

To reduce the impact of its rising costs, *Good and Proper Tea* is considering two options:

Option 1: Buying cheaper ingredients from different suppliers.

Option 2: Charging higher prices for its tea.

(d) Justify which **one** of these two options *Good and Proper Tea* should choose.

(9)

Emilie should charge higher prices. This is because her USP is the fact that her tea is imported from various global locations various for tea, and stopping imports from India for cheaper British suppliers will damage her brand, decreasing sales and leading to less revenue and profit. Losing her USP would mean Emilie's customer base may go to other tea businesses such as Yorkshire Tea. Charging higher prices for her hot drinks would not have too much of a negative effect on sales because Kenyan imported tea would not be targeted at people of a low income (ie people with less available cash) and so higher wealth customers will not be worried about being charged a premium for their beverage. Leading to Emilie's mobile tea bar having increased revenue and profits.