



Preparing for A level Business

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When the new year 12 students join the A level Business class in September, we have a mixture of students who studied the subject at GCSE and those that haven't; we also have students who follow real world business stories and programmes and those that don't; those students who understand the basics and understand what the subject is about and those that have little idea and are not even sure of their choice!

A level Business students need to build their basic level of understanding in readiness for the start of year 12. This includes reading the course guide and completing the summer tasks so that in September, students joining the course have:

- a realistic expectation of the subject and the range of topics covered
- an appreciation of the fact that there will be lots of new content
- an appreciation of the fact it will include numerical skills
- some understanding of the skills that they will need to develop over the 2 years of study
- an ability to contribute in class with real world examples
- an inquisitive mind

A good business student not only knows their theory, i.e. the content that is on the specification, but also thinks business. Business is a subject that surrounds us all day every day. We start to spot the actions taken by businesses and ask "Why?"; we start to question how we interact with business and the factors

that influence our decisions; we start to question what is happening in society and the economy. A good business student is inquisitive.

To demonstrate your commitment to the course, you are asked to complete the worksheets in this pack so that you can evidence your knowledge of some basic terms and concepts and discuss your SWOT analysis as a team activity with new class colleagues at the start of the course.

The tasks in the pack are what you should be doing on an ongoing basis in this subject to make sure you are keeping in touch and up to date with the subject material.

Tasks

1. Read the course guide that has been shared with you.
2. Prepare any questions about the course to ask your teacher in your first lesson.
3. Familiarise yourself with the course expectations, pages 7-8 of this booklet.
4. Every week, choose **two** tasks from any of the ones provided in this booklet.
5. Complete the activities and save them in your Google drive. You will be asked for evidence of the work you have completed when the course starts.

Topics taught by:

(Year 12 2020-2021)

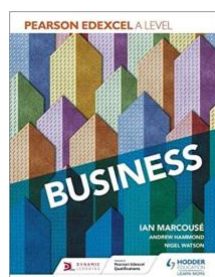
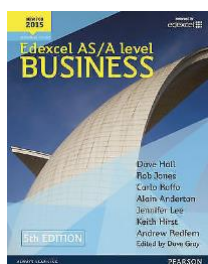
Theme 1 Marketing & People

Mr Denton

Theme 2 Managing Business Activities

Mr Berry

textbooks



Documentaries

If you have access to on demand programs, Netflix or Amazon prime, watch some of the documentaries and films listed below and make some notes about the topics that they cover, the questions that are asked, the issues that are raised.

Activity 1: Summarise the documentary/film on an A4 page using the 5 Ws: **When? Who? Where? What? Why?** If appropriate, add a 6th W: **What next?** Also write your evaluation of the documentary: what were the main arguments presented? What business concepts were considered? Why did you like the documentary? What did you not like about it?

- The Nine to Five with Stacey Dooley - **BBC iPlayer**
- Tricky Business - <https://www.channel4.com/programmes/tricky-business> **Channel 4 On Demand**
- Beauty Laid Bare - **BBC iPlayer**
- The True Cost - **Netflix**
- Broken – Episode on IKEA - **Netflix**
- Flat pack empire – **BBC2 iPlayer**
- Inside Cadbury chocolate secrets unwrapped - <https://www.youtube.com/watch?v=BB3lJuMNUEk>
- Food unwrapped - **Channel 4 on demand**
- Inside the supermarket - https://www.youtube.com/watch?v=_qwucutFTsQ
- Panorama Amazon: What they know about us – **BBC iPlayer**
- Panorama Amazon: The Truth Behind the Click – **BBC iPlayer** and/or <https://www.youtube.com/watch?v=JwrUYS9UTeU>
- Pepsi vs Coke – **Amazon prime video**
- Jobs Vs Gates: The Hippie and The Nerd – **Amazon prime video**
- Starbuck unfiltered – **Amazon prime video**
- Facebook – Cracking the code – **Amazon prime video**
- Data centre the true cost of the internet – **Amazon prime video**
- Learn from The Experts - Jeff Bezos, Amazon Founder – **Amazon prime video**
- Learn from The Experts - Elon Musk, Tesla and SpaceX – **Amazon prime video**
- The millennial dream – **Amazon prime video**
- Business mindset for success – **Amazon prime video**
- Steve jobs – Billion Dollar Hippie – **Netflix**
- American Factory – **Netflix**
- Inside Waitrose – **Channel 5 on My5**
- Inside the factory – **BBC2**
- Dragons Den – **BBC2**

Films

- The Founder – Dvd – **Amazon prime video or Netflix** – Franchising
- Deep Water Horizon – DVD - **Amazon prime video** – Ethical issues
- Trump – What's the deal – **Amazon prime video**
- The Internship – **Amazon Prime video**
- The Social Network – **Netflix**
- The Big Short – **Netflix**
- The Great Hack – **Netflix**
- Enron: the smartest guys in the room – **Amazon Prime** and lots of analysis on YouTube

Books/Audiobooks

Books for wider reading

If you have access to Google Books, Amazon e-books, audio books or any other such online facility, read one of the suggestions below.

