

GCSE Business Studies

Unit 2: Investigating small business

Controlled Assessment

25% of final grade



Name _____ Teacher _____

GCSE BUSINESS STUDIES

UNIT 2: Investigating small business

CONTROLLED ASSESSMENT TASKS – 2016-2017

Choose **one** of the following tasks.

Task 1 (1.1)

To what extent is the business you have chosen more successful in adding value than a competitor?

You could:

- Choose a small business
- Use primary and/or secondary research to identify the sources of added value – convenience and speed, branding, quality, design and unique selling point (USP) – for this business
- Compare the sources this business uses to add value with those used by a competitor
- Present useful information/data to support the points you are making
- Analyse the different sources this business uses to add value
- Using your analysis, arrive at a supported conclusion that indicates the extent to which this business is more successful at adding value than a competitor.

Task 4 (1.4)

Which is the most important method used by your chosen business to deliver high levels of customer satisfaction?

- Choose a small business
- Use primary and/or secondary research, investigate how the business delivers customer satisfaction
- Present useful information/data to support the points you are making
- Analyse the different methods of delivering customer satisfaction that are important for this business
- Using your analysis, arrive at a supported judgement that states the most important method the business uses to deliver high levels of customer satisfaction.

Format for the assessment

For the controlled assessment, you must:

- ✓ Choose a local **small** business
- ✓ Choose a title for your project – from a choice of five
- ✓ Organise and carry out research into your chosen business
- ✓ Present the results of your findings
- ✓ Analyse the information you have gathered
- ✓ Evaluate the task by answering the question in your title
- ✓ Keep a log of all the activities/tasks you have completed during the assessment

The assessment will include:

- a) Six hours of research both in and out of school
- b) Three hours for the write-up, completed under examination conditions in a computer room

The assessment criteria are as follows:

Research	
Mark range	Descriptor
0	Level of response not worthy of credit.
1-3	Research from one source using limited selectivity and focus.
4-6	Research from more than one source showing some selectivity and focus.
7-9	Research from a range of sources showing good selectivity and focus.
10-12	Detailed, relevant research from a wide range of sources together with high-quality organisation of materials and focus.

Present information/data	
Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Data/information is presented in a very basic format with little attention to detail.
3-4	Data/information is presented using a limited range of methods and shows some attention to detail.
5-6	Data/information is presented clearly using the appropriate methods with good attention to detail.
7-8	Data/information is presented in a range of appropriate methods with high levels of attention to detail.

Analysis*	
Mark range	Descriptor
0	Level of response not worthy of credit.
1-3	Basic analysis of presented information/data showing limited understanding of issues. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
4-6	Simple analysis of presented information/data showing some understanding of key issues. Quality of written communication will be basic with some spelling, punctuation and grammar errors and the style of writing will be appropriate to the subject matter. However, it will not be used as confidently as a response that merits 7-9 marks.
7-9	Analysis is detailed and relevant, uses presented information/data well and shows clear understanding of key issues. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter. However, it will not be used as confidently as a response that merits 10-12 marks.
10-12	Excellent analysis of the presented information/data, resulting in a well-constructed commentary. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard.

Evaluation*	
Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited evaluation of the task with little or no supporting evidence or value judgements. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3-4	Some evaluation, some weighing of evidence and simple value judgements making use of supporting evidence. Some suggestions for improvements identified, where appropriate to task. Quality of written communication will be basic with some spelling, punctuation and grammar errors and the style of writing will be appropriate to the subject matter. However, it will not be used as confidently as a response that merits 5-6 marks.
5-6	Clear evaluation using the analysis of the research gathered. Relevant value judgements made with some supporting evidence. Feasible suggestions for improvements made, where appropriate to task. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter. However, it will not be used as confidently as a response that merits 7-8 marks.
7-8	A developed evaluation of the evidence analysed to address the task. Relevant value judgements made with detailed supporting evidence. Detailed suggestions for improvements made and/or further work, where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard.

