

Read the following case study and answer the questions that follow

Steve Crip is a sole trader and runs a small local farm shop called Cannell's Farm Produce. It is located in the Norfolk village of Loddon and sells a wide range of local fruit, veg and produce. They work with local growers to ensure high quality, locally produced items for their customers to enjoy. Recently the product range has widened, as customers can now enjoy the cheeses, artisan breads as well as a selection of local craft ales and gins. This has attracted a wider customer base. Cannell's has also set up an online shop so that customers can now order their food and have it delivered for free. In the village of Loddon, it only has one major competitor, that is the Co-op, which sells similar products but at more competitive price.

Cannell's Farm Produce started life in 1904 as Cannell's Seed Factory - hence the name. The shop name is a nod to the thriving seed factory that once employed a large number of people from the local area, until it closed its doors in 1969. In store customers can find a selection of photos from the building as it once was, to be able to share a bit of history which the local community enjoy.

Over the recent years the farm shop has enjoyed continuing success and has decided to grow by opening a second shop in the nearby town of Reedham, which is popular with tourists holidaying on the Norfolk Broads. Cannell's By the River, is a rustic farm shop, delicatessen and patisserie that also sells an extensive range of local produce, plus jams, chutneys, oils, cheeses and meats. It contains a café element that sells freshly baked cakes, scones, sausage rolls and sandwiches. Steve is considering whether he should continue to grow by opening more shops in other local villages.



Source adapted from <https://www.cannellsfarmproduce.co.uk/>

1 (a) State one financial objective that Steve may set for *Cannell's Farm Produce*. [1]

1 (b) Outline one benefit of carrying out primary research that Steve may have done before opening up *Cannell's by the River*. [2]

1 (c) Outline one impact on *Cannell's Farm Produce* in targeting tourists. [2]

[6]

Steve is looking to grow his business and is considering two options:

Option 1: opening up another shop and café in a nearby village.

Option 2: widening his product range by introducing a butcher's counter at both shops.

1 (f) Justify which one of these two options *Cannell's Farm Produce* should choose.

[9]

[9]

