WJEC GCSE BUSINESS CONTENT LIST

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| **Section 1: Business activity** | | |
| **1.1 The nature of business activity** | | |
| **Content** | **Amplification** | ****** |
| The nature of business activity | The competitive environment |  |
| The dynamic environment |  |
| The identification and response to business opportunities |  |
| The different scale at local, national and global levels |  |
| The interdependent nature of business activity |  |
| Use business data in a variety of different formats to understand business activity and aid problem solving and decision-making | Including qualitative and quantitative data, graphs, tables and charts |  |
| Use mathematical techniques to calculate data in a business context | Including the calculations of percentages, percentage changes and averages |  |
| Interpret qualitative and quantitative data in business contexts to solve problems and support, inform and justify business decisions | Including the selection, interpretation, analysis and evaluation of data such as market share, financial data, marketing data, changes in costs and changes in prices |  |
| **1.2 Providing goods and services** | | |
| **Content** | **Amplification** | ****** |
| The provision of goods and services for consumers and producers | Distinguish between consumer and producer goods, durable and non-durable goods and personal and commercial services |  |
| Distinguish between the private and public sector  in the provision of goods and services | Learners need to recognise the purpose, types of goods and services provided and examples of organisations in the private and the public sector  *(Learners do not need to have detailed knowledge of the public sector)* |  |
| The resources needed to produce goods and services | Including raw materials, machinery and equipment, workers and site |  |
| **1.3 Business enterprise** | | |
| **Content** | **Amplification** | ****** |
| What is business enterprise? |  |  |
| The role of the entrepreneur in business activity and assisting business start-up | Including initiative, innovation, identifying opportunities and organising resources |  |
| The advice and help available to business start-ups | Including Welsh Government schemes (such as Business Wales), small business advice websites, commercial banks and The Prince's trust |  |
| The characteristics of an entrepreneur | Including being a risk taker, using initiative, making decisions, organising the business, being innovative, hardworking and determined |  |
| The motives of entrepreneurs | Including financial, non-financial and social/community (social enterprises) |  |
| The risks and rewards of business enterprise | Learners need to be aware of the types of risks involved such as low sales, unexpected costs and unexpected events |  |
| Rewards can be financial (profit) and non-financial such as satisfaction, building something new and good customer feedback |  |
| Learners are expected to apply their knowledge of enterprise to different business contexts |  |
| **1.4 Business planning** | | |
| **Content** | **Amplification** | ****** |
| Recognise the importance of business planning | Business planning is not only important for new businesses, but also established businesses |  |
| The role of the business plan in business start-ups | Including as a decision-making tool, seeking finance/investment, to show future vision and as a management tool |  |
| The main sections of a business plan | There are various versions of business plans, however, the main sections tend to include business description, marketing, financial, production operations and human resources |  |

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| **1.5 Business aims and objectives** | | |
| **Content** | **Amplification** | ****** |
| The main types of business aims | Including survival, profit maximisation, growth, market share, customer satisfaction, social/community and ethical and environmental |  |
| The role of business objectives in helping a business achieve its aims,  make decisions and to measure business performance |  |  |
| Use of SMART objectives in business | Specific, Measurable, Agreed, Realistic and Timed |  |
| Learners are expected to compose and analyse SMART objectives, such as increase profit by 10% over the next 12 months, in different contexts |  |
| How business aims and objectives differ for different business  organisations | Learners are expected to apply their knowledge of business aims and objectives to different business contexts |  |
| How aims and objectives change in a competitive and dynamic business  environment | The cause of change could be internal factors such as business growth or external factors such as an increase in consumer incomes |  |
| The range of stakeholders involved in business activity | Including owners, employees, managers, customers, suppliers, government and local communities |  |
| How stakeholders influence business activity and business decisions | Including decision-making, aims and objectives operational issues, sales, costs and profits |  |
| The impact of business aims and objectives on stakeholders | Including financial, employment, operational, social, products and services |  |
| How business decisions may have contradictory effects on stakeholders | Learners are expected to understand that with so many different stakeholders there will be disagreements and conflict between them |  |
| Disagreements and conflict include maximising profit, low wages, environmental damage, poor quality products and late payment for materials |  |

