APPLIED

wjec cbac

WJEC Level 3 Applied Certificate in BUSINESS

REGULATED BY OFQUAL
DESIGNATED BY QUALIFICATIONS WALES

GUIDANCE FOR TEACHING

Teaching from 2017
For award from 2019



1. Contents

Contents	Section	Page
1. Introduction	1	4
2. Course outline	2	5
3. Delivering the learning outcomes	3	7
Unit 1 programme of study	4	10
Unit 2 programme of study	5	16
Resources	6	21
Glossary of terms	7	26

1. INTRODUCTION

Welcome to your WJEC guidance for teaching, which has been deigned to assist you in the delivery of the Level 3 Applied Certificate in Business. This resource includes a variety of learning activities, which have been directly matched to the requirements of the specification.

It is the intention of this guidance for teaching to be but one of several ways in which WJEC provides assistance to teachers delivering the specification, sitting alongside the specimen papers and CPD.

WJEC provides the following as part of its support for all specifications:

- examiners' reports on each examinations series
- free access to past question papers via the WJEC secure website
- easy access to the specification and other key documents on the main website
- CPD
- easy access to both the Subject Officer and to administrative sections

Contact points for Level 3 Applied Certificate in Business:

Subject Officer:	Stephen Oliver
Subject Support Officer:	Hilary Wyman
Telephone:	029 2240 4258
E-mail:	level3business@wjec.co.uk

2. COURSE OUTLINE

2.1 Overview

The Certificate in Business consists of two units:

Unit 1 The Organisation – Survival and Prosperity
Unit 2 Active Marketing

Each unit is of 90 Guided Learning Hours (GLH). Learners must complete both units to achieve the certificate.

The overall grades for the Level 3 Applied Certificate in Business will be recorded as a grade on a scale, A to E.

2.2 Units 1 and 2

Learners will gain underpinning knowledge, understanding and skills associated with business/retail activities, as well as receiving the necessary foundation of knowledge, understanding and skills should they progress onto the Diploma route. Additionally, the qualification allows learners to gain the knowledge, understanding and skills required to undertake employment within business (including the retail sector).

Learning and teaching activities should reflect the 'applied' ethos of the qualification, i.e. learning through acquiring knowledge, understanding and skills in purposeful contexts linked to the local, regional and national business environment.

Learners' knowledge and understanding of Unit 1 (The Organisation – Survival and Prosperity) will be assessed in June of each year. This external assessment will be in the form of a 2-hour terminal examination consisting of both short and extended answer questions based around given contexts. Learners will be expected, where relevant, to apply their knowledge and understanding gained from studying this unit.

Learners' knowledge and understanding of Unit 2 (Active Marketing) will be assessed internally using an assignment conducted under controlled assessment conditions. External moderation will take place each year in June, centres being required to submit a sample of learners' work in May (date to be confirmed annually). WJEC has provided a model assignment for this unit, together with guidance and criteria related to its use. The model assignment may be used as it is, or adapted to fit with the local sector needs and allow the use of local resources available to the centre. The model assignment includes information on which aspects of the assignment can be adapted.

2.3 Influences on course structure

Centres will need to take the nature and timing of the external assessments into account when planning the course structure. There are many other influences on how the course will be structured by centres, including:

- the applied nature of the qualification, and therefore factors such as the availability of outside speakers and the calendar of external visits/work experience
- the learning benefits to be gained by cross-referencing between the two units being studied at any one time
- the timetabling constraints that all centres face
- the availability of technological support and resources
- centre beliefs and policies

2.4 Making learning and teaching applied and relevant

This is an Applied General qualification. Applied General qualifications "are rigorous advanced (level 3) qualifications that allow 16 to 19 year old students to develop transferable knowledge and skills. They are for students who want to continue their education through applied learning." Source: Technical and applied qualifications for 14 to 19 year olds (DfE 2016).

Ofqual has defined applied learning as:

> "acquisition and application of knowledge, skills and understanding through tasks set in sector contexts that have many of the characteristics of real work or are set within the workplace. Most importantly, the purpose of the task must be relevant to real work in the sector." Source: http://www.ofqual.gov.uk/501.aspx (archived).

Teachers are therefore expected to ensure that learners appreciate that the knowledge, understanding and skills associated with this qualification are vocationally relevant. The information and activities contained in this Guidance reflect an applied and purposeful approach to learning.

2.5 External resource links

Some of the approaches to learning contained in this Guidance are designed to enable learners to work on 'live' projects. Links with retailers and other sector businesses are recommended in order to make the learning experience as comprehensive as possible. The involvement of different types of organisations will support the development of the learners' knowledge, understanding and skills. The table below gives some examples of the benefits for this qualification arising from working with employers.

