

GCSE Business

Top Tips for Higher Levels

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Agenda

- Section A – the need to score highly
- Why application is important
- Conclusions
- Calculations – Theme 1 and 2 Practice
- Exam Technique:
 - Guide for each question
 - One page handout
- Masterclass – technique over knowledge
- Q&A



Section A – the need to score highly

- Most accessible questions.
- Can learn and practise formulaic responses as non-contextualised.
- Should aim for a minimum of 30 marks.

Application – why it's important!!

- 4a: Outline – 1 marks
- 4b: Analyse – 2 marks
- 5a Calculate – 2 marks
- 5b: Calculate – 2 marks
- 5c: Analyse – 3 marks
- 6a: State – 1 mark
- 6b: Outline – 1 marks
- 6c: Justify – 3 marks
- 7a: State – 1 mark (Paper 1)
- 7b: Identify – 1 mark
- 7c: Outline – 1 marks
- 7d: Justify – 3 marks
- 7e: Evaluate – 3 marks

**23 or 24
marks!!!!**

(b) Analyse the benefit to Ocado of good customer service.

One benefit is that because the service was good, customers will continue to purchase from Ocado. This will lead to trust and loyalty being built up between the customers and the business, therefore increasing Ocado's revenue, therefore potentially increasing profits.

Another benefit is that the good customer service can result in good reviews online because the customer was happy with their service. This would lead to the business gaining better ratings which would then result in more customers due to the positive feedback. As a result Ocado's market share will increase.

Application – why it's important!!

Business													
Overall grade boundaries			Max Mark	9	8	7	6	5	4	3	2	1	U
1BS0	Business	Subject	180	143	132	122	108	95	82	60	38	16	0
	Paper(s) 01 02												

(b) Analyse the benefit to *Ocado* of good customer service.

One benefit is increased reputation. This is because the customers will inform friends and family about the good customer service they received. Therefore more customers will leave online reviews. As a result the business may sell more products as people will begin to trust it. Therefore leading to outcompeting its rivals.

One benefit is that the grocery retailer will ~~has~~ have an increased reputation. This is because customers will tell their friends and family about the good customer ~~received~~ service received. As a result their trust pilot rating will increase from "62% excellent". As a result Ocado will have more success in selling food, therefore increasing competitiveness against rivals such as Tesco.

(Total for Question 4 = 8 marks)

Conclusion

Sophisticated conclusion:

- ✓ Which option is best and why – what's the main reason in the context of the business?
- ✓ Why is it better than the other option?
- ✓ What might your decision depend on?

In conclusion, the social media giant operates in a dynamic market.

~~Therefore~~ ^{Therefore} it's crucial that they continue to benefit from first mover advantage so they must have the best codes and designs employed in order to produce apps and software that entices customers away from Twitter and Snapchat. As they currently operate from an expensive location in Dublin, it's vital that they do allow home working. However, this is dependent on the factors that motivate workers. If being at home is motivating then the social media firm will see the benefits materialise. If codes can't work without constant supervision this idea is a non-starter.

Conclusion exercise

Jack's is a new cut-price brand of supermarket owned by *Tesco* and launched to rival *Aldi* and *Lidl*. The new concept is named after Jack Cohen, who founded *Tesco* 99 years ago. The new venture has been funded through internal finance provided by *Tesco*, with the company investing between £20 and £25 million. *Tesco* CEO, Dave Lewis, indicated that the new model would have a focus on low prices and an emphasis on quality British produce.

This strategy is in response to competition from *Aldi* and *Lidl*, who have increased their market share to 13.1 per cent over the past five years. The supermarket industry is changing and, as *Aldi's* and *Lidl's* success proves, customers are turning to cheaper shops.

Lewis hopes to open 15 more *Jack's* stores across the country within a year and to employ 250 new employees. The staff will be recruited externally and will earn a 'base rate' of £9 per hour, which is 58p more than a *Tesco* worker (as at November 2018). However, *Jack's* workers won't get a 10 per cent discount as *Tesco* staff do, and they will not enjoy any bonuses. As part of a strategy of keeping costs down, staff will be able to wear their own clothes, with only an apron and a name badge necessary.