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| **1.6 Business ownership** | | |
| **Content** | **Amplification** | ****** |
| The main features of unlimited liability business organisations | Including sole traders and partnerships |  |
| The main features of limited liability business organisations | Including private and public limited companies  *(Learners do not need to know the legal process of incorporation)* |  |
| Learners are expected to understand the concept of limited and unlimited liability and the implications of this in deciding on business ownership |  |
| The advantages and disadvantages of  choosing different business ownership |  |  |
| The main features of  co-operatives and charities | Including aims, ownership and use of profits  *(Learners do not need to know about the process of setting up co-operatives or charities)* |  |
| The most appropriate business structure in different contexts and  scenarios | Including business start-ups, growth, the consideration of aims and objectives, liability, size, finance, control, formation and distribution of profits |  |
| Learners are expected to apply their knowledge of  business ownership to different business contexts |  |

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| **1.7 Business growth** | | |
| **Content** | **Amplification** | ****** |
| The reasons why businesses grow | Including to increase profit, improve market share, reduce competition, diversification, spreading risks and benefits of internal economies of scale |  |
| Internal economies of scale include purchasing, marketing, technical, financial and administrative  *(Learners are not required to know external economies of scale and diseconomies of scale)* |  |
| ***Different methods of growth:*** | | |
| * Internal (organic) growth | Including selling more of current products in existing markets, looking for new markets, launching new products, increasing advertising, promotion and investment |  |
| * External growth (integration) | Including mergers and takeovers (acquisitions) |  |
| Learners are expected to understand horizontal and vertical (forward and backward) integration and their benefits and costs |  |
| The benefits of diversifying into new markets also  need to be considered |  |
| * Franchising | Learners need to understand that franchising is a method of growth for established businesses (franchisor) and a business opportunity for the franchisee |  |
| The advantages and disadvantages of  operating as a franchisor and franchisee | Learners are expected to have a general understanding of how a franchise model works |  |
| The most appropriate method of growth for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of business growth to different business contexts |  |
| The reasons why some businesses remain small | Including market size limitations (including niche markets), availability of capital and desire of the entrepreneur/owners |  |

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| **1.8 Business location and site** | | |
| **Content** | **Amplification** | ****** |
| The factors influencing where a business locates | Including proximity to market, costs, infrastructure labour supply and materials |  |
| These factors focus on a geographical area for location |  |
| The factors influencing the siting of a business | Including accessibility, footfall, costs, size, proximity/closeness to competitors and personal reasons |  |
| These factors focus on a specific site within a geographic location |  |
| Selecting the most appropriate location and site for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of business location and site to different business contexts |  |
| **1.9 The interdependent nature of business** | | |
| **Content** | **Amplification** | ****** |
| The role of the main functions in a business | Including business operations, finance, marketing, and human resources |  |
| How the different functions of business are connected and work together to achieve aims and objectives | Learners need to recognise that business operations, finance, marketing and human resources functions cannot work in isolation and need to work together to make business decisions |  |

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| **Section 2: Influences on business** | | |
| **2.1 Technological influence on business activity** | | |
| **Content** | **Amplification** | ****** |
| How changes in technology affect business activity | Learners are expected to understand that technology can affect business in many different ways and this is constantly changing |  |
| The use of technology in the workplace | Including administration, communication, recruitment and stock control |  |
| Learners are expected to have a broad understanding of the use of computer packages in the workplace including word processing packages for processing information, databases for storing information, spreadsheets for making calculations, video conferencing and networking for communication, presentational software for presentations, computer graphic packages for advertising and promotion and website design packages for building websites *(specific brand products are not required).* |  |
| The use of e-commerce and m-commerce in the selling of goods and  services | E-commerce refers to buying goods and services online via the internet, m-commerce is buying through wireless hand held devices |  |
| Learners need to understand that in a competitive and dynamic marketplace businesses need to utilise the latest technological developments to sell their products |  |
| The use of digital media and social media to communicate with customers | Learners need to understand how digital media and social media have changed the way in which businesses can communicate with their customers and how businesses can use them to meet their objectives |  |
| Learners should be aware of the latest types of social media used by businesses |  |
| The advantages and disadvantages of  using new technology for businesses and  their stakeholders | Technological change is not always positive and does have some disadvantages such as increased dependency on technology, cost (particularly for small businesses), loss of jobs, closure of high street shops and security breaches |  |
| Learners are expected to apply their knowledge of technological influence to different business contexts |  |