Benefits to the learner	Benefits to the centre	Benefits to the external organisation
• Employment-relevant skills are developed • Learning becomes more focused and interesting • Application-related skills such as research are developed for future use • Greater confidence to undertake the unit assessment	• Learners are more motivated • Teachers learn/stay up-to-date as a result of supervising application-related activities • Attainment/achievement levels are higher • Local involvement • Improved links with employers/external organisations	• Higher skill levels of future employees • Greater awareness of the organisation and its activities • More and better PR/publicity for the organisation

3. DELIVERING THE LEARNING OUTCOMES

3.1 Planning the delivery

Please recognise that **the activities in this Guidance are suggestions only**. Each centre will decide whether or not these activities are appropriate for learners and/also appropriate given the constraints faced, and it is important to emphasise that local conditions must determine the approach adopted. It is strongly recommended that learning involves different types of businesses supported by employer involvement wherever possible. This will enable the learners to apply knowledge and understanding to the given business/retail environment.

Given the importance of relating learning to known local situations and local contacts and resources, the activities are written in such a way that adaptations can easily be made. The activity structure outlined above can be retained even if the specific topic area is changed: for example, an activity on pricing policy could easily be amended to focus on, say, promotion policy; or the suggested context of a leisure centre could easily be altered to that of, for example, a DIY outlet.

Many of the activities include suggestions of organisation types from which one could be selected. Suggesting such a range reflects the belief that a wide range of organisations studied can only help learners to gain knowledge and understanding of the business/retail world that they are studying, and will better equip them when making decisions concerning future employment.

3.2 Delivering the learning outcomes

The study of business/retail content and concepts rarely takes learners fully along a linear path: in practice, the business/retail subject-matter is often closely interlinked with other related areas of study. As a result, although each activity is cross-referenced to at least one relevant and specific assessment criterion (AC) in the unit to which it relates, the activity will often expect learners to draw upon their knowledge and understanding of other ACs in the given unit, and quite possibly other units. Delivery of the unit content should reflect, where relevant, the interlinked nature of the content being studied.

Although the activities are designed primarily to take place within the classroom learning environment, external involvement is encouraged. Examples of the latter activity include: employer/entrepreneur involvement through, for example, interview or invited talks; customer-based research, for example, by questionnaire; and visits to see organisations in operation. This and similar externally-led work and research is encouraged because such involvement adds effectively to class-based research and creates a more 'applied' learning environment.

Peer learning should also take place. The activities can be undertaken individually, in pairs, or in small or large groups. It is likely to be advantageous to learners if they are given access to the work undertaken by their peers through, for example, individual/group presentation of findings.

3.3 Assessing the activities

The activities are normally structured following an 'incline of difficulty' approach, which is a feature that teachers will need to discuss with their learners. Learners are typically asked to:

- collect information – typically relating to an organisation and some aspects of its operation (such as its products, its employees and/or the external environment in which it operates);
- research into the identified aspect(s) of the organisation – which normally includes the skill of selecting meaningful information;
- analyse the selected information – for example, in terms of the set task/focus; and
- make judgements – by, for example, reviewing findings in the context of the likely future success of the organisation.

Command words **typically** used in the activities, the completion of which should lead to **formative assessment** of learner achievement using these activities, are:

- **Obtain information**
  The learner's performance and achievement is judged on the range, quality and amount of information obtained, coupled with using the normal criteria for reviewing the suitability of any information: for example, is it up-to-date? complete? unbiased? Is the learner aware of the strengths and weaknesses of the information used as a basis for the activity?

- **Research into**
  The learner's performance and achievement is judged on the degree of effectiveness and efficiency that has been displayed in terms of selecting, extracting and applying the information to the set task(s).

- **Analyse**
  The learner's performance and achievement is judged on how thoroughly and accurately the learner has managed to 'take apart' the information selected and used for research, together with the quality and relevance of comments made about the elements that have been identified, plus the quality of argument presented and underpinned by relevant business/retail 'theory'.

- **Assess**
  The learner's performance and achievement is judged on the level of detail and balance of the arguments and conclusions, the degree to which these are supported by relevant research and analysis, together with the clarity of awareness of any limitations or weaknesses of the arguments/conclusions presented.

3.4 Assessing the overall performance

Command words **typically** used for the **summative assessment** of unit performance, using the formal assessment instruments for each unit, are:

Lower level (knowledge, understanding and application)

- **Name, State**
  The learner is expected to provide a brief clarification or exact meaning.

- **Describe, Outline, Suggest, What is . . .?**
  The learner is expected to give a full account or main features of the word, phrase or term.

- **Comment on [given information], Explain, Using [given information] explain . . . (also 'How?' and 'Why?')**
  The learner is expected to make something fully clear by giving detailed information about it.

- **Apply**
  The learner is expected to relate actual knowledge/information to the given situation.

