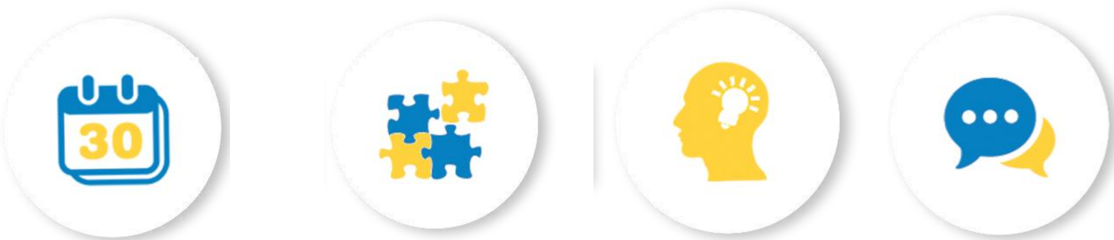
Summer Independent Learning – A Level Business Studies (AQA Exam Board)

By completing these activities as part of your Summer Learning, you will gain:

- a realistic expectation of the Business Studies at A Level and the range of topics covered
- an appreciation of the fact that there will be lots of new content, even if you have studied GCSE Business Studies
- an appreciation of the fact business includes numerical skills
- some understanding of the skills that you will need to develop over the two years of study
- an ability to contribute in class with real world examples
- an inquisitive mind
- an increased ability to hit the ground running at the start of the academic year.

Completing this task will also help you develop the following skills:



Organisation Problem Solving Initiative Communication

Please make sure that you complete all of the tasks fully, and bring your work for review by your teacher to your first Business Studies lesson.

A good business student not only knows their theory, i.e. the content that is on the specification, but also thinks business. Business Studies 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.

Let's start by thinking about what you already know and what your perceptions are about a key business, Aldi, the case study to be used for your Summer Learning work.

TASK: In less than 15 words sum up what you think about Aldi supermarket in the box below.

TASK: Who are the key players in the UK supermarket industry? List them in the box below.

TASK: The supermarket industry can be described as competitive. Explain what you think this means in the box below:

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" You will need to sign in or create an account to watch the video.

https://www.channel5.com/show/inside-aldi-britain-s-biggest-budget-supermarket

TASK: Draw a spider diagram below to summarise any actions that you think Aldi takes to gain a competitive advantage over other supermarkets.

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 SEVEN Ps of the marketing mix can be summarised as:

Product: the good or service that the customer buys

Price: how much the customer pays for the product

Place: how the product is distributed to the customer

Promotion: how the customer is found and persuaded to buy

People: the people who make contact with customers in delivering the product

Process: the systems and processes that deliver a product to a customer

Physical evidence: the elements of the physical environment the customer experiences

TASK: Write a sentence to describe each of the 7P's in relation to Aldi.

Product:
Price:
Promotion:
Place:
People:
Process:
Physical evidence:

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.**

YouTube https://www.youtube.com/watch?v=CJEkTyj_3Fg&t=5s

TASK: Summarise the key points from the video below:

KEY TERMS GLOSSARY.

In Business Studies you will learn a lot of new terminology. So far, you have been introduced to 6 key terms:

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

TASK: Add these terms to a key term glossary /list. Use the search bar on the following website to write full definitions of these words. www.tutor2u.net/business

In year 1 of Business Studies A Level 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.

TASK: Consider the extent to which you agree with the statement ‘Aldi’s growth is nothing but good’, 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										

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.*

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

https://www.channel5.com/show/inside-aldi-britain-s-biggest-budget-supermarket

Add to your previous spider diagram any more actions that you think Aldi takes to gain a competitive advantage.

TASK: What evidence is there of Aldi successfully cutting costs and increasing efficiency? Briefly outline this in the box below.

A topic you will study in year 1 is motivation.

MOTIVATION is the reason why people behave in the manner that they do.

Businesses want to try and increase employee's motivation through their 'will to work' as a business that can motivate the workforce is likely to gain a competitive advantage. Motivation methods can take the form of financial incentives e.g. bonuses and non-financial incentives e.g. increased responsibility.

TASK: What evidence is there from the video of how Aldi tries to motivate their workforce? Briefly outline this below:

Business can sometimes have a power battle between different stakeholders. Big businesses can 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.

TASK: Why do you think big businesses are able to have power over suppliers? Briefly explain in the box below:

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

TASK: To what extent do you think the big supermarkets behaved in an ethical manner when faced with the threat of Aldi entering their market? Use the information in the video to explain your viewpoint and justify your view.

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?

TASK: For each of the following products, rate how important the 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		

What is your favourite brand and why?

TASK: How do you think Aldi have challenged our perception of brands? Briefly explain your opinion below:

In 2013 Aldi had 300 stores in the UK. By 2017 this had increased to 600 stores and 1,020 stores by 2024. An important quantitative skill in Business is the ability to calculate percentage change.