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| **2.2 Ethical influence on business activity** | | |
| **Content** | **Amplification** | ****** |
| What is meant by business ethics | Including the identification of ethical and unethical business practices |  |
| The conflict between ethics and profit |  |  |
| The types of ethical issues that impact on business activity | Including ethical marketing, suppliers, animal rights, social responsibility, treatment of workers and fairtrade |  |
| Learners need to understand that most businesses have ethical policies, some of which go beyond legal requirements |  |
| The advantages and disadvantages of adopting ethical policies on businesses and their stakeholders | Including positive effects such as increased consumer attraction, stability of suppliers, employee motivation and negative effects such as the impact on business costs and profitability |  |
| Learners are expected to apply their knowledge of  ethical influence to different business contexts |  |
| **2.3 Environmental influence on business activity** | | |
| **Content** | **Amplification** | ****** |
| The possible environmental costs of business activity | Including pollution, climate change, congestion and use of finite resources |  |
| What is meant by sustainability? | The focus is on environmental sustainability and how business activity may or may not be harmful to the environment and should attempt to avoid the depletion of natural resources |  |
| How businesses can respond to environmental issues and act in a sustainable manner | Including renewable energy, bio-degradable packaging, recycling schemes, Fairtrade, water efficiency and minimising waste |  |
| The advantages and disadvantages of implementing environmentally friendly policies on business and its stakeholders | Including positive effects such as increased consumer attraction, employee motivation, reduced wastage and negative effects such as the effect on business costs and increasing price for consumers |  |
| Learners are expected to apply their knowledge of environmental influence to different business contexts |  |

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| **2.4 Economic influence on business activity** | | |
| **Content** | **Amplification** | ****** |
| The economic factors that affect business activity | Including changing levels of consumer income, unemployment, interest rates and tax rates  *(Learners are not required to know economic theory relating to levels of consumer income, unemployment, interest rates and tax rates)* |  |
| Learners need to understand that the economic climate changes over time |  |
| Learners should be able to identify the main characteristics of the Welsh economy and how these affect business activity |  |
| The impact of these economic factors on businesses and its stakeholders | Learners are expected to apply their knowledge of economic influence to different business contexts |  |
| **2.5 The impact of globalisation on businesses** | | |
| **Content** | **Amplification** | ****** |
| What is meant by international trade? | Understand that this involves exports and imports  *(Concepts of comparative and absolute advantage are not required)* |  |
| The advantages and disadvantages of international trade to UK businesses | Advantages of international trade include growth, new markets, spreading risk, increasing sales and profits and spreading of technical knowledge |  |
| Disadvantages include language barriers, supply chain issues, currency issues and local taxes and laws |  |
| What is meant by globalisation? | The main features of globalisation include increased international trade, development of multinational companies and the free movement of labour and capital across international borders |  |
| The opportunities and threats to businesses operating in a global marketplace | Increase in world trade has resulted in much greater opportunities, but also greater competition |  |
| The impact of globalisation on UK businesses and its stakeholders | Learners need to recognise that there are positive and negative impacts of globalisation on UK businesses and its stakeholders |  |
| What is a multinational company? | Globalisation has resulted in increased numbers of multinational companies |  |
| Learners need to understand the importance of global brands |  |
| Learners need to understand why businesses wish to become multinational companies including increasing market share, cheaper production costs, economies of scale, avoiding trade barriers and government grants |  |
| The impact of multinationals setting up in Wales and the rest of the UK | Learners should recognise that multinationals have positive impacts such as creation of jobs, introducing new technology, contributing to economic growth and increased consumer choice |  |
| Learners should recognise that multinationals have negative impacts such as environmental damage, exploitation of labour, deskilled jobs and profits do not stay in the UK |  |
| What are the European Union and the European single market? | Learners need to have a broad overview of the European Union  *(Detailed knowledge of the European Union organisations is not required)* |  |
| Learners need to understand the concept of a European single market and what impact it has on UK businesses |  |
| The impact of membership and non-membership of the European Union to businesses and its stakeholders | Including free trade between member states, free movement of labour and regulations affecting businesses |  |
| The focus of the impact should be on business and  economic reasons and **not** political or social reasons |  |
| Learners are expected to apply their knowledge of globalisation to different business contexts |  |

