BUS.EN7 The Dynamic Nature of Business: Spotting New Opportunities

AQA 8132 · Calculators not allowed · about 40 minutes

Total Marks

Name: ________________________________ Date: ____ / ____ / ______

Answer ALL questions. Write full sentences for questions worth 3 marks or more. Show any short workings. Maple & Co, a fictional business described in question 1, is used throughout this pack.

1 Maple & Co is a small high-street stationery shop in a UK town centre run by Erin. Over the last year Erin has started selling selected products online through a simple website, and now monitors online sales data weekly. Footfall in the town has been steady but a national low-cost online stationery retailer has opened a dedicated online store, increasing competition on price. Which one of the following changes described in this case is an example of a change in technology that creates a new opportunity for Maple & Co?

- ☐ A) Footfall in the town remaining steady
- ☐ B) Erin monitoring online sales data weekly
- ☐ C) A national low-cost retailer opening a physical store in the town
- ☐ D) Customers preferring printed planners to digital apps

(Total for Question 1 is 1 mark)

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2 In the Maple & Co case above, which one of the following is an example of a change in the market that could create an opportunity?

- ☐ A) Customers liking printed planners
- ☐ B) The town centre footfall being steady
- ☐ C) A national low-cost online stationery retailer increasing competition on price
- ☐ D) Erin updating the shop window display weekly

(Total for Question 2 is 1 mark)

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3 State two types of change that can create new business opportunities for a small high-street retailer such as Maple & Co, naming the type of change in each case and giving one short example of that change in a UK retail context.

(Total for Question 3 is 2 marks)

4 Identify two ways an alert owner of a small shop like Maple & Co could spot new opportunities in their local market. Give one brief action for each way named.

(Total for Question 4 is 2 marks)

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5 Explain how a change in customer tastes towards eco-friendly products could create an opportunity for Maple & Co, the small UK stationery shop run by Erin. Use the case context in your answer.

(Total for Question 5 is 4 marks)

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6 Explain how new technology, for example better website tools and online analytics, could create an opportunity for Maple & Co to grow sales. Refer to the business in your answer.

(Total for Question 6 is 4 marks)

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7 Analyse which creates the bigger short-term opportunity for Maple & Co: (A) a local competitor closing their nearby stationery store, or (B) growth in online shopping nationwide driven by better e-commerce technology. Use the Maple & Co context and reach a reasoned conclusion.

(Total for Question 7 is 6 marks)

8 Which one of the following is an example of a business spotting an opportunity by using primary market research in the Maple & Co context?

- ☐ A) Erin reads a trade blog about stationery trends
- ☐ B) Erin checks weekly online sales data for her own products
- ☐ C) Erin asks local customers in the shop what eco products they would buy
- ☐ D) Erin lowers all prices to match a national retailer

(Total for Question 8 is 1 mark)

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9 Identify which action by Erin at Maple & Co best shows she is exploiting an online opportunity, as described in the case, and give one short reason.

(Total for Question 9 is 1 mark)

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10 State two practical ways Maple & Co could exploit a rise in online demand for personalised notebooks, giving one brief example action for each way.

(Total for Question 10 is 2 marks)

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11 State two possible risks Maple & Co should consider when exploiting a sudden online opportunity, giving one short risk explanation for each.

(Total for Question 11 is 2 marks)

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12 Explain one benefit to Maple & Co of using social media advertising to exploit a new product trend, for example a trending designer stationery range. Use the business context in your answer.

(Total for Question 12 is 3 marks)

13 Explain one immediate benefit to Maple & Co if a nearby competitor closes their physical shop, and apply it to Erin's situation.

(Total for Question 13 is 3 marks)

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14 Which one of the following actions is an example of market segmentation that Maple & Co could use online to spot opportunities?

- ☐ A) Offering the same general discount to every website visitor
- ☐ B) Tracking which age groups buy personalised notebooks and targeting ads to them
- ☐ C) Increasing shop window displays without collecting customer data
- ☐ D) Reducing all product prices by 5 percent

(Total for Question 14 is 1 mark)

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15 Explain one way improved online analytics help Maple & Co spot a new opportunity sooner, giving a brief applied example.

(Total for Question 15 is 2 marks)

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Question 1

- **B1** B cao
- **Answer: B**

Question 2

- **B1** C cao
- **Answer: C**

Question 3

- **B1** one type named with a valid example, e.g. change in customer tastes, example: customers wanting eco-friendly stationery
- **B1** a second type named with a valid example, e.g. change in technology, example: growth in mobile shopping apps
- **Answer: Any two types, for example: change in customer tastes, e.g. more shoppers wanting eco-friendly stationery; change in technology, e.g. growth in mobile shopping apps.**

Question 4

- **B1** one valid method and action, e.g. conduct simple customer surveys, action: ask customers about products they want
- **B1** a second valid method and action, e.g. monitor competitors online, action: track competitor prices and product ranges
- **Answer: Any two, e.g. do customer surveys and ask what they want; monitor competitors online and note new products or prices.**