TASK: Fill in the table below to show percentage change between 2013 and 2017, and 2017 and 2023.

2013	2017	2024
300 stores	600 stores	1,020 stores
% change		

If you are unsure how to do this watch the following YouTube clip https://www.youtube.com/watch?v=FOsrkEiZUlg

KEY TERM GLOSSARY

In this section of the SIL you have been introduced to 6 key terms.

- Tactics
- Strategy
- Stakeholders
- Motivation
- Ethics
- Branding

TASK: Add these terms to your key term glossary /list. Use the search bar on the following website to write full definitions of these words. www.tutor2u.net/business

You will also be expected to gain confidence in quantitative skills. In this section of the SIL you have been introduced to quantitative skills, including how to 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/ Human Resources
- Operations/Resource Management

You will study more about these functional areas in Year 1 of your business Studies course.

TASK; Use this link to write a summary of the function of the businesses functional areas listed.
https://www.bbc.co.uk/bitesize/guides/zpvw3k7/revision/5

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-britain-s-biggest-budget-supermarket

TASK: What is the legal ownership of Aldi? State this below:

TASK: What are the advantages and disadvantages of this over being a public limited company? Briefly explain below:

Advantages to Aldi	Disadvantages to Aldi

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.

TASK: Outline the factors which may lead to an increase in demand for Aldi's products.

TASK: One external factor affecting Aldi was the Financial Crisis of 2008/2009. Research the financial crisis of 2008/2009 and state whether you think it was a positive or negative influence for Aldi? Briefly explain and justify your answer below:

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

https://www.ukgeographics.co.uk/blog/social-grade-a-b-c1-c2-d-e This link has further information if you need some more clarification.

TASK: What evidence is there of Aldi's market segment having changed over time? Briefly explain below:

Retrieval Practice (Review)

What is the marketing mix?

PROMOTION includes advertising and sponsorship.

TASK: With reference to Aldi, write your own definition of each of these terms – ADVERTISING, SPONSORSHIP.

TASK: What is meant by branding? Briefly explain below:

TASK: What evidence is there of Aldi using its branding to gain a competitive advantage? Briefly outline this below:

KEY TERMS GLOSSARY

In this section of the SIL you have been introduced to 11 key terms.

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

TASK: Add these terms to your key term glossary /list. Use the search bar on the following website to write full definitions of these words. www.tutor2u.net/business

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.

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

https://www.channel5.com/show/inside-aldi-britain-s-biggest-budget-supermarket

TASK: Spaced Practice of Key Knowledge.

Aldi has achieved growth. Write a paragraph 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!

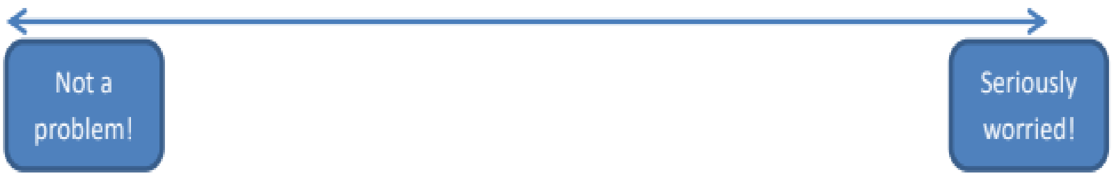
☐ Market share	☐ Competitive industry	☐ Competitive advantage
☐ Marketing mix	☐ Organic growth	☐ Inorganic growth

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

Advantages	Disadvantages

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. Tesco opened Jacks and Amazon has entered the grocery market.

TASK: How worried should Aldi be about these new entrants? Mark your response on the spectrum below.



Now justify your position on the spectrum:

CORPORATE SOCIAL RESPONSIBILITY (CSR) is a business' willingness to accept its ethical obligations to all of its stakeholders.

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

TASK: Carry out some research into Aldi's CSR strategy and make notes of what they are doing below: https://www.aldi.co.uk/corporate-responsibility

TASK: How would you rate Aldi's CSR? Justify your answer using these resources in the box below:

KEY TERMS GLOSSARY

In this section of the SIL you have been introduced to 6 key terms:

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

TASK: Add these terms to your key term glossary /list. Use the search bar on the following website to write full definitions of these words. www.tutor2u.net/business

CONSOLIDATION TASK: Consolidate all of your notes from the four worksheets into a SWOT analysis for Aldi. You could produce this on the computer or by drawing it out on a large piece of paper.

	Positive	**Negative**
Internal	Strengths	Weaknesses
Exteneral	Opportunities	Threats

EXTENSION TASK: Another Channel 5 documentary is “Inside Waitrose”. Watch this to complete a comparative study looking at the similarities and differences, summarising your key findings below:

https://www.channel5.com/show/inside-waitrose/