



Subject: Business Pre-A-level Bridging Material

Research resources:

Mission statements: Tutor2U YouTube Channel

Business costs and profits: Tutor2U YouTube Channel

Different forms of Business: Tutor2U YouTube Channel

Stakeholders & Stakeholder Mapping: Tutor2U YouTube Channel

PESTLE Analysis: Tutor2U YouTube Channel

Management and Leadership styles: TalkingtheBiz YouTube

Leadership (The Tannenbaum & Schmidt Continuum): Tutor2U YouTube Channel

Decision Trees: Tutor2U YouTube Channel

Can cruise lines recover from Coronavirus? Tutor2U YouTube Channel

Amazon Warehouse Workers speak out during coronavirus: CNBC YouTube channel

Reading material:

What is a business: <https://www.tutor2u.net/business/collections/aqa-a-level-business-study-resources-what-is-business>

AQA A Level Business Specification: <https://filestore.aqa.org.uk/resources/business/AQA-7132-SOW.PDF>

Shareholder vs stakeholder concept: <https://www.tutor2u.net/business/reference/stakeholder-v-shareholder-concept>

Coronavirus: A fifth of smaller UK firms 'will run out of cash': <https://www.bbc.co.uk/news/business-52114414>

External environment: <https://businesscasestudies.co.uk/topics/case-studies/external-environment-case-studies/>

Business case studies: <https://businesscasestudies.co.uk>

Models, theories and frameworks handbook: <https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-TG-MTF-HB.PDF>

Competition Legislation: <https://www.tutor2u.net/business/reference/competition-legislation-overview>

Inflation and Business: <https://www.tutor2u.net/business/reference/inflation-and-business-overview>

AQA Study notes: <https://www.tutor2u.net/business/reference/study-notes>



Assignment 1:

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

Inside Aldi: Britain's Biggest Discount Store Part 1

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.

Start by thinking about what you already know and what your perceptions are. In less than 15 words sum up what you think about Aldi.

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

The pie chart below shows what percentage of the market the six 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

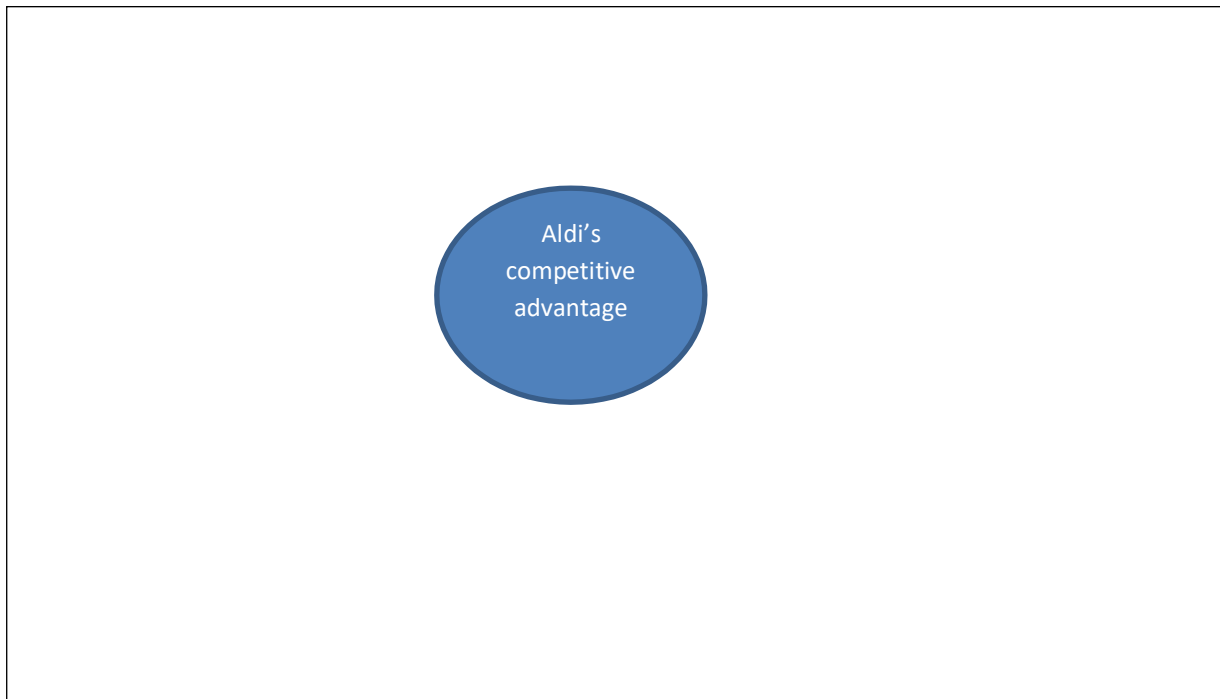
Market share is the percentage of an industry controlled by one business. In the example above we could say that:

_____ 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. We would describe the industry as competitive. What do you think this means?

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'. Draw a spider diagram to show any actions that you think Aldi takes to gain a competitive advantage.

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



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.

Depending on the exam board you are following there may be seven Ps, this includes 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.

Watch this short YouTube video to learn about total costs. You may want to download the note taker document here to support you whilst watching this clip.

YouTube: Time2Resources

Note taker <https://drive.google.com/drive/folders/1pnEkyg45xgmBVRWMBTr7BaNsYvWiSNpj>

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

In business you will learn a lot of new terminology. In this worksheet you have been introduced to 6 key terms.

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

You will also be expected to gain confidence in quantitative skills. In this worksheet you have been introduced to quantitative skill (QS) 9: interpret, apply and analyse information in written, graphical and numerical forms.

Inside Aldi: Britain’s Biggest Discount Store Part 2 Channel 5 Documentary

In year 1 of Business a lot of the content covered is about **tactics**. These are short term actions taken by a business. In year 2 you study more about **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. 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 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| Justification | | | | | | | | | | | | | | | | | | | | |
| Suppliers | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| Justification | | | | | | | | | | | | | | | | | | | | |

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

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

Watch the second part (approx. 15 mins.) of the Channel 5 documentary 'Inside Aldi'. Add to your spider diagram to show any actions that you think Aldi takes to gain a competitive advantage.

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

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

A topic you will study in year 1 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.

What evidence is there of Aldi motivating its workforce?

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.

Why do big businesses have power?

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?

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. How important is branding to you?

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. If you have a favourite brand what is it and why?

| 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 | | |



How has Aldi challenged our perception of brands?

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. Fill in the table below to show percentage change between these years. If you are unsure how to do this watch the following YouTube clip <https://www.youtube.com/watch?v=FOsrkEiZUlg>

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

In business you will learn a lot of new terminology. In this worksheet you have been introduced to six key terms.

- 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 skills (QS2): calculate, use and understand percentages and percentage changes.

You have also had a brief introduction to the four functional areas of business.

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

Assignment 2:

Coronavirus: A fifth of smaller UK firms 'will run out of cash' – April 2020. What are the solutions that can be proposed to help the small and medium enterprises in the UK? (1500 words)