Activity 2: Write a book review. If you're stuck on what to say, imagine you're talking to someone who is asking you whether they should read the book.

1. Start with a couple of sentences describing what the book is about: write a synopsis.
2. Discuss what you particularly liked about the book: why should students read this book? Why was it a good read? What can it teach you about business?
3. Mention anything you disliked about the book What was missing in the book?
4. Give some key facts
5. Try and list some of the A level concepts mentioned in the topics list.
6. Round up your review: Summarise some of your thoughts on the book by suggesting the type of reader you'd recommend the book to. For example: younger readers, older readers, fans of relationship drama/mystery stories/comedy. Are there any books or series you would compare it to?
7. Give the book a rating, for example a mark out of five or ten, if you like!

- Anyone can do it – Duncan Bannatyne
- The Rise And Fall Of Marks & Spencer - and How It Rose Again – Judi Bevan
- What You See Is What You Get: My Autobiography - Alan Sugar
- Management in ten words - Terry Leahy
- The Price of Profit: Rethinking Corporate Social Responsibility - Jason Wicks (former Student)
- Rebel Ideas – Mathew Syed
- The Barcelona Way – Unlocking the DNA of a Winning Culture – Damien Hughes
- Screw it lets do it – Richard Branson
<https://www.youtube.com/watch?v=h9FkeyvdA2M>
- The Virgin Way – Richard Branson
Audio Book (free) - <https://www.youtube.com/watch?v=5wz40rdz7i4>
- The New One Minute Manager – Blanchard & Johnson
Audio Book (free) - <https://www.youtube.com/watch?v=ar4lrwXM4ao>
- **[Wake Up and Change Your Life by Duncan Bannatyne](https://www.youtube.com/watch?v=zqLVkMeJwF4&list=PLosYlgqowJvECmirOpdII_Ynw5Lb4M-Tf&index=10&t=0s)**
https://www.youtube.com/watch?v=zqLVkMeJwF4&list=PLosYlgqowJvECmirOpdII_Ynw5Lb4M-Tf&index=10&t=0s

Topical business news articles and videos

Get the BBC and the Guardian news apps and check the Business headlines every day, read 2-3 good articles a week.

Activity 3: Pick an article of your choice and summarise your findings on an A4 page using the 5 Ws: When? Who? Where? What? Why? If appropriate, add a 6th W: What next? Add an evaluation of the article: what were the main arguments presented? What business concepts were considered? Why did you like the article? What did you not like about it?

Below are some ideas to get you started:

- Impact of Coronavirus: <https://www.tutor2u.net/business/reference/business-impact-and-response-to-the-coronavirus-crisis>
- Impact of Coronavirus on cash flow and liquidity: <https://www.reuters.com/article/us-health-coronavirus-easyjet/big-uk-airlines-ground-most-of-their-fleets-to-survive-coronavirus-idUSKBN2130S9> and https://www.bbc.co.uk/news/business-52027342?intlink_from_url=https://www.bbc.co.uk/news/topics/c77jz3mdmy3t/iag&link_location=live-reporting-story
- Non-price factors affecting demand: <https://www.bbc.co.uk/news/amp/business-52066454>
- Corporate Social Responsibility: <https://www.tutor2u.net/business/reference/corporate-social-responsibility-during-the-coronavirus-pandemic>
- Food supply: <https://www.bbc.co.uk/news/business-52020648>
- Agriculture, food supply and migration: <https://uk.reuters.com/video/watch/the-race-to-save-americas-harvest-idOVC7O0TEN>
- Oil industry retrenchment: <https://www.theguardian.com/business/2020/apr/01/bp-to-cut-spending-amid-most-brutal-oil-price-rout-in-decades>
- On Twitter, search for posts with the handles #Theme1 #alevelbusiness and follow the authors
- On Twitter, follows @revisionstation, @tutor2business, @twoteachers.

Quantitative skills

Activity 4: Listen to the video below and practice some calculations and complete the practice calculations

- Index numbers: <https://www.tutor2u.net/business/reference/quantitative-skills-in-a-level-business-index-numbers>
- Percentage change : <https://www.tutor2u.net/business/reference/business-maths-calculating-percentage-changes>
- Exchange rates <https://www.tutor2u.net/business/reference/business-maths-exchange-rates>
- All other quantitative skills for the whole course are referenced here: <https://www.tutor2u.net/business/collections/business-maths>

Biz Quiz

Activity 5: test your knowledge of current affairs.