Jack's will stock around 2600 products of which 1800 will be own-label items (a typical *Tesco* stocks more than 25000 items). It will stock some household brands such as *Coca-Cola* but the focus is on *Jack's* own-label products.

Lewis stated that *Jack's* will use the company's existing supply base to keep costs down and that this, combined with more efficient, cheaper-to-run stores, will mean customers get a better deal.

(Adapted from: <https://inews.co.uk/news/consumer/everything-you-need-to-know-about-jacks-tesco/>)



Having low prices is essential for Jack's to be competitive.

Jack's main rivals are Aldi and Lidl, who are well-known for their ability to sell groceries at prices well below the major supermarkets. This means that to meet the needs of potential customer's, prices need to be low. As the majority of the products Jack's are proposing to sell are the store's own-branded goods, this is something that is achievable for the grocery store, which will help to attract customers from its discount rivals, potentially leading to the newly-formed supermarket establishing itself in the market.

Having lower prices isn't the only way to compete. As Jack Lewis mentions, the discount supermarket could focus on quality British produce. As consumers are now very conscious as to where their food comes from, promoting the fact that products are British and homegrown will appeal to a sizeable number of customers. This may attract customers away from Aldi and Lidl, who may not promote local produce as much. This could lead to the discount store making more revenue and potentially profit, which could be reinvested back into this venture by the directors of Tesco to grow its market share further.

Example – conclusion

In conclusion, I believe that having lower prices than competitors is the best way to compete because ultimately it is what the market is saying it wants. Figure 3 shows that market share for discount stores is growing and Tesco needs to adopt a similar tactic to compete with them.

However, it depends what Jack's rivals are doing. Jack's may be just one of the discount stores who may all have similar pricing structures. If this is the case then perhaps it needs some other form of differentiation to go alongside the low prices in order to be the discount supermarket of choice, such as using and promoting British-grown produce.

Calculation Practice

Paper 1 Past Calculation Questions

Q1.

Table 1 contains information about the number of new business start-ups in four cities in the UK in 2016.

City	Number of new start-ups
London	205 320
Birmingham	17 473
Leeds	7 645
Liverpool	4 915

Table 1

Using the information in Table 1, calculate, to 2 decimal places, the number of new start-ups in



Exam Technique Guidance

- Guidance sheets provided for each question type.
- Knowledge is like Herzberg's Hygiene factors.
- Exam technique is where real value can be added.

Masterclass – technique is where it's at!

Explain one benefit to an entrepreneur in setting up as a franchisee. [3]

Example 2

P One benefit is that the entrepreneur is licensed to sell a tried and tested business idea. Therefore they will find it easier to attract customers^{dev1} leading to a larger market share than if they were independent^{dev2}

This response scores 3/3. There is a valid benefit in setting up as a franchisee (they are licensed to sell a tried and tested business idea), which is supported by two logically developed linked strands. Notice the good use of connectives, 'therefore' and 'leading to' to help develop the original point.

Example 3

P One benefit is that the entrepreneur is licensed to sell a tried and tested business idea. Another advantage is that the franchisee will receive training from the franchisor^P. Another benefit is that the franchisor will undertake advertising^P

This response can only score 1 mark. Although the candidate has supplied three

Example 4

One benefit is that the entrepreneur will have access to already established products, therefore customers are more likely to purchase the products^{dev1}. Also, the entrepreneur will receive training from the franchisor^P

This response score 2 out of 3. The candidate provides two separate benefits (access to established products and receives training), but only one of them is developed, and even then, there is only 1 linked strand of development. You can only receive marks for one point, so if you make more than one, the one that is worth the most marks will be awarded. In this case the first benefit has one linked strand of development, hence the 2 marks.



Pearson