- **Calculate, Create**
  The learner is expected to structure/use numerical information.
  Higher level (analysis and judgement)

- **Identify, Select [from given information] (also 'Why?')**
  The learner is expected to choose something from information that has been presented.

- **Compare**
  The learner is expected to note the similarities or differences between items.

- **Analyse**
  The learner is expected to break information down into its component elements and comment on these elements.

- **Assess, Evaluate, Judge, Recommend with reasons . . . To what extent . . .**
  The learner is expected to make decisions or judgements, giving reasons for and against.

4. UNIT 1 PROGRAMME OF STUDY

4.1 Unit 1 and its learning outcomes

Unit 1 **The Organisation – Survival and Prosperity** has been written to enable learners to demonstrate understanding of how organisational goal setting is influenced by both internal and external factors, and how such factors determine the extent to which organisations achieve their long-term goals. The purpose of this unit is to encourage learners to apply their understanding of the long-term scope and direction of organisations in relation to how resources are configured to meet stakeholder expectations in an ever-changing environment.

The Guidance for this unit focuses on different investigations that draw on business practice, whilst at the same time encouraging learners to review the extent to which the relevant business/retail theory applies in practice. This is one approach that supports the transfer of learning from one business-related context to another. The projects are a mixture of real and scenario-based activities, being designed to be used with retail businesses or other organisations with which the centre has contacts: any organisation types suggested in this Guidance are therefore only suggestions and need to be adapted to local needs and existing contacts. It is recommended that a wide range of organisations – large and small, public/private/voluntary, local and national, different ownership models – be selected in order to allow learners to apply their learning to different contexts and/or situations.

LO 1: Understand the influences on how organisations function within their environment includes an overview of the main sectors and classifications of the UK economy, the key relationships between organisations and their stakeholders as well as between ownership, control and financing of organisations, the role and importance of enterprise and related targeting (mission, aims and objectives, planning), and the impacts that the external environment has upon the activities of an organisation.

LO 2: Understand how organisations function internally incorporates a consideration of the types and roles of the main functions and structures found within present-day organisations, the reliance on and importance of resources, quality and related initiatives, and efficient information and communication flows.

LO 3: Understand the contribution made by an efficient workforce towards achieving organisational goals focuses on the contribution that people make to the work of organisations, and the roles played by recruitment, training/development and motivation in achieving organisational success.

4.2 Possible teaching approach for unit 1

Weeks	Content	Suggestions
1 – 8	The UK economy: • types of organisation, sectors, how they can be classified • why own a business? - ownership, control, finance, enterprise	Utilise learners' experiences of working, shopping etc. Learners classify businesses, for example, by scale and activity, and explore the extent to which they are stakeholders. Local entrepreneur gives talk, learners visit a range of businesses, explore business websites, study two nationally known entrepreneurs and contrast their approaches.
9 – 16	The individual organisation: • goals and plans • structures/functions • resources • the importance of quality • its external environment	Learners review business aims, etc on websites, use case studies of individual businesses. Learners research into how centre is structured, its resources, approach to quality, its external environment, then compare with two different organisations.
17 - 22	Information in organisations: • communication and its effectiveness • role and importance of ICT	Utilise learners' experiences of communicating and using technology. Learners role play/review case studies of good and bad communication, appraise how well individual businesses use ICT.
23 - 30	People in organisations: • employing them • training/developing them • motivating them	Utilise learners' experiences of part-time employment and/or work carried out by family and friends. Learners review information with a local context (e.g. classified ads, visit to JobCentre/check online), role play interview. Learners review how teaching staff are trained, and contrast with another organisation's training strategies.
31 onwards	Revision time for Unit 1 external assessment	

4.3 Suggested learning and teaching activities for Unit 1

Suggested learning/teaching activity for LO 1:

Activity: External factors

Investigate the influence of external factors on the work an organisation that provides an individual product (good or service) or a product range – for example:

- a large-scale manufacturer such as Unilever, GlaxoSmithKline or BAE Systems
- a business providing services for tourists visiting the UK
- a 'high street' retailer
- a local authority or other public sector organisation offering a service to local people.

You will need to:

a) obtain information about the overall business situation, the provider organisation and its aims/objectives, the nature and characteristics of its product(s) or service(s), its main stakeholders, its ownership control and financing, and the nature and characteristics of its external environment
b) research into how the organisation currently serves its customers through operating in its external environment by, for example, investigating the influence of external factors such as the level of competition, prevailing market conditions and changing income levels, environmental issues, social and/or ethical concerns of stakeholders, legal and self-regulatory constraints, and relevant technological developments
c) review how well the organisation is responding to the specific demands/needs caused by any recent key changes in these external factors
d) assess whether or not these responses made by the organisation are helping it develop in order to strengthen its market situation.