Click on the links below and for all questions that are incorrect, find the relevant news article and read about it.

- <https://www.tutor2u.net/business/blog/the-biz-quiz-6-march-2020>
- <https://www.tutor2u.net/business/blog/the-biz-quiz-13-march-2020>
- <https://www.tutor2u.net/business/blog/the-biz-quiz-27-march-2020>

Online websites

Find the online courses below and go through the course content.

Activity 6: Keywords Revision

Make revision cards for keywords in Theme 1

Make mind maps with pros and cons of various concepts, e.g. pros and cons of a franchise.

Make a formula list and add some example calculations

- Seneca Learning – search for A level Business then choose Edexcel <https://www.senecalearning.com/> then study Theme 1 topics in order
- Tutor2u reference library – <https://www.tutor2u.net/business/reference>
- YouTube videos – subscribe to the following channels: [tutor2u](#), [TakingTheBiz](#), [Business As Usual](#)

Podcasts**Activity 7:**

Make revision cards for keywords in the Podcast

Draw diagrams and label them.

Make mind maps with pros and cons of various concepts, e.g. pros and cons of a franchise.

Make a formula list and add some example calculations

Efficiency and productivity

<https://www.listennotes.com/podcasts/revise-a-level/operational-performance-zqDYtCScRly/>

Pricing

<https://www.listennotes.com/podcasts/revise-a-level/decision-making-pricing-a-l7Jkg6TS-sc/>

Pricing decisions

<https://www.listennotes.com/podcasts/revise-a-level/a-level-business-pricing-104HhoZXA3T/>

PED and YED

<https://www.listennotes.com/podcasts/revise-a-level/interpreting-ped-and-yed-a-G69jaVzkAsd/>

Market research

<https://www.listennotes.com/podcasts/revise-a-level/market-research-a-level-XhQS6TDc5iH/>

Market mapping

<https://www.listennotes.com/podcasts/revise-a-level/market-mapping-a-level-ZW51hHAda-P/>

Marketing objectives

<https://www.listennotes.com/podcasts/revise-a-level/setting-marketing-objectives-pgGOoZ6a3RA/>

Raising Finance

<https://www.listennotes.com/podcasts/revise-a-level/a-level-business-raising-R672m5eU0O9/>

Limited Liability

<https://www.listennotes.com/podcasts/revise-a-level/a-level-business-limited-dFP8zKNLobg/>

Expectations in Business

At Sixth Form, it is expected that students take a more pro-active, approach to their studies and develop independent learning skills. In Business, it is important to foster a mature and professional working environment that gives you an opportunity to learn and explore businesses. Part of this is taking responsibility for your progress. Therefore, you will be given a case study to answer on a regular basis that you will be expected to answer. There is a requirement to keep up to date and so looking at the BBC website or the tutor2u blog on a weekly basis is a requirement of the course. If you feel you require any help and/or guidance with your work, please speak to your teacher.

The following is expected:


- **Conduct and behaviour** lessons should reflect a professional purposeful working environment where every student is involved in discussions of business concepts. These will be presented with relevant case studies, videos newspaper articles, podcasts and other relevant online sources.
- **Folder and textbook** are to be used in every lesson. These will be issued at the start of the year and can be kept in room 69 for safe keeping. There is plenty of lined paper for notes also in Room 68
- Students should be punctual to every lesson. It is very disruptive to have students walking in late and is not fair on the rest of the group. Your teacher will not wait for you to start the lesson. If a pattern emerges of continued **poor punctuality** you will be asked to attend extra study sessions and referred to your form tutor and the head of year.
- If you are **absent from a lesson**, it is your responsibility to catch up on the missed work. You will be expected to contact your teacher to ask for work and to use Show MY Homework for resources and homework. It may well be the topic that comes up in a future assessment, Pre-Public Examinations, or your final exam. Do not rely on your peers, as they are not the subject specialists.
- If your **absence is unauthorised** or you do not contact the teacher on your return you will be required to catch up during a private study session.

Deadlines and Submitting Work

For every taught hour you are expected to be carrying out at least one extra hour of work. This could be finishing class work/activities, creating revision resources, practicing exam questions and/or completing effective revision on previously learnt content. **This means 5 hours a week of working on your A level Business on top of taught lessons.** This work can either be completed in your timetabled study time or at home.