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| **2.6 The impact of legislation on businesses** | | |
| **Content** | **Amplification** | ****** |
| The need for legislation in business | Learners need to understand that businesses have to operate within the confines of legislation |  |
| The constraints and responsibilities that legislation puts on business activity | Including employment law, consumer law and intellectual property  *(Detailed knowledge of particular Acts of Parliament is not required)* |  |
| Employment law protects employees in a number of ways such as contracts of employment, discrimination, equal pay and unfair dismissal | Learners need to understand that employees have the right to a minimum wage (including the National Minimum Wage and the National Living Wage), contract of employment, safe working conditions, no discrimination and protection against unfair dismissal |  |
| Consumer law protects consumers in a number of ways such as product quality, fit for purpose, advertising and trade descriptions | Learners need to understand that consumers are protected against unfair selling practices including unsatisfactory quality, misleading advertising practices and the right to accurate descriptions of goods |  |
| Intellectual property protects the originator of inventions, literacy and artistic works through the use of patents, copyright and trademarks | Learners need to have a broad understanding of how intellectual property rights are protected |  |
| The impact of legislation on businesses and its stakeholders | Including costs and profits, marketing, sales, production and human resource activities |  |
| Learners are expected to apply their knowledge of legislation to different business contexts |  |

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| **Section 3: Business operations** | | |
| **3.1 Production** | | |
| **Content** | **Amplification** | ****** |
| The methods of production | Including job, batch and flow (mass) production |  |
| Learners are expected to understand the reasons why businesses decide on their chosen method of production such as, cost, quality, and quantity |  |
| The advantages and disadvantages of each of the different methods of production for a business and its stakeholders |  |  |
| The influence of technology on production | Including automation, computer aided design (CAD), computer aided manufacturing (CAM) and robotics |  |
| Suggest the most appropriate method of production in different contexts | Learners are expected to apply their knowledge of methods of production to different business contexts |  |
| **3.2 Quality** | | |
| **Content** | **Amplification** | ****** |
| Customer expectation of quality | Including physical products and the provision of services |  |
| How a business achieves quality | Including purchasing the right raw materials/components, having the best production processes, employing the right people, training employees and implementing quality assurance |  |
| The importance of quality to a business | Including satisfying customer expectations, increasing customer satisfaction, increasing sales, reducing costs and waste |  |
| Learners are expected to apply their knowledge of quality to different business contexts |  |

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| **3.3 Supply chain** | | |
| **Content** | **Amplification** | ****** |
| The various stages of the movement of goods and services from their source to the end customer: | Learners are required to have an overview of the role of the procurement, logistics and stock control stages of the supply chain *(detailed knowledge of each stage is not required)* |  |
| * Procurement | Including the identification of suitable suppliers (sourcing) and purchasing supplies |  |
| * Logistics | Including transportation of supplies, storage (warehousing) and distribution to the end customer |  |
| * Stock control | Including traditional stock control methods, just in time (JIT) and computerised stock control  *(Construction and interpretation of stock control diagrams are not required)* |  |
| The relationship between the functional areas of a business and its supply chain | Learners need to understand how the supply chain will work with marketing, sales and finance to achieve the aims and objectives of the business |  |
| The impact of supply and logistical decisions on businesses | Including decisions on where to source supplies (such as globally and less developed countries), quality and cost of supplies, how to store and distribute supplies and finished products and how to manage stock control |  |
| Impacts include, costs, quality of finished goods, reliability of delivery, the production process, price change, customer satisfaction, reputation, sales and profits (these impacts can be negative or positive) |  |
| Learners are expected to apply their knowledge of the supply chain to different business contexts |  |