(AC 1.1; AC 1.2; AC 1.3; AC 1.5; AC 1.7)

Suggested learning/teaching activities for LO 2:

Activity: Roles and responsibilities

Investigate the roles and responsibilities of two key personnel in an organisation – for example:

- an accounts office manager and a shop-floor employee working in a vehicle or other mass-market manufacturing business
- the owner of a small business that offers a product or service to the local market, and an accountant employed occasionally by the owner to 'do the books'
- a marketing executive and a web designer employed in a retail business whose customers are largely or exclusively online
- a programme maker and a sound engineer working in a television and/or radio broadcasting organisation

You will need to:

a) obtain information about the overall business environment, the provider organisation and its aims/objectives, the nature and characteristics of its product(s) or service(s), and the nature and characteristics of its human resource function;
b) interview the two people in order to research their roles and responsibilities within the organisation: for example, their terms and conditions of employment, relative position in the business hierarchy, their main work tasks, the level of decision-making or other responsibility each has, the personal qualities each is required to exhibits, the skills and qualifications each requires for the work, and the contribution each makes to help the organisation achieve its targets;
c) review how the organisation uses one or more elements of its human resource function – for example, training, development, approaches to motivation – to support the two key personnel.

(AC 2.1)

Activity: Customer service

Assume you are on work experience at a local council. Your supervisor wants to ensure that the council's reputation for excellent customer service is maintained. To this end, she has asked you to create a leaflet for the use of local people relating to the hotel's customer service. She has suggested you use an existing leaflet as a guide, and has given you the following references:

http://www.conwy.gov.uk/upload/public/attachments/436/Customers_first_leaflet_2010.pdf
http://archive.angus.gov.uk/atoz/pdfs/customercareleaflet.pdf
http://www.northampton.gov.uk/downloads/download/2279/customer-service-standards-leaflet

Using this information as a model, construct a leaflet for your supervisor to approve.

(AC 2.1; AC 2.3; also unit 2, AC 1.2)

Activity: Communication

You have been working part-time at a local hotel, which is not part of a national chain such as Travelodge or Marriott. Your hotel's management team is aware of the importance of effective communication with local people.

Your manager wants you to make notes assessing how a competing local hotel communicates with its customers: for example, by leaflets and posters, advertising in the local paper, sending emails and/or other correspondence to existing customers (such as members of its loyalty club), and using its website and social media sites.
Write a series of notes for your manager to use during a meeting of the hotel's management team, when members will discuss the effectiveness of its communication with its customers.

(AC 2.1; AC 2.4; AC 2.5; also AC 1.7)

Activity: Handling and storing information

You have recently been placed on work experience at Cardiff International Airport. It is the only airport in Wales that offers international scheduled flights, and it is also served by scheduled, low-fare, business and charter carriers. It also supports corporate and general aviation. The majority of international flights are to Spain, Ireland and the Netherlands.

Staff at the airport realise that what identifies a 'good' airport in the passenger's mind is, more often than not, the overall airport experience. Customer service is clearly a top priority for the airport as it is important to keep passengers happy and coming back. With the ever-growing numbers of air travellers having wide travel experiences, customers will compare Cardiff Airport with the best they have experienced elsewhere.

You have received the following information from your manager:

> "As an airport, we handle and store a great deal of information about our customers. It is important that we do this well. I've been thinking about creating a training pack for staff – I think it would be of great benefit.
>
> Would you be able to create a document that considers the information we hold on our customers for distribution to all customer service staff? It would be great if it could give examples of the importance of accuracy, confidentiality, security and quality when storing and handling information on our customers at the airport. Please be sure to highlight the effects of data protection legislation."

Create a written document, suitable for inclusion in a training pack to be given to all customer service staff members, which gives examples of the importance of accuracy, confidentiality, security and quality when storing and handling information on customers. Ensure that you have included the influence of data protection legislation.

(AC 2.4)

Activity: Competitors

You are presently on work experience at a local garden centre. You are enjoying this experience and hope to get full-time employment here.

Your garden centre caters for both local residents and people who are visiting your region. The garden centre's management team needs to be fully aware of the actions of competitors, including the ways in which these competitors use their websites.

Your manager has asked you to research into how two regional competitors – one competitor that is part of a regional/national chain, and one that is an independent centre – use their websites. Your manager is particularly interested in how clear, detailed and accurate each competitor's website is with reference to the following:

- The structuring of each competitor's website into different categories or sections.
- Facilities offered by each competitor to children (under 16), to senior citizens, and to other adults: for example, a family café or restaurant, special/'one-off' events for children and their families; a gardening club or gardening courses for adults; advice on gardening.
- Information about each competitor, including opening times, whether (and how) special needs visitors are catered for, how to contact, and advice/directions on how to get to and from the location by both private and public transport.

Present your findings in the form of a report for the manager to study.