- **Deadlines must be met.** If you do not meet a deadline expect an email home and to your form tutor and a potential departmental detention.
- All homework will be posted on Show My Homework (including content and deadlines). **Any issues with homework set should be addressed through contacting your teacher either in person or via email.**
- **Your teacher will accept work that is:**
 - Submitted by e-mail
 - Printed off
 - Left on the teacher's desk
- All work can be submitted as a word processed document a Powerpoint presentation or it can be hand written if you prefer.
- If an extension is required for class-based assessments or homework this should be requested in person to the class teacher at least 24 hours prior to submission. These will be granted on a case by case basis.

Failure to meet any of these expectations to a satisfactory standard will result in consequences including a formal meeting with the Head of Year and your parents.

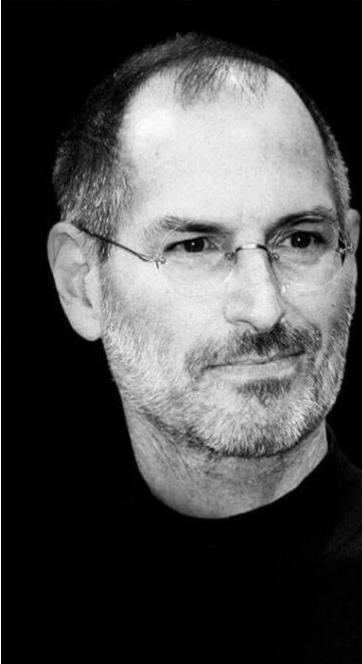


Forget socialism, capitalism, just-in-time deliveries, salary surveys, and the rest... concentrate on building organizations that accomplish that most difficult of all challenges: to make people look forward to coming to work in the morning.

— Ricardo Semler —

RICARDO

AZ QUOTES



“It doesn't make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do.”

- Steve Jobs
co-founder of Apple computer, co-creator of iTunes and the iPhone.

fb/david avocado wolfe

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Before Starting the course in September Please Complete these following worksheets using the Channel 5 link to the Aldi and Lidl documentary on the next page.

WORKSHEET 1

Task 1.1 – Watch the documentary in the link below



A channel 5 documentary in August 2019, now available on My5, (<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>) looked at how the German supermarket has succeeded in the UK, overcoming industry hostility and old-fashioned snobbery to win the public over with its discounted goods. Former staff reveal how Aldi has overcome shoppers' suspicions using a host of clever techniques to cut costs, from multiple barcodes and less time spent at the tills, to their own-brand products - which are intended to look and taste like their big-name counterparts, but cost a fraction of the price.

Task 1.2 – Read the news article and make some notes as you go along.

Read the article published in a national newspaper about the success of Aldi in the UK

(<https://www.dailymail.co.uk/femail/article-7775907/How-did-Aldi-British-favourite-Documentary-reveals-supermarket-won-shoppers.html>)

Task 1.3 – What do you already know?

a) In less than 15 words sum up what you think about Aldi.

b) Who are the key players in the UK's supermarket industry?

c) The pie chart below shows what % of the market the 6 biggest UK supermarket chains control.

Use your **existing knowledge** of the industry to try and **identify** which segment of the chart represents which supermarket chain.

10% of the chart can just be labelled 'other'.

Market share in the UK supermarket industry



Check your answer, Supermarkets. https://drive.google.com/open?id=1ebzCf6_2Uu7rNbUmBAJ-ayEWMYhHy-Rv

Task 1.4 – Fill in the blanks below

Market share is the % of an industry controlled by one business. In the example above we could say that: _____ is the dominant business in the UK supermarket industry with a market share of ____ %.

We call this application, applying our knowledge to a specific business or industry.

Task 1.5 – Competitive advantage

a) The industry is described as competitive. What do you think this means?

b) A business will therefore take actions to try and gain market share by having a **competitive advantage**. This means a feature or features of the business that allows it to perform better than others in the industry.

- Watch the first part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”.
<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>
- Draw a spider diagram to show any actions that you think Aldi takes to gain a competitive advantage.



Task 1.6 – Marketing Mix

Whilst watching this video you were introduced to some key business concepts. The **marketing mix** is the combination of elements of marketing that are used to influence customers buying habits. The four Ps of the marketing mix are product, place, price and promotion. There are also another 3 Ps: people, physical environment and process.

Is there anything you could now add to your spider diagram?

Aldi gains a competitive advantage by charging low prices. It achieves this by making cost savings.

- c) Watch this short YouTube video (https://www.youtube.com/watch?v=CJEkTyj_3Fg&t=5s) to learn about total costs.

You may want to download a note taking app such as Google Keep or Microsoft OneNote to support you whilst watching this clip.

- d) Is there anything you could now add to your spider diagram?