Research: Introduction to the project

Complete the details about your chosen business in the table below:

Name of my chosen SMALL business	
Address and details about the location	
Business ownership	
Name of the owner(s)	
Full details of what my chosen business sells	
Details about the size of my chosen business (number of customers; number of employees; catchment area it sells to)	
Types of people who are customers	
Details about the firm's competitors	
Any other relevant information	

Research: Details of other information I will collect

Title I have chosen:

Types of information I will collect	Tick if you are going to use this method	Details of what information I will need to collect
Photographs		
Other images (e.g. from internet)		
Interview with the owner(s)		
Interview with customers		
Observation		
Business website		
Other e.g. examples of methods of advertising		

Research:

Data gathering – other information about the business

You will also have to find out more detailed information about the products that the business sells and the range of services it offers its customers. This could be done through **observation**. The information you gather will be used along with the results of your **interviews** with the owner(s)/customers.

Design a data gathering sheet to record this information.

The list below shows the types of information you could find out. You need to select the types of information you need in order to answer the title of your project. Then you need to design a suitable data-gathering sheet to record the information.

- Opening hours
- Details about prices charged to customers
- Details about the range of products or services sold
- Methods of advertising used
- Types of promotions offered to customers
- Details about how customers get to the shop (car; walk etc)
- Availability of car parking facilities
- Disabled access/facilities
- Details about the range of services provided for customers
- Details about the quality of products or services offered to customers
- Any other relevant information that will help you answer the title of your project

NB. Obviously, the above are only examples, as it will depend upon the title and small business you choose.

Research:

1. Data gathering – interview with owner/s
2. Data gathering – customer survey

EXAMPLE QUESTION:

“What is the most important factor in generating repeat purchase in the small business you have chosen?”

1. You must design a questionnaire and use it to find out from the owner(s):
 - ✓ Why they think customers return to the shop and buy again?
 - ✓ What services the owner(s) provides which customers like so they come back and buy again?
 - ✓ Other strategies the owner(s) use to ensure customers return to the shop and repeat purchase?
 - ✓ Which of all of the above do they think is the most important factor in generating repeat purchases
2. You must also design a questionnaire and use it to find out from some of the customers:
 - ✓ Why they return to the shop and buy again
 - ✓ What services the customer likes so they come back and buy again
 - ✓ Which of the above do they think is the most important factor that results in them returning to the shop and buying again

Possible strategies that the owner(s) may use:

- ✓ Opening hours
- ✓ Pricing strategy
- ✓ Advertising and/or promotions
- ✓ Website
- ✓ Friendliness of staff
- ✓ Customer services – e.g. after sales service, returns, car parking, changing rooms, home delivery, etc
- ✓ Quality of products
- ✓ Availability and range of products
- ✓ Other strategies? e.g. Convenience to home, speed of service

Research:

Data gathering – interviews

Possible designs you could use for the questionnaire

Remember you need to ask for judgements to be made (i.e. you must ask them to give you their opinion)

1. What are your opening hours?
2. On a rating of 1-5, how important do you think your opening hours are for generating repeat purchases (please tick)?

Does not affect repeat purchases very much			Affects repeat purchases to a large extent	
1	2	3	4	5

1. Please give details of your opening hours:
2. Do you think your opening hours affects the number of repeat purchases you get (please tick)?

I think it affects the number of repeat purchases to a large extent	
I think it has quite an effect on repeat purchases	
I do not think it affects the number of repeat purchases	

1. On the table below, for each statement, please insert a number to indicate how much the statement affects the number of repeat purchases you get.

Key	This factor has a big impact on the number of repeat purchases	1
	This factor has a fairly big impact on the number of repeat purchases	2
	This factor does not affect the number of repeat purchases	3

	Please insert 1, 2 or 3 in this column
Long opening hours	
Cheap prices	
Good range of products	
Good quality products	
Other: Please specify:	

Last question: What improvements could you introduce to increase the number of repeat purchases?