(AC 2.1; AC 2.5)

Suggested learning/teaching activities for LO 3:

Activity: Recruitment

Investigate the procedures that an organisation uses to recruit its employees. You will need to:

a) obtain information about your chosen organisation, including an explanation of its employees/employee groups
b) research into the existing recruitment and/or selection procedures that are presently used by the organisation – for example, (recruitment) identifying the vacancy, generating recruitment documentation, arranging job advertising, handling and shortlisting the responses, (selection) planning interviews, undertaking the interviews and any associated testing
c) review these recruitment and/or selection procedures by measuring them against relevant criteria (which could include, for example, factors such as the quality and quantity of information provided about the organisation and the vacancy, the suitability of selection procedures being used, and the extent to which legal, ethical and other relevant influences are being met)
d) assess the extent to which the organisation could strengthen its market situation by improving the recruitment and/or selection procedures

(AC 3.1)

Activity: Motivation

Investigate motivation within an organisation. Your investigation will include the potential influence of a key theorist of your choice on the organisation's approach to motivation, and also the motivational factors that influence one or more of its employees.

You could decide to investigate the influence of, for example:

- Abraham Maslow's hierarchy of needs theory on how a group of employees working in a mass-market manufacturing business are motivated
- Frederick Herzberg's two-factor theory on how the employees of a business whose customers are largely or exclusively online are motivated
- David McClelland's motivational needs theory on how the managers of a small business selling a product to the local market are motivated

Your investigation into the motivational factors that influence the work of at least one employee in the organisation could lead to you interviewing, for example:

- a departmental manager, till operator or stock controller employed by a large retailer
- an accountant and a member of the sales team employed by a small manufacturing company
- an education officer, kiosk operative and member of the catering staff in a leisure business
- a computer technician and a benefits advisor working in a local council

You will need to:

a) obtain information about the chosen organisation and the environment within which it operates
b) research into the main methods used in the organisation to motivate employees in the workplace, including financial incentives (salaries, wages, commission, bonuses, profit-sharing, share options), non-financial incentives (perks and status symbols, meeting training needs), goal setting and appraisals/performance reviews, provision of disciplinary and grievance procedures
c) identify and comment on the influence of one motivation theorist's work on how the organisation motivates these employees
d) assess the extent to which the motivational methods used meet the needs of these employees

(AC 3.3)

4.4 Unit 1 external assessment

Detailed information on Unit 1 learning outcomes, assessment criteria, related mark bands and weightings is given in the specification.

5. UNIT 2 PROGRAMME OF STUDY

5.1 Unit 2 and its learning outcomes

Unit 2 **Active Marketing** has been written to help learners gain an understanding of how organisations develop marketing plans, carry out market and marketing research, and use the marketing mix with a view to achieving marketing objectives. Learners will apply their understanding in the context of the organisation/customer interface, and consider how marketing strategies and related activities contribute towards the achievement of long-term goals.

To understand and appreciate the role that marketing plays in business, centres need to involve learners in the active investigation of marketing in business. As with Unit 1, therefore, the Guidance for this unit focuses on different investigations that both draw on business practice and also encourage learners to review the extent to which the relevant marketing/retailing theory applies in practice. The projects are again a mixture of real and scenario-based activities, which should reflect a similarly wide range to allow learners to apply their learning to different contexts and/or situations.

LO 1: Understand the importance of sales, marketing and customers to organisations requires learners and teachers to review the relationships between markets, marketing and selling, and the importance of customers by considering customer type, customer needs and customer service.

LO 2: Understand the role and importance of market research to organisations focuses learners' attention on the nature of market research, together with the importance of undertaking market research that is both effective and efficient.

LO 3: Understand the nature and importance to organisations of the marketing mix introduces learners to the key elements of the marketing mix – product, price, place, promotion, people, process and physical evidence – and asks them to make judgements concerning the role played by the marketing mix in an organisation's overall marketing strategy.

5.2 Possible teaching approach for unit 2

Weeks	Content	Suggestions
1 – 8	Customers: • customer types and what they look for • importance of customer service	Utilise learners' experiences of being customers and receiving customer service. Learners study examples of how products have been modified to meet customer needs. Learners visit stores to study how customer service operates.
9 – 16	Markets: • types of market • marketing and selling • market research	Utilise learners' experiences of being part of, and buying in, different markets. Learners review market research detail, undertake simple primary research, review secondary research (e.g. online, in library).
17 - 30	The marketing mix: • the product • its price • promoting it • distributing it • people, process and physical evidence • overall marketing strategy	Utilise learners' experiences of the marketing mix. Learners select products to review, e.g. adverts on TV/in social media, comparison of approaches to distribution, comparison of consumer and industrial products, review case studies of marketing strategies undertaken by large businesses.
31 onwards	Additional time to complete Unit 2 internal assessment	