Question 5

- **B1** identifies the change and opportunity, e.g. customers preferring eco-friendly stationery creates demand for such products
- **B1** develops how Maple & Co could respond, e.g. Erin could source recycled paper products and biodegradable pens
- **B1** develops a further practical effect, e.g. offering eco lines could attract new customers and allow slightly higher prices
- **B1** applies to the case, e.g. Erin could promote eco ranges through the shop window and her website, using online sales data to choose bestsellers
- **Answer: Customers shifting to eco-friendly products creates demand Maple & Co can meet by sourcing recycled notebooks and biodegradable pens. Erin could stock and promote these lines in store and online, attracting new customers and potentially charging a small premium. Using her weekly online sales data would help her identify which eco items sell best and adjust stock accordingly.**

Question 6

- **B1** identifies the technological change and opportunity, e.g. website tools and analytics allow better understanding of customer behaviour
- **B1** develops how Maple & Co could use the technology, e.g. Erin can track best-selling items and visit pages to adjust stock or promotions
- **B1** develops an effect, e.g. targeted promotions and improved product range can increase online conversion and overall sales
- **B1** applies to the case, e.g. Erin monitoring weekly online sales can use analytics to create email offers or highlight top products on the website
- **Answer: Improved website tools and analytics let Erin see which products customers view and buy, so Maple & Co can stock more popular items and run targeted online promotions. This can raise conversion rates and total sales. Erin can use weekly online data to create email offers or feature bestsellers on the homepage, making marketing more effective for a small shop with limited budget.**

Question 7

- **Level 1** (1-3): Identifies relevant points about one or both changes with limited development or limited application to Maple & Co.
- **Level 2** (4-6): Gives developed analysis of both changes, applies the points to Maple & Co, and reaches a reasoned conclusion about which offers the bigger short-term opportunity.
- **Indicative content:**
  - For the local competitor closing: immediate opportunity to attract their customers into Maple & Co, increased footfall, quick gains in local market share, advantage if Maple & Co already stocks similar products and can extend opening hours or local advertising.
  - Limitations of the local closure: customers may switch to other nearby shops or travel online, gains may be limited if the competitor had a different customer base, and physical capacity or stock may limit how much Maple & Co can exploit the opening quickly.
  - For the nationwide growth in online shopping: larger potential customer base, opportunities to scale online sales without needing more shop space, benefits from better analytics and lower marginal cost per additional online sale.
  - Limitations of online growth: requires investment in website tools, delivery logistics, and marketing; competition online is strong including national low-cost retailers, so short-term gains may be harder to capture.
  - Applied judgement: a local competitor closing often offers a clearer short-term sales uplift that a small shop can exploit quickly through local promotions and stock adjustments, whereas growth in online shopping is a bigger medium-term opportunity but may need more time and investment to convert into sales for Maple & Co.

Question 8

- **B1** C cao
- **Answer: C**

Question 9

- **B1** one correct action with a brief reason, e.g. adding a buy-online option to the website, reason: lets customers purchase from home
- **Answer: Adding a buy-online option to the website, because it lets customers purchase from home and grows online sales.**

Question 10

- **B1** one valid way with example, e.g. offer a web customiser where customers choose covers and add text
- **B1** a second valid way with example, e.g. partner with a local print studio to fulfil orders quickly, example: same-week dispatch for personalised items
- **Answer: Examples: add a website customiser to choose covers and add text; partner with a local print studio to fulfil personalised orders with same-week dispatch.**

Question 11

- **B1** one valid risk and brief explanation, e.g. logistics strain, explanation: increased orders could overload packing and delivery capacity
- **B1** a second valid risk and brief explanation, e.g. quality control, explanation: personalised items may have higher returns if mistakes occur
- **Answer: Risks include logistics strain, because increased orders could overload packing and delivery; and quality control issues, because personalised items may be returned if errors occur.**

Question 12

- **B1** identifies a benefit, e.g. targeted reach to likely customers
- **B1** develops the benefit, e.g. social media can be targeted by age, location and interests so adverts reach people who buy stationery
- **B1** applies to Maple & Co, e.g. Erin can run low-cost adverts to local customers and link directly to product pages on her website
- **Answer: Social media advertising can target likely customers by age, location and interests, so Maple & Co reaches people who buy designer stationery. This targeting is low cost and links directly to product pages, letting Erin convert interest into online sales and promote the trending range locally and nationally.**

Question 13

- **B1** identifies a benefit, e.g. potential increase in footfall and customers
- **B1** develops the benefit, e.g. former customers may switch to Maple & Co if it stocks similar products
- **B1** applies to Erin, e.g. Erin could extend opening hours or advertise locally to capture these customers quickly
- **Answer: If the nearby competitor closes, Maple & Co could see increased footfall as former customers shop elsewhere. If Erin stocks similar products she could quickly gain sales, and by extending opening hours or advertising locally she can capture customers who previously shopped at the closed store.**

Question 14

- **B1** B cao
- **Answer: B**

Question 15

- **B1** identifies a way, e.g. analytics reveal rising views and add-to-cart rates for a new product
- **B1** applies with a brief example, e.g. Erin notices a spike in views for personalised notebooks and orders more stock to meet demand
- **Answer: Analytics can show rising page views and add-to-cart rates for a product, so Erin could spot a growing interest in personalised notebooks and order extra stock or promote them more heavily to meet demand.**