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| **3.4 Sales process** | | |
| **Content** | **Amplification** | ****** |
| The various stages involved in the sales process | Preparing through good product knowledge |  |
| Identify sales opportunities |  |
| Customer engagement:   * Understanding needs and wants of customers * Informing customers of the features and benefits of the product or service * Closing the sale * Following up and after sales |  |
| How the sales process is adapted in different situations | Including retail sales, online sales and high value sales |  |
| The relationship between sales and other functions in the business | Learners need to understand how the sales function will work with marketing, finance, production and the supply chain to achieve the aims and objectives of the business |  |
| The importance of good customer service and meeting customer expectations | Including increasing customer loyalty, increasing customer spend, improving reputation and attracting new customers |  |
| The features of good customer service | Greeting the customer |  |
| Interacting with the customer |
| Identifying customer needs and wants |
| Encouraging feedback from the customer |
| Responding to feedback |
| The situations when business interact with customers | Including sales, queries, complaints and after sales |  |
| How customer service is carried out online | Learners need to be aware of how online businesses adapt the features of good customer service for their websites |  |
| Learners are expected to apply their knowledge of the sales process and customer service to different business contexts |  |

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| **Section 4: Finance** | | | |
| **4.1 Sources of finance** | | | |
| **Content** | **Amplification** | | ****** |
| The main internal and external sources of finance to new and established businesses | Internal: | Owner's capital |  |
| Retained profit |  |
| Selling assets |  |
| External: | Family and friends |  |
| Bank loans and overdrafts |  |
| Venture capitalists and business angels |  |
| New partners |  |
| Share issue |  |
| Trade credit |  |
| Leasing |  |
| Hire purchase |  |
| Welsh, UK and European Union Government grants |  |
| The advantages and disadvantages of the different sources of finance |  | |  |
| The suitability of the different sources of finance in different contexts such as business start-up, cash flow issues and expansion | Learners are expected to apply their knowledge of sources of finance to different business contexts | |  |

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| **4.2 Revenue and costs** | | | | |
| **Content** | **Amplification** | | | ****** |
| What is meant by revenue, costs and profit? |  | | |  |
| Calculate and interpret: | | | | |
| * Fixed costs |  | | |  |
| * Variable costs |  | | |  |
| * Total costs |  | | |  |
| * Total revenue |  | | |  |
| * Profit |  | | |  |
| What is meant by break-even? | Learners are expected to understand the purpose of break-even and how it helps a business understand its costs, revenue and potential profit to inform business decisions | | |  |
| Construct and interpret a break-even chart | Learners are expected to draw a break-even chart, plotting fixed cost, variable cost, total cost and total revenue lines to show the break-even point | | |  |
| Calculate break-even through contribution | Learners are expected to calculate break-even per unit using the formula: | | |  |
|  | fixed costs |  |
|  | contribution per unit |  |
| (contribution is selling price – variable cost) | | |
| The effects on break-even of changes in costs and/or prices | Learners are expected to be aware of the impact of changing costs and revenue on break-even and apply this to different 'what if' scenarios | | |  |
| Learners are expected to interpret break-even data to inform business decisions | | |  |
| The use of profit as a reward for business investment | Learners need to understand that profit is the main motive for investment and provides the measure of success | | |  |
| Learners are expected to apply their knowledge of revenue, costs, profit and break-even to different business contexts | | |  |