5.3 Suggested learning and teaching activities for Unit 2

Suggested learning/teaching activities for LO 1:

Activity: Markets

Investigate the influence of a mass, digital or niche market on the marketing carried out by an organisation that provides an individual product or a product range - for example, a:

- mass market manufacturer of consumer durable goods
- niche market business that provides services for tourists
- 'high street' retailer concentrating on a niche product
- largely or exclusively online business selling a range of products
- local authority offering services to its local market

You will need to:

a) obtain information about your chosen organisation: for example, the nature and characteristics of its product(s) or service(s), and of its mass, digital or niche market
b) research into how the organisation currently serves this market's customers through its marketing: by, for example, investigating how it uses the 'marketing mix' elements (the 'four Ps' plus, where relevant, people, physical environment, process) to market its product(s) for the benefit of the mass or niche market customers
c) analyse how well the organisation's use of marketing meets the specific demands/needs of its market

(AC 1.1; also AC 3.1)

Activity: Customer needs and customer service

Investigate an organisation's customer needs and customer service for an individual product (good or service) or a product range. You will need to:

a) obtain information about the organisation, including its product(s) and market situation, and the essential and non-essential customer needs relating to the product, including a consideration of any customer segmentation
b) research into the main features of the customer service being offered, such as providing information, assisting and advising, solving problems, handling complaints, keeping records, offering and carrying out after-sales service
c) analyse how the customer service being offered meets customer needs
d) assess whether or not the business should alter its customer service strategies for the product(s) in order to strengthen its market position.

(AC 1.2)

Activity: Customer types

YOTEL (www.yotel.com) was created by YO! Founder Simon Woodroffe, the idea being conceived by Simon after he was upgraded into first-class on a British Airways flight. He decided to take the idea of luxury airline travel and Japanese capsule hotels and create YOTELS that have small luxury 'cabins' rather than traditional hotel rooms.

The first YOTEL opened at London's Gatwick Airport in July 2007, followed by Heathrow in Terminal 4 in December 2007. Today, YOTEL provides products and services to a wide range of customers, typically within airports or city centres. On any one day, the staff at the YOTEL location will deal with a variety of customer types.

You have been told that staff starting work for the company know very little about these various types of customers, and would benefit from a guide to help them appreciate the different customer types.

Your task is to write a document for the staff handbook which categorises the different customers of YOTEL, giving examples for each category of customer, and explaining the importance to YOTEL of understanding customer categories.

(AC 1.2)

Suggested learning/teaching activity for LO 2:

Activity: Market research

Investigate an organisation's market research practices. You will need to:

a) obtain information about your chosen organisation: for example, its mission and/or general/marketing aims and objectives, the business environment within which it operates, and the nature and characteristics of its products, customers and competitors
b) research into the organisation's market research presently being undertaken: for example, its overall use of primary and/or secondary research, its overall use of qualitative and/or quantitative research, and its approaches to collecting market research data (the key methods it uses, such as interviews, questionnaires, observation, industry level and/or government publications, the use of outside market research specialists and how they operate)
c) analyse the organisation's existing market research once it has been measured against relevant criteria (which could include, for example, considering factors such as whether the market research data being obtained is sufficiently complete, relevant, accurate and up-to-date for its purpose)
d) assess whether or not the organisation could strengthen its market situation by reconsidering its existing market research strategy

(AC 2.1)

Suggested learning/teaching activities for LO 3:

Activity: Marketing strategies

Investigate the pricing strategies used by an organisation for its product(s) and/or service(s). You will need to:

a) obtain information about the chosen organisation – in particular, the nature and characteristics of its product(s) or service(s) and its competitors
b) research into the pricing strategies/approaches presently used by the organisation – for example, cost-plus; skimming; penetration; market-led; predatory; price leader or price follower – for its product(s) and/or service(s), considering the degree of competition, availability of substitutes or other business factors that have led to these strategies/approaches
c) analyse how the organisation's pricing strategies/approaches influence its customers
d) assess the extent to which the organisation could strengthen its market situation by reconsidering its pricing strategies/approaches

(AC 3.1)

Activity: Marketing mix

You are presently on work experience at a leisure centre. You are enjoying this and hope to get paid work at the centre in the future. Whilst on your work experience, you meet many of your centre's members. At present, your centre does not offer a corporate membership option to businesses. ('Corporate membership' is when a business's employees who join a centre gain in some way, such as by paying a lower membership fee.)

Your manager has given you the following information.