Task 1.7 – Key terms

In business you will learn a lot of new terminology. In worksheet 1, you have been introduced to 6 key terms. Define the key terms below.

Market share	
Competitive advantage	
Marketing mix	
Total costs	
Fixed costs	
Variable costs	

WORKSHEET 2

In year 12, a lot of the content of the A level business that is covered is about **tactics**. These are short term actions taken by a business. In year 13, the course focuses more on **strategy**. These are the medium to long term actions taken by a business.

In the first part of the programme you watched, a statement made about the growth of Aldi in the UK was “*It is nothing but good for the supermarket industry and for shoppers*”.

Here, the industry would include competitors and suppliers. Shoppers would include customers and the community. These are called **stakeholder** groups. A stakeholder is anyone who is affected by or interested in the actions of a business.

Task 2.1 – Stakeholders

Consider the extent to which you agree with this statement based on each stakeholder’s point of view. Justify your decisions.

Stakeholder	Strongly agree					Strongly disagree				
Competitors	10	9	8	7	6	5	4	3	2	1
Justification										
Suppliers	10	9	8	7	6	5	4	3	2	1
Justification										
Customers	10	9	8	7	6	5	4	3	2	1
Justification										
Community	10	9	8	7	6	5	4	3	2	1
Justification										

Task 2.3 – Efficiency

An important **skill** to practice and develop over your studies is the ability to make judgements and fully justify these. We call this skill evaluation.

- a) Watch the second part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”.
<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

- b) What evidence is there of Aldi successfully cutting costs and increasing efficiency?

Task 2.4 – Motivation

A topic you will study in year 12 is **motivation**.

Motivation is the reasons why people behave in the manner that they do. A business that can motivate the workforce is likely to gain a competitive advantage. Motivation can take the form of financial incentives e.g. bonuses and non-financial incentives e.g. increased responsibility.

a) What evidence is there of Aldi motivating its workforce?

Task 2.5 – Bargaining power of buyers

Business is sometimes a power battle. Big businesses will use their power to influence suppliers. This can be in the form of forcing suppliers to offer lower prices or, in the video you have viewed, forcing suppliers to stop supplying products to a competitor.

For the theory of Porter's 5 Forces, click this link <https://www.tutor2u.net/business/reference/porters-model-of-industry-rivalry-five-forces>

b) Why do big businesses have power?

Task 2.6 - Ethics

Ethics is behaving in a way that is thought to be morally correct.

- To what extent do you think the big supermarkets behaved in an ethical manner when faced with the threat of Aldi entering their market?

Task 2.7 – Branding

Branding is a promotional method that involves the creation of an identity for the business that distinguishes the business and its products from its competitors.

- a) How important is branding to you?

- b) If you have a favourite brand what is it and why?

c) For each of the following products, rate how important brand is to you: 10 being I only ever buy one brand and 1 I will buy any brand.

Product	Importance of brand 10 - 1	What and why
Baked beans		
Cola drink		
Bottled water		
Trainers		
Chewing gum		
Chocolate		
Pens		
Note pads		
Batteries		
Smart phone		

d) How has Aldi challenged our perception of brands?

Task 2.8 – Using percentage change to calculate growth

In 2013 Aldi had 300 stores in the UK. By 2017 this had increased to 600 and 874 by 2020. An important quantitative skill in Business is the ability to calculate percentage change.

c) Fill in the table below to show percentage change between these years.

2013	2017	2020
300 stores	600 stores	874 stores
% change:		

For theory on how to a percentage change, click this link <https://www.youtube.com/watch?v=FOsrkEiZUlg>

Task 2.9 – Key terms

In business you will learn a lot of new terminology. In worksheet 2, you have been introduced to 6 key terms. Define the key terms below.

Tactics	
Strategy	
Stakeholders	
Motivation	
Ethics	
Branding	

You will also be expected to gain confidence in quantitative skills. In this worksheet you have been introduced to quantitative skill (QS) 2 calculate, use and understand percentages and percentage change. You have also had a brief introduction to the 4 functional areas of business.

Marketing	Finance	People	Operations/resource management
Branding Competitive advantage Market share Marketing mix	Cost savings Total costs	Motivation	Location Efficiency

WORKSHEET 3

Task 3.1 – Legal form of ownership

All business courses cover **legal structure** or **business ownership**. This is the legal ownership that a business adopts. This can be **unlimited liability** businesses such as a **sole trader** or **limited liability** companies, be they publicly or privately owned.

Unlimited liability means that the personal assets of the owner(s) are at risk. This means if the business got into debts the owner may have to sell their personal possessions to cover this debt. For example, a sole trader may have to sell their family home and car to cover the debts of the business.

