

### 1.1.3 Added value

---

## 1.1.3 Added value

---

Your aim is to research a local small business and identify the extent to which it adds value. Added value is the difference between what a business spends to produce its goods or services, and the price that customers are prepared to pay. There are five sources of added value for a small business: convenience, branding, quality, design and unique selling point.

**Task** – research a local small business. You need to create a one-page summary of your research showing how the business adds value. You must refer to all five methods of adding value. You need to weigh up your research and give the business a score out of 5 on its success in adding value. Your work will be displayed and so presentation needs to be excellent. An example is provided below:

### How does Meringue add value?

Meringue is a small cafe and bakery owned by Sue and Neil Chatterton. It is located close to the town centre.

#### Branding

Meringue has created a distinctive brand in the local area and is well known. It has an attractive logo that customers and passers-by clearly recognise. It is one of the more well-known bakeries and cafes in the area and branding has been important.

#### Unique Selling Point

Meringue can create specific cakes for specific occasions. However, it is not alone in this, as other cafes and bakeries do the same thing. However, it makes very specialist and artisan breads, which most other bakers do not.

#### Quality

Reviews of Meringue are very strong. Average score on TripAdvisor is 4.5.

#### Design

Meringue can create specific cakes for specific occasions. It has a specialist cake chef. Prices for these can be as high as £60.

#### Convenience

Meringue is located on a main road and is very conveniently located for customers, either on foot, by car or on public transport.

**Added value score: 5/5**

**Submission date:**