- The draft slogan *'Fitter workforce equals fatter profits'* has been proposed. This slogan will indicate the likely benefits to entrepreneurs/directors/business owners as a result of their employees becoming fitter through corporate membership of your centre.
- There will be two corporate membership options:
    - The 'small business' option - this will be targeted at businesses employing fewer than 50 people and will offer a 20% reduction on the cost of individual membership to their employees.
    - The 'large business' option - this will be targeted at businesses where at least 40 employees will join the scheme and will offer a 25% reduction on the cost of individual membership to their employees. These corporate member businesses may further enhance their corporate membership through negotiation; for example, by negotiating to hire exclusive use of your centre's facilities by their employees at certain times, for a given fee.
- Entrepreneurs/directors/business owners will be encouraged to visit your centre to discuss possible corporate membership. During this visit a PowerPoint or similar visual presentation will be given, which will include a contact name and number (but for the moment your manager wants you to leave this information blank).

You will need to:

a) consider the role of, and relationship between, 'product', 'price' and 'promotion' in terms of the corporate membership option being planned by centre management
b) research into corporate membership options being offered by competitor leisure centres, commenting on product, price and promotion features
c) create, for the management team to view, a suitable presentation (for example, PowerPoint) to communicate and promote corporate membership of the centre to these visitors – your presentation will need to reflect your findings relating to product, price and promotion

(AC 3.1)

5.4 Unit 2 internal assessment

Detailed information on Unit 2 learning outcomes, assessment criteria, related mark bands and weightings is given in the specification.

6. RESOURCES

6.1 Unit 1 resources

Generic resources for the unit

A key resource will be the learner's local business environment. Learners will need a detailed knowledge of business theory, and textbooks and web-based resources will be valuable.

Books/resource packs

Examples include:

Coupland-Smith H and Mencattelli C, BTEC Level 3 National Business Teaching Resource Pack (Pearson 2010) ISBN 9781846906367

Wolinski J and Coates G, AQA A level Business 1 (3rd ed) (Hodder Education 2015) ISBN-10 1471836096

WJEC A Level Business Studies notes

Other resources

Business and business education-related websites will provide relevant information. These include:

The BBC http://www.bbc.co.uk/news/business

Business in the Community http://www.bitc.org.uk/

Business Week http://www.bloomberg.com/businessweek

Times100 https://www.tes.com/member/The%20Times%20100

'Broadsheet' newspapers such as the Guardian, The Telegraph and the Financial Times, and e-magazines such as The Economist, contain appropriate business-related articles.

Websites for LO 1

AC 1.1

https://www.ons.gov.uk/economy
https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016
http://visual.ons.gov.uk/five-facts-about-the-uk-service-sector/
https://www.gov.uk/set-up-business
https://www.gov.uk/unincorporated-associations
https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation

AC 1.2

https://www.stakeholdermap.com/stakeholder-definition.html
http://businesscasestudies.co.uk/reed-elsevier/corporate-responsibility-and-stakeholders/the-benefits-of-a-stakeholder-focus.html#axzz4YCerIpJo

AC 1.3

http://www.tutor2u.net/business/reference/divorce-between-ownership-and-control

AC 1.4

http://www.enterprisefirst.co.uk/
http://www.learnmarketing.net/enterprise_skills.html
http://www.tutor2u.net/business/reference/entrepreneurs-and-enterprise-skills-revision-presentation

AC 1.5

https://www.starbucks.co.uk/about-us/company-information/mission-statement
https://www.brighthr.com/brightbase/topic/culture-and-performance/mission/purpose-of-a-company-mission-statement
http://www.tutor2u.net/business/reference/mission-statements
https://www.startuploans.co.uk/business-advice/setting-business-aims-objectives/
http://www.learnmarketing.net/smart.htm
http://study.courseworkshub.com/assets/uploads/Aims-and-objectives-of-sainsbury-s-and-oxfam.pdf
https://www.communityfoodandhealth.org.uk/advice-resources/planning-management/aims-objectives-making-plan/

AC 1.6

https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans?gclid=CMeOxO-ug9ICFc-87QodZ4oJRw
https://www.gov.uk/write-business-plan
http://www.business.natwest.com/business/business-plans.html

AC 1.7

http://www.tutor2u.net/business/reference/pestle-analysis-video
https://www.ukessays.com/essays/business/pestle-analysis-of-nike-macro-environmental-factors-business-essay.php?utm_expid=309629-42.KXZ6CCs5RRCgVDyVYVWeng.0&utm_referrer=https%3A%2F%2Fwww.google.co.uk%2F
http://pestleanalysis.com/pestle-analysis-everything-you-need-know/

Websites for LO 2

AC 2.1

http://www.tutor2u.net/business/reference/introduction-to-organisational-structures
http://study.courseworkshub.com/assets/uploads/Sainsbury-s-organizational-structure.pdf