Limited liability means that the owners are only responsible for, and therefore only risk losing, the amount they have invested or promised to invest. Their personal belongings are safe.

Watch the third part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”.

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

a) What is the legal ownership of Aldi?

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b) What are the advantages and disadvantages of this over being a public limited company?

Advantages to Aldi	Disadvantages to Aldi

Task 3.2 – External influences

Businesses are affected by **external influences**. These are factors outside of the control of the business that can have a positive or negative affect on the business. For example, they may affect costs or **demand**. Demand is the number of customers who are willing and able to buy goods at a given price at a given point in time.

a) Watch this short YouTube video to learn about demand

<https://www.youtube.com/watch?v=YuV9RRqahVY&t=107s>) and make relevant notes.

- b) One external factor affecting Aldi was the Financial Crisis. Was the financial crisis a positive or negative influence for Aldi? Justify your answer.

- c) Support your answer above with a demand curve. Think what happened to demand and draw a diagram to illustrate this.



Task 3.3 – Market segmentation

Businesses may target a specific **market segment**. Market segmentation is the process of categorising customers into groups with similar characteristics. One way of segmenting the market is by income or socio-economic group.

Socio-economic groupings.

- A – Higher managerial such as chief executives and directors
- B – Intermediate managerial such as solicitors, accountants and doctors
- C1 – Supervisory, clerical or junior professional such as teachers and junior managers
- C2 – Skilled manual such as plumbers, electricians and carpenters
- D – Semi and unskilled workers such as refuse collectors and window cleaners
- E – Pensioners, casual workers, students and unemployed

- a) What evidence is there of Aldi's market segment having changed over time?

b) Consider the other supermarkets competing in this industry. What do you think is the market segment targeted by each one? Remember one supermarket can target multiple segments.

A	B	C1	C2	D	E

Task 3.4 - Recap

What is the marketing mix?

Promotion includes **advertising** and **sponsorship**. With reference to Aldi, write your own definition of each of these terms.

Advertising	Sponsorship
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What is meant by branding?

What evidence is there of Aldi using its branding to gain a competitive advantage?

Task 3.5 – Key terms

In business you will learn a lot of new terminology. In worksheet 3, you have been introduced to 12 key terms. Define the key terms below.

Legal structure/business ownership	
Limited liability	
Unlimited liability	
Private limited company	
Public limited company	
Market segmentation	
Socio-economic group	
External influences	
Demand	
Demand curve	
Advertising	
Sponsorship	

You will also be expected to gain confidence in quantitative skills. In this worksheet you have been introduced to quantitative skill (QS) 3, construct and interpret a range of standard graphical forms.

WORKSHEET 4

Task 4.1 – Growth

Many established businesses will have an **objective** of **growth**. This can be done **internally (organically)** where the business grows in its own right e.g. opening new stores or expanding its product range. Or it can be done **externally (inorganically)** by acquiring other businesses.

For theory of organic and inorganic growth, click this link <https://www.tutor2u.net/business/reference/growth-strategy-organic-external-revision-video>

- a) Watch the fourth part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”. Aldi has achieved growth. <https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>
- b) Write a paragraph of around 200 to 300 words to explain **how** Aldi has achieved growth and **what evidence** there is of this.

Your challenge is to include as many of these terms in your paragraph as you can – show off your knowledge of business!

- Market share
- Competitive industry
- Competitive advantage
- Marketing mix
- Organic growth
- Inorganic growth

Task 4.2 – E-commerce

E-commerce is the selling of goods and services over the internet. Unlike other major supermarkets, Aldi does not offer e-commerce. What are the advantages and disadvantages of this to Aldi?

Advantages	Disadvantages

Task 4.4 – SWOT analysis

SWOT analysis looks at the internal strengths and weaknesses and external opportunities and threats to a business. One threat is that of **new entrants** to the market. For theory, click this link:

<https://www.tutor2u.net/business/reference/swot-analysis>

- a) Tesco opened Jacks and Amazon has entered the grocery market. Should Aldi be worried? Mark your response on the spectrum below.



- b) Justify your answer.

Task 4.5 – Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is a business' willingness to accept its ethical obligations to all of its stakeholders.

For theory on CSR, click this link <https://www.tutor2u.net/business/reference/corporate-social-responsibility-csr-revision-video>

The ability to carry out independent research and read around your subject are important **skills** in all subjects in the sixth form and beyond.