Ideas for the customer survey:

1. Why do you regularly use XYZ for your (shopping)?

Long opening hours	
Cheap prices	
Good range of products	
Good quality products	
Other: Please specify:	

2. Which of the above factors are the main reasons why you use the business. Please rank them in order, with your most important reason at the top.

.....

.....

.....

3. What types of customer service does the business provide which you like?

.....

.....

.....

4. Are there any other reasons why you use the shop regularly?

.....

.....

.....

Last question: What improvements could the business introduce to increase the number of repeat purchases?

Presenting the Information

You must use a range of presentation techniques that are relevant to the assessment title. You score more marks for:

- selecting an appropriate method of presentation
- paying attention to detail when presenting the information
- writing about the information you have inserted into your project

Examples of ways you can present information

- Text
- Table of information
- Graph
- Photographs
- Images

ROW	FIRST NAME	LAST NAME	AGE
#1	Bob	McBob	42
#2	John	Johnson	24
#3	Steve	Smith	38



You will also need to:

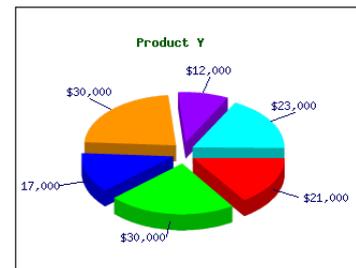
- a) Insert suitable titles where appropriate:



Graph to show...

Source the data you present

Source: Customer Survey



- b) Use footnotes if appropriate

Flames Candle Shop has an annual turnover of £250,000 ¹

Footnote (in the footer): ¹ Source: Owner's Profit and Loss Account

- c) Have an appendix and refer to the information in the appendix in the report
- Appendix 1
 - Appendix 2
 - Etc

Presenting and Analysing the Information

All graphs, tables of information, images etc, must be written about in your project.

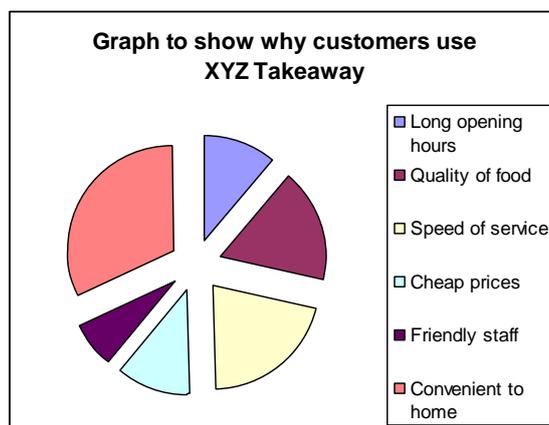
You must *use* the information you present.

Using a Graph

You might decide to insert a graph which shows why customers use your chosen business.

You must create the graph and insert a suitable title. You must choose a type of graph which will show the information easily – which is best – Pie chart or bar graph? 2D or 3D graph?

You must then write about what the graph is showing and analyse your findings:



Source: Customer Survey

In my survey, I asked customers the main reasons why they regularly used XYZ Takeaway. The graph above shows that the most popular reason was convenience to where the customer lived. The speed of service when serving the takeaway meals and the quality of the food also ranked highly. This indicates that customers think speed of service and convenience to their home is a more important factor when repeat purchasing compared to the quality of the food and the cost.

Presenting and Analysing the Information

Using Images and Photographs

You might decide to insert an image showing the convenience of the car parking facilities and then discuss how this affects repeat purchases:



Source: <http://XYZ.co.uk>

The image above shows XYZ sweet shop and its nearby car parking facilities. As you can see from the picture, although the car park is not owned by the shop, it is very close to the shop's location and customers can use this area to park their car. This increases the chances of repeat purchases as the shop may attract car drivers that regularly pass-by. This was confirmed in my customer survey by two respondents who always stop by in the morning to buy a newspaper and a snack for their lunch.