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| **4.3 Profit and loss accounts (income statements)** | | | | | |
| **Content** | **Amplification** | | | | ****** |
| The main components of a profit and loss account | Including sales turnover (revenue), cost of sales, gross profit, expenses and net profit | | | |  |
| Construct and calculate a profit and loss account |  | | | |  |
| Interpret a profit and loss account | Learners are expected to understand the importance of the profit and loss account to a business and its stakeholders | | | |  |
| Calculate and interpret gross and net profit margins to comment on business performance | Learners are expected to know, understand and use the gross profit margin (GPM) formula: | | | |  |
|  | gross profit | X 100 |  |
| sales |
| to give the GPM as a % | | | |
| Learners are expected to know, understand and use the net profit margin (NPM) formula: | | | |  |
|  | net profit | X 100 |  |
| sales |
| to give the NPM as a % | | | |
| Learners are expected to interpret GPM and NPM by comparing data from a single business or different businesses over time | | | |  |
| Recommend and justify how to improve profit/reduce costs | Learners are expected to apply their knowledge of profit and loss, GPM and NPM to inform business decisions | | | |  |

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| **4.4 Cash-flow** | | |
| **Content** | **Amplification** | ****** |
| The importance of cash to a business | Learners are expected to know the difference between cash and profit |  |
| What is meant by a cash-flow forecast? | Learners need to understand that this is a prediction of future inflows and outflows of cash for a business |  |
| Construct, calculate and interpret cash-flow forecasts | Including revenue, total revenue, expenses, total expenses, net cash-flow, opening balance and closing balance |  |
| Learners are expected to interpret the data and calculations in a cash-flow forecast to comment on cash-flow situations |  |
| The impact of cash-flow forecasts on a business and its stakeholders | Learners are expected to understand how  cash-flow forecasts can be used to inform business decisions |  |
| Recommend and justify what can be done to improve cash-flow problems | Including increase revenue, reduce costs, delay payments and extra funding |  |
| Learners are expected to apply their knowledge of cash-flow to different business contexts |  |
| **4.5 Financial performance** | | |
| **Content** | **Amplification** | ****** |
| Use data on revenue, costs, profit, profit and loss accounts, cash-flow and ARR to analyse business performance and to make business decisions | Learners are expected to apply their knowledge of financial information to analyse data, solve problems, make evaluations and inform business decisions in different contexts |  |
| Learners are expected to also consider qualitative data to inform business decisions |  |

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| **Section 5: Marketing** | | |
| **5.1 Identifying and understanding customers** | | |
| **Content** | **Amplification** | ****** |
| The importance to a business of identifying and understanding its customers | Learners need to recognise the importance of identifying the right customers and how understanding their needs will contribute to business success |  |
| How markets are segmented | Including age, gender, income, geographic and lifestyle |  |
| The reasons why businesses segment the market | Including the division of mass markets, to target the right products at the right people, to satisfy customer needs, to increase sales and profits |  |
| Learners are expected to apply their knowledge of segmentation to different business contexts |  |

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| **5.2 Market research** | | | |
| **Content** | **Amplification** | | ****** |
| The purpose and importance of carrying out market research |  | |  |
| Distinguish between primary (field) and secondary (desk) research |  | |  |
| The methods of primary and secondary research | Primary: | Surveys |  |
| Focus groups |  |
| Consumer panels |  |
| Interviews |  |
| Observation |  |
| Secondary: | Internal sources such as financial and sales information |  |
| External sources such as government sources, the internet, competitor information, newspapers and magazines |  |
| The advantages and disadvantages of carrying out primary and/or secondary research for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of market research to different business contexts | |  |
| The need for accurate and up-to-date market research data | Learners need to recognise the limitations of market research data | |  |
| Distinguish between qualitative and quantitative market research data | Including qualitative and quantitative data, graphs, charts and tables | |  |
| Interpret, analyse and evaluate marketing research data to solve problems and inform business decisions |  | |  |