- a) Carry out some research into the Oxfam study <https://www.oxfam.org/en/take-action/campaigns/end-suffering-behind-your-food/supermarkets-scorecard>
- b) Look at Aldi's commitments to corporate responsibility <https://www.aldi.co.uk/corporate-responsibility>

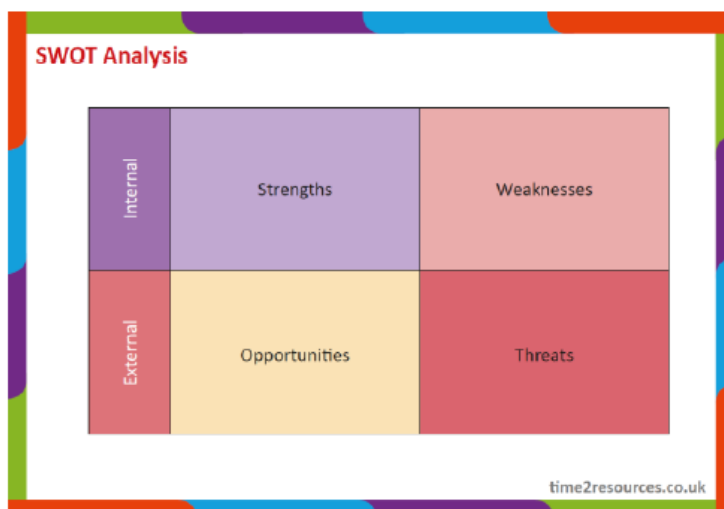
c) How would you rate Aldi's CSR? Justify your answer.

Task 4.6 – SWOT Analysis

In worksheet 4, you have looked at some year 12 and year 13 key concepts.

Consolidate all of your notes into a SWOT analysis for Aldi, on the computer or by drawing it out on a large piece of paper.

For theory of SWOT, click this link <https://www.tutor2u.net/business/reference/swot-analysis-video>



Task 4.7 - Key terms

In business, you will learn a lot of new terminology. In worksheet 4, you have been introduced to 7 key terms. Define the key terms below.

Objective	
Growth	
Internal (organic) growth	
External (inorganic) growth	
E-commerce	
SWOT analysis	
Corporate social responsibility	

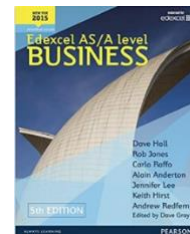
Extension tasks

Another Channel 5 documentary is “Inside Waitrose”. <https://www.channel5.com/show/inside-waitrose/>

You could watch this to complete a **comparative study** in the form of a poster or news article looking at the similarities and disadvantages between the two businesses.

Getting ahead

1. Buy the **course textbook** and start learning key terms:
Edexcel AS/A level Business 5th edition, Paperback – 27 Aug 2015
by Dave Hall et al, **ISBN-13: 978-1447983545**
2. Download the **specification**:
<https://qualifications.pearson.com/en/qualifications/edexcel-a-levels/business-2015.html>
3. Learn some **key formulas**: see page 65 of the specification downloaded above.
4. Email your teacher and ask for the **quantitative skills booklet**; look up and practice each of them.
5. Email your teacher and ask for the **online learning opportunities booklet** and complete two of the suggested activities each week.



News article

How did Aldi become a British favourite? Documentary reveals how the German 'retail parasite' won over traditional shoppers by copying M&S packaging and beating Harrods in a mince pie taste test

By [BRIDIE PEARSON-JONES FOR MAILONLINE](#)

PUBLISHED: 19:41, 10 December 2019 | UPDATED: 09:44, 11 December 2019

A new documentary has revealed how German discounter Aldi has conquered the British market - as 13 million British households are set to shop there this Christmas.

Inside: Aldi at **Christmas**, which airs tomorrow on Channel 5, reveals how the retailer has become a British favourite by championing British meat, copying luxury brands packaging, sweeping up awards for its own-brand produce and keeping prices low.

Once known as the 'retail parasite', the shop's first win was beating Harrods in a taste test - and is now Britain's fifth largest supermarket - overtaking the Co-Op and Waitrose to take an eight per cent share of the market.

In the show, experts also reveal how shoppers were initially put off by the store, when the first British branch opened in Stechford, **Birmingham** in 1990.

<https://www.dailymail.co.uk/femail/article-7775907/How-did-Aldi-British-favourite-Documentary-reveals-supermarket-won-shoppers.html#v-4823494862765863077>

The documentary explains how the first shop was small and sparsely decorated, a world away from what British people were used to in traditional retailers.

Ronny Gottschlich, former Head of Aldi's closest rival Lidl UK, explained: 'The Germans really just go shop, and the back out of the supermarket, it needs to be cheap and fast, that's it'.

Lynn Toogood, one of Aldi's first British shoppers added: 'Everything was in boxes, there was nothing displayed on shelves. It was a free for all, very messy!'

