partnership Fédération Française d'Athlétisme	€ 12 000,00	€ 12 000,00
Partnership Fédération Française de randonnée	€ 5 500,00	€ 5 500,00
Partnership Cycle : AG2R, Cofidis	€ 4 250,00	€ 4 250,00
Partnership Fédération Française de volley	€ 3 250,00	€ 3 250,00
Provision miscellaneous products	€ 15 000,00	€ 15 000,00

Sponsoring Contracts Evolution

For 2020, there is no indication that the sponsorship budget will increase excessively. However, considering the arrival of major events (e.g. the Olympic Games), we have decided to increase the "athletes" budget by 4 650€, bringing the total from 60 000€ to 64 650€

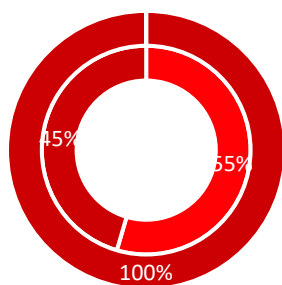


2) MEDIA COMMUNICATION – PRINT MEDIA SPACE PURCHASES:

This part of the budget is composed of all the expenses related to the press and the purchase of space in media to talk about BV Sport products. The costs of BV Sport towards the agency are amounting to a value of 36 000€ in 2019, to which are added the costs of advertising space, media, being an important source of visibility for the brand.

	2019	2020
Media communication relations - Agency fees (Total)	€ 66 000,00	€ 40 000,00
Press relations - Agency fess	€ 36 000,00	
Print media space purchases	€ 30 000,00	€ 40 000,00

Media Communication Relations Evolution



- Press relations - Agency fess
- Print media space purchases

BV Sport has decided to internalize the press relations department. Allocating more resources to print media space purchases is however important for the announcement campaign of the new BV Sport product launched in 2020.

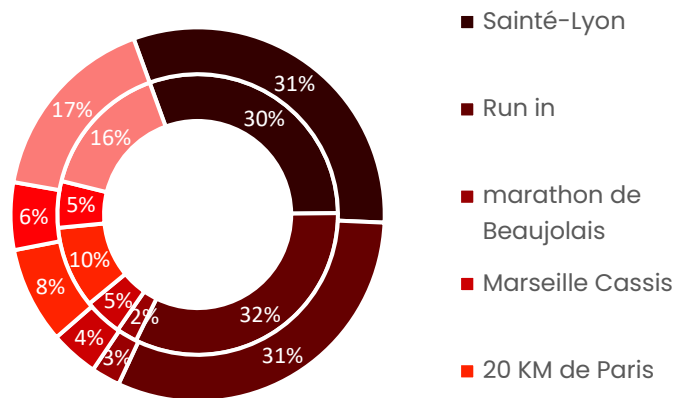
3) PARTNERSHIPS IN RACES:

In order to increase its visibility, BV Sport is associated with a large number of events for which the brand deploys a substantial budget every year. This is one of the best places for BV Sport to get to know the 30% of the market that still don't know them and to invite the 50% that do know them but still haven't bought to try the brand and thus convert them into customers.

	2019	2020
Partnerships in races 2019	€ 125 000,00	€ 120 000,00
Sainté-Lyon	€ 38 000,00	€ 37 500,00
Run in	€ 40 500,00	€ 37 500,00
marathon de Beaujolais	€ 3 000,00	€ 3 000,00
Marseille Cassis	€ 5 500,00	€ 5 000,00
20 KM de Paris	€ 11 800,00	€ 10 000,00
Semi de Paris	€ 6 700,00	€ 7 000,00
Other events	€ 19 500,00	€ 20 000,00

BV Sport is a brand that targets a public of high-level athletes. It is therefore important to appear at sporting events to increase its visibility and notoriety. But appearing at amateur events could also bring them customers and therefore market share. To do this, it would be interesting to increase the budget allocated to partnership races when it will be possible.

Partnerships in Races Evolution

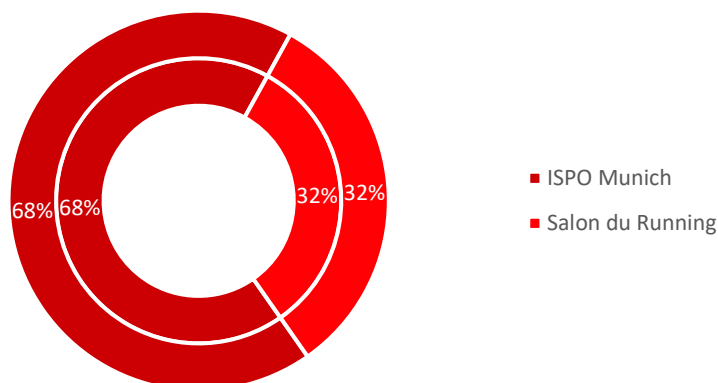


4) TRADE SHOW BOOTH – EVENTS:

This category includes 2 shows, a B2B (Business to Business), the IPSO Munich which offers a view of the market, competitors and innovations as well as a B2C (Business to Consumer), the Running show taking place at the same time as the Paris Marathon, offering a global vision of the market demand and supply.