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| **5.3 The marketing mix** | | |
| **Content** | **Amplification** | ****** |
| The need for businesses to create a successful mix of the right product, sold at the right price, in the right place and with the most suitable promotion |  |  |
| How the 4P's of the marketing mix, product, price, promotion and place, work together to achieve the aims and objectives of a business | Learners need to understand that a business will combine all elements of the marketing mix to develop a marketing strategy |  |
| How the marketing mix is used to inform and implement business decisions | Learners need to understand that the marketing mix is the tool to implement the marketing strategy and will work with other business functions such as operations, finance and sales, to achieve the aims and objectives of the business |  |
| How businesses will alter their marketing mix over time and in response to changing market factors | Learners need to understand that marketing strategies have to adapt to changing market conditions and the elements of the marketing mix may have to be altered to ensure business success |  |
| How the marketing mix will differ for different types and sizes of businesses | Learners are expected to apply their knowledge of the marketing mix to different business contexts |  |

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| **5.4 Product** | | | |
| **Content** | **Amplification** | | ****** |
| A product is any good or service offered for sale to customers | Learners are expected to have an understanding of: | Product portfolio |  |
| Product differentiation |  |
| Brand |  |
| Packaging |  |
| Product design and innovation |  |
| Unique selling point (USP) |  |
| The use of the product life cycle diagram to show how demand for a product or service might change over time |  | |  |
| The stages of a product life cycle | Including introduction/launch, growth, maturity, saturation and decline | |  |
| What is meant by an extension strategy? | Learners need to be aware of relevant examples such as new versions, changing packaging, new markets and new uses | |  |
| Construct and interpret a product life cycle diagram | Learners are expected to understand what is happening in each stage in terms of sales, revenue and costs | |  |
| The usefulness of product life cycles in making business decisions | Learners are expected to apply their knowledge of product life cycles to different business contexts | |  |

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| **5.5 Price** | | |
| **Content** | **Amplification** | ****** |
| The different pricing strategies used by businesses | Cost plus |  |
| Competitive |  |
| Penetration |  |
| Skimming |  |
| Psychological |  |
| Loss leaders |  |
| Price discrimination |  |
| The use of different pricing strategies for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of pricing strategies to different business contexts |  |

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| **5.6 Promotion** | | |
| **Content** | **Amplification** | ****** |
| The promotional methods used by businesses | Advertising |  |
| Sales promotion |  |
| Direct marketing |  |
| The media available to businesses when advertising their products and services | Local and national press (newspapers, magazines and journals) |  |
| Online |  |
| Radio |  |
| Television |  |
| Cinema |  |
| Point of sale |  |
| Leaflets |  |
| Directory listings |  |
| How technology has impacted on the promotional activities of businesses | Including the use of social media, blogs, search engine advertising, pop-up adverts, digital adverts and mobile advertising |  |
| The importance for a business of selecting the most appropriate promotional method for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of promotion to different business contexts |  |

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| **5.7 Place** | | |
| **Content** | **Amplification** | ****** |
| The channels that are used to distribute the products to the customer | Learners need to understand that place refers to the marketplace, where buyers and sellers meet and exchange payment in return for goods and services |  |
| The different distribution channels used by businesses | Manufacturer - Wholesaler - Retailer – Consumer |  |
| Manufacturer - Retailer – Consumer |  |
| Manufacturer – Consumer |  |
| Learners should understand the impact of the chosen distribution channel on the final price |  |
| The role and increasing importance of e-commerce and m-commerce through online shopping | Including how these have impacted on physical retail outlets |  |
| How businesses use multi-channel distribution | Learners need to understand that multi-channel distribution offers customers a choice of ways to buy a product, such as store, own website, comparison website, telephone and catalogue, in order to maximise sales, profit and loyalty by giving customers choice and convenience |  |
| The importance for a business of selecting the most appropriate marketplace and distribution channel for its goods and services | Learners are expected to apply their knowledge of place to different business contexts |  |