Aldi first opened in 1913 in Essen western Germany, and was called Albrecht - Diskont - the founder's surname and the German word for discount.

But, it began to thrive after World War II, when many German people had little money and wanted to purchase cheap goods.

It expanded through mainland Europe before hitting British stores in 1990, but took a long time to cement itself as a regular place to shop for the UK public.

'Everybody saw us as a super threat to their level of profitability' Paul Foley, former Managing Director of Aldi said.

One former store manager added: 'The term I'd heard by others was 'retail parasite' while others called it 'a plague of locusts landing on Britain's shores'.

In its first few years, during the festive period, the store lacked the traditional British Christmas staples, but instead favoured German dishes such as stollen, Lebkuchen, Glühwein, which wasn't popular with British shoppers.

One former store worker explained: 'I did get some queries as to where were our British Christmas cakes, and we just didn't have them.

'Some of the products we'd never seen or tried before, people weren't prepared to have them on their special day with their family'.

It took Aldi 15 years to cotton on that British shoppers want a touch of class at Christmas, and it wasn't until 2005 that they introduced their luxury line.

When Aldi started selling their Specially Selected line in 2005, they took inspiration from M&S, using their well-known packaging to showcase that it was luxury goods.

Adam Leyland, editor of trade magazine *The Grocer* said: 'M&S is great at capturing that level of indulgence, and part of that was the black and gold style packaging'.

'So Aldi started to make more premium products for Christmas, luxury, but at an every day price' Adam added.

But it wasn't until 2008 when Aldi's Christmas range really took off. 'The first real toe in the water was the mince pie' Adam continued.

'They claim they're as good quality as premium retailers, but they cost £1.69 for six, which is still a lower price product.

That year, their mince pies, won the Which? best mince pie awards in a blind taste test, beating off high street and upmarket rivals, including Harrods.

Ashley Armstrong, retail editor of *The Times* said: 'It made headlines because nobody expected it. Harrods, the creme de la creme of retail, how can their mince pies be beaten by a German discounter?'

'It was a level of advertising we could have never paid for' Paul added.

Now, the shop has become a go-to place for many shoppers at Christmas. Last year, the store turned over £1 billion over the festive period.

Angela Clutton, food writer and cook added: 'The Aldi Christmas table is spectacular, it's an extravaganza of Christmas fabulous.

'They've got lovely classic things, the Aldi Christmas turkey, the Christmas pudding has extra 'juzz' about it. And cheese they've been winning awards for over the last few years, some golds, silver, bronzes.

She added the shop continues to bring in shoppers through their quirky products, including a two metre long pig in blanket.

By mixing German efficiency with British traditions, Aldi also manages to offer goods at a much lower price than its competitors, while appealing to the public in the UK.

The show explains how they manage to reduce prices by up to 40 per cent, using own brand copycat products.

Adam added: 'Part of the Aldi model is to take very well-known brands and match them on quality and offer them at significantly lower prices.

'So you piggy back off those profits and give as many design cues to say they're basically the same, but much better value.'

They also have significantly fewer products, only 2,000 different items per store, while traditional supermarket has about 40,000 products.

By stocking less they can operate in smaller buildings with less overhead, meaning the store can give discounts.

The store is also designed to keep people moving, and all Aldi products have multiple barcodes so staff can scan quickly.

But it's the discount retailer has appealed to British shoppers too, by launching Christmas adverts and products for the UK.

In 2015, when John Lewis launched its Man on The Moon Christmas advert, the discount retailer filmed their own version mocking the advert, showing how Aldi products were cheaper.

'Whilst John Lewis was attempting to make people shed tears, Aldi was attempting to make people laugh' Adam added. 'Aldi now looked like a cheeky upstart, it's a very British position to take and it's mocking the aspirations of John Lewis. Aldi rode off the back of the fame by John Lewis'.

The store has also ensured many of its products are sourced in the UK, with 75 per cent of its sales come from products sourced through British suppliers.

And the success of Aldi as Christmas retailer has spread into the rest of the British festive period, with German markets becoming a popular attraction on many high streets.

Consumer journalist Harry Wallop, explained: 'One of the most fascinating trends of the last 15 years has been the emergence of the German Christmas markets in Britain.'

'Aldi has fed into the Christmas market, the Christmas market has fed into Aldi- there's a generation of shoppers who've actually learned and fallen in love with German products at Christmas.'

'If you go into one of the big four supermarkets like Tesco, they have quite a big selection of Gluwhein and stollen in a way that they never use to 10 years ago.'

<https://www.dailymail.co.uk/femail/article-7775907/How-did-Aldi-British-favourite-Documentary-reveals-supermarket-won-shoppers.html>