	2019	2020
Trade show booth – Events 2019	€ 124 000,00	€ 127 720,00
ISPO Munich	€ 84 000,00	€ 86 520,00
Salon du Running	€ 40 000,00	€ 41 200,00

Trade Show Booth Evolution



BV Sport must participate in these events where the biggest brands (biggest competitors and threat) are represented, and the most loyal athletes (therefore the most interesting potential customers) are gathered. However, this success has a cost, which increases every year by 3% compared to the previous year.

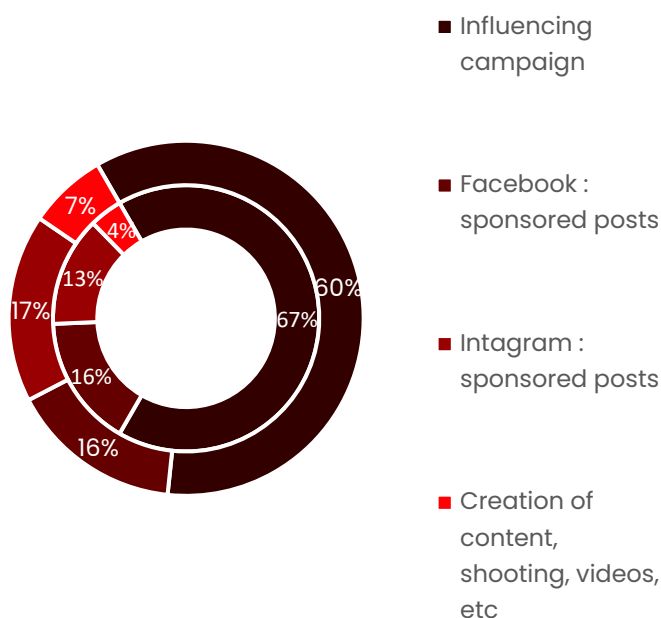
5) SOCIAL NETWORKS:

BV Sport knows the importance of communication through social networks. Through them the brand can reach a large panel of consumers. However, BV Sport wishes to accentuate the communication through Instagram in particular.

	2019	2020
Social Networks	€ 75 000,00	€ 70 000,00
Influencing campaign	€ 50 000,00	€ 42 000,00
Facebook : sponsored posts	€ 12 000,00	€ 11 000,00
Instagram : sponsored posts	€ 10 000,00	€ 12 000,00
Creation of content, shooting, videos, etc	€ 3 000,00	€ 5 000,00

BV Sport is aware of the fact that social networks play a major role in the discovery of their product by the public (communication strategy). Therefore, BV Sport invests heavily in Facebook and Instagram, even though Instagram is considered a priority over Facebook. Content creation has also been increased in order to provide sufficient material for social media campaigns. However, it would be interesting to see if other social networks would be useful for BV Sport, such as Twitter, which is based on community membership, or Tiktok, which would take advantage of the application's golden age.

Social Network Evaluation



TO CONCLUDE:

The communication budget has now been distributed in each of the categories constituting it following the strategy set up by BV Sport to communicate with its current and potential customers. We used 422,370€ of the 422,376.22€ available, corresponding to 10% of the total sales.

Here is the summary table of BV Sport's communication budget:

	2019	2020
EXPENSE ITEM YEAR 2018	€ 450 000,00	€ 422 370,00
Sponsoring Contracts - Partnerships	€ 60 000,00	€ 64 650,00
Media Communication - Print Media space purchases	€ 66 000,00	€ 40 000,00
Partnerships in Races	€ 125 000,00	€ 120 000,00
Trade show booth - Events	€ 124 000,00	€ 127 720,00
Social networks	€ 75 000,00	€ 70 000,00

In conclusion, due to the expected decrease in sales, the communication budget has also decreased along with sales compared to previous years. This decrease, in addition to the decrease in sales, allows for a readjustment of the budget for each of the sub-categories that make up the communication budget in order to adapt to the resources available.