Analysing the Information

You will need to explain and discuss all the factors that generate repeat purchases in the business you have chosen.

- Explain the factor
- Explain how it encourages repeat purchases and how this helps the business

You will also need to summarise the results from your survey

- What did the owner/s think were the most important factors that generated repeat purchases?
- What did the customers think were the most important factors that generated repeat purchases?
- Did you notice any other factors during your research (from your own observations, etc)?

Analysing the Information – An Example

One important factor identified by 80% of the customers at XYZ Takeaway is the quality of food they serve. These customers tend to use the takeaway late at night, on their way home from a night out with their friends. Because they like the food, they often call by XYZ's. They could eat at a number of other takeaways locally such as Wong's Chinese restaurant or Fred's Fish & Chips (see Appendix 1 for map showing the location of these outlets) but XYZ benefit from repeat purchases because their customers like the quality of food they serve.

I did notice that car parking was quite convenient outside the takeaway. Although this was not identified as an important factor by the owner, 10 out of 12 customers I interviewed certainly liked the availability of parking right outside the outlet. If parking was difficult, customers may choose XYZ once but would not necessarily repeat purchase if they thought parking was going to be a problem – customers would be more likely to find a more convenient store that met all their needs.

Do note that quality of written communication (QWC) **will** be a factor in determining which level can be awarded to you for your analysis.

Evaluation

What does this mean? What do I have to do?

You should aim to look at all of the information you've presented, summarise the two sides of the argument and conclude by making relevant value judgements backed up with sound business concepts and detailed supporting evidence. You could even include detailed suggestions for improvements. Your judgement must be fully justified.

Do note that quality of written communication (QWC) will be a factor in determining which level can be awarded to you for your evaluation

Evaluation – an example

"A successful plumbing business is all about customer service". Do you agree with this statement? Justify your answer.

Indicative content – Both sides to the argument need to be explored

No:

- Customer service is never 'free' – it may increase costs. Price may be more important than good service to some people.
- How often is a plumber needed? Is it a one-off service to customers or is there repeat business?
- Other factors in the business may be as important, such as controlling cash flow.

Yes:

- Good customer service means customers are more likely to use again – this generates additional business.
- Good customer service may mean value for money.
- Good customer service increases customer loyalty and increases the likelihood of repeat purchase.
- Less ‘selling’ involved which can be time consuming and increases costs.
- Word of mouth selling/recommendations – a much cheaper way of advertising the business to generate more sales.
- Information to customers – known price – improves customer confidence and trust.
- Complaints sorted immediately – customers feel confident in using her service and then come back again – increases likelihood of future sales.

Mark scheme

A choice will be made with poorly developed justification and supported by limited examples. For example, ‘Yes, because good service brings in customers.’

Even better if...

A choice will be made with some developed justification and supported by some good examples. At the bottom end of the range the answer will be unbalanced with one side only given any attention. For example, ‘Yes. Good services ensure that customers will return to use the services of a business. Loyal customers not only bring repeat business but give recommendations. Poor customer service can damage reputation.’ At the top end of the range there will be some balance given.

Even better if...

A choice will be made with a clearly developed justification and supported by excellent examples. There will be balance to the answer and a conclusion will be given. For example, ‘On the one hand good customer service may not be absolutely essential. For example, in the case of a plumber, the service may not be needed that often and many single jobs are done for different people. Also, providing good service may come at the cost of higher prices and customers may look for cheaper alternatives. However, poor service is likely to damage the reputation of a business. Word of mouth may spread information that a poor service is provided and this may reduce the number of people asking for work to be done. In plumbing, which is a technical service, this could be vital. So overall, a successful plumbing business is all about customer service.’

It doesn’t matter what judgement you arrive at in your conclusion, providing that it is made using sound business concepts and detailed supporting evidence. You could have completely different conclusion, but still achieve the highest level of evaluation.

GOOD LUCK!