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| **Section 6: Human resources** | | |
| **6.1 Recruitment** | | |
| **Content** | **Amplification** | ****** |
| The importance of having an effective recruitment process to employ the right people with the right job skills |  |  |
| The recruitment process and how this will differ for different businesses in different contexts | Identify job vacancy |  |
| Prepare job description and person specification |  |
| Advertise |  |
| Shortlist |  |
| References |  |
| Interview |  |
| Selection and appointment |  |
| The different methods of recruitment used by different businesses in different contexts | Advertisement – internal/external, recruitment agencies and media selection |  |
| Application method – letters of application, curriculum vitae (CV) and informal contact |  |
| Interview – face to face, telephone and online |  |
| Alternative to interview – skills test, aptitude test, group tests and roleplay |  |
| The advantages and disadvantages of the different methods of recruitment |  |  |
| The most appropriate recruitment process and methods for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of recruitment to different business contexts |  |

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| **6.2 Training** | | |
| **Content** | **Amplification** | ****** |
| The benefits of effective training | Including worker morale, improved products/services, improved customer satisfaction, reduced wastage, staying ahead of the competition and reduce costs |  |
| The situations when training is needed | Including induction, retraining, new technology, new health and safety requirements and creating opportunities for employees |  |
| ***The different types of training:*** | | |
| * On-the-job | Learners are expected to understand the different types of on-the-job training such as demonstration, coaching, mentoring and job rotation |  |
| * Off-the-job | Learners are expected to understand the different types of off-the-job training such as off-site, computer based, sandwich courses and use of outside trainers |  |
| The advantages and disadvantages of on-the-job and off-the-job training |  |  |
| The most appropriate training for employees for different businesses in different contexts and scenarios | Learners are expected to apply their knowledge of training to different business contexts |  |

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| **6.3 Motivation** | | | |
| **Content** | **Amplification** | | ****** |
| The benefits of a motivated workforce | Including lower levels of absenteeism, retention of workers (low levels of staff turnover), improved relations between management and workers, improved worker performance, improved quality and improved customer service | |  |
| The methods which businesses use to motivate its workforce  *(Knowledge of motivational theories is not required)* | Financial methods: | Wages including paying a fair wage, time rate, piece rate and overtime |  |
| Salaries |  |
| Performance related pay including bonuses and commission |  |
| Profit sharing |  |
| Financial fringe benefits such as staff discounts and company car |  |
| Non-financial methods: | Job enlargement |  |
| Job rotation |  |
| Job enrichment |  |
| Empowerment |  |
| Training |  |
| The most appropriate method a business can use to motivate employees in different contexts and scenarios | Learners are expected to apply their knowledge of motivation to different business contexts | |  |

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| **6.4 Organisational structures** | | |
| **Content** | **Amplification** | ****** |
| Recognise that businesses of all sizes need to organise their workforce |  |  |
| The different job roles and responsibilities within a business | Including leaders/owners, managers, supervisors and operatives |  |
| The characteristics of different job roles | Including responsibilities, authority, decision-making, skills and qualities, delegation and pay and benefits |  |
| The characteristics of horizontal (flat) structures and hierarchical (tall) structures | Learners need to understand that structures can be organised by function (department), product or geography |  |
| The advantages and disadvantages of using different organisational structures | Including how businesses resolve the problems associated with hierarchical structures, such as delegation, delayering, and improving communication |  |
| Interpret organisation charts for flat and tall structures | Including the positioning of different job roles, the chain of command, span of control and communication pathways |  |
| The importance of effective communication in the workplace and the consequences of poor communication | Importance of effective communication includes increased employee involvement, improved motivation, working towards the same aims and objectives, aids decision-making and enables employee feedback |  |
| Consequences of poor communication includes low employee morale, increased absenteeism, reduced employee cooperation, incomplete actions/activities and reduction in efficiency |  |
| The evolving nature of working practices | Including flexible hours, home working, job sharing and zero hours contracts |  |
| How organisational structures and working practices will differ between businesses and will depend on a number of factors such as the size of the business, its aims and the market it operates in | Learners are expected to apply their knowledge of organisational structures and working practices to different business contexts |  |