AC 2.2

http://www.kibble.org/publication_scheme/class_5

AC 2.3
http://www.tutor2u.net/business/reference/quality-management
http://www.tutor2u.net/business/topics/total-quality-management-tqm
https://writepass.com/journal/2017/01/total-quality-management-a-case-of-barclays-bank/
AC 2.4
http://www.tutor2u.net/business/reference/effective-communication-in-a-business
http://www.tutor2u.net/business/reference/barriers-to-communication-in-a-business
AC 2.5
http://www.bbc.co.uk/bitesize/higher/business_management/business_enterprise/business_information_ict/revision/6/
http://www.tutor2u.net/business/topics/ict

Websites for LO 3

AC 3.1
https://www.gov.uk/browse/employing-people
http://www.acas.org.uk/media/pdf/1/p/H01_1_1.pdf
http://www.xperthr.co.uk/good-practice-manual/recruitment-selection-techniques/151923/
http://www.bbc.co.uk/bitesize/higher/business_management/human_resource_management/recruitment_selection/revision/1/
AC 3.2
http://www.businessballs.com/traindev.htm
https://www.toshibatec.co.uk/careers/learning-and-development
http://www.tutor2u.net/business/blog/qa-what-is-involved-in-a-training-strategy
AC 3.3
http://www.tutor2u.net/business/reference/motivation-introduction
http://www.tutor2u.net/business/reference/motivation-mcgregor-theory-x-theory-y
http://www.tutor2u.net/business/reference/motivation-theory-maslow-video
http://www.tutor2u.net/business/reference/motivation-financial-methods-revision-quiz
http://www.free-management-ebooks.com/news/mcclellands-human-motivation-theory/
http://www.free-management-ebooks.com/news/herzbergs-motivators-and-hygiene-factors/

6.2 Unit 2 resources

Generic resources for the unit

The topic of marketing is a really accessible one for learners, largely as the result of their everyday lives and experiences. It is therefore appropriate that learner experience should form a key resource for the learning process in this unit.

Books/resource packs

Examples include:

Blick D, The Ultimate Small Business Marketing Book (Filament 2011) ISBN-13 978-1905493777

Kitchen T and Ivanescu Y, Profitable Social Media Marketing 2nd ed (CreatSpace 2015) ISBN-10 1519611925

Ryan D, Understanding Digital Marketing 3rd ed (Kogan Page 2014) ISBN-10 0749471026

Other resources

The internet should be treated as a valuable resource for this unit. As an example, the websites (2017) of market research organisations can be explored and utilised in research activities, such as:

https://www.b2binternational.com/ B2B International – includes blogs and press articles

http://www.mintel.com/ Mintel – contains blog, B2B and other reports

http://redshiftresearch.co.uk/ Redshift Research – blog and case studies.

Websites for LO 1

AC 1.1
http://www.tutor2u.net/business/reference/what-is-marketing
http://www.tutor2u.net/business/reference/marketing-objectives-revision-presentation
http://www.tutor2u.net/business/reference/understanding-markets-revision-video
http://www.tutor2u.net/business/reference/niche-markets-and-mass-markets
http://www.freshfields.com/uploadedFiles/Locations/Global/TKT2015/TKT4.pdf
AC 1.2
http://www.channel4learning.com/sites/gcsease/leisure_tourism/3_3.html
http://businesscasestudies.co.uk/business-theory/marketing/types-of-customer.html#axzz4YCerIpJo
http://businesscasestudies.co.uk/business-theory/marketing/customers-needs.html#axzz4YCerIpJo
http://www.enimarketing.com/customer-needs/
https://www.marketingdonut.co.uk/customer-care
http://www.marketingtechnews.net/news/2016/aug/11/how-brands-can-keep-customer-services-expectations/
http://www.marketingtechnews.net/news/2016/jul/21/amazon-wilko-and-land-rover-top-uk-customer-service-index/

Websites for LO 2

AC 2.1
https://www.marketingdonut.co.uk/market-research
https://www.bl.uk/business-and-ip-centre/articles/primary-market-research-vs-secondary-market-research
https://www.bl.uk/business-and-ip-centre/articles/why-is-market-research-important-for-new-business-ideas
http://trend-monitor.co.uk/use-primary-secondary-research

Websites for LO 3

AC 3.1
http://pestleanalysis.com/what-is-the-marketing-mix/
http://www.tutor2u.net/business/topics/marketing-mix
http://wearegrow.com/10-steps-to-building-the-perfect-marketing-mix-for-your-business/
http://digitalmarketingmagazine.co.uk/digital-marketing-features/3-key-ingredients-for-an-effective-marketing-mix/4018
http://research-methodology.net/gap-inc-7ps-of-marketing-focus-on-product-component-of-the-marketing-mix/
http://research-methodology.net/british-airways-7ps-of-marketing/
http://research-methodology.net/ebay-7ps-of-marketing/
https://www.ukessays.com/services/example-essays/business/analysis-of-lidls-marketing-strategy.php
AC 3.2
http://research-methodology.net/tesco-marketing-mix/
https://www.nibusinessinfo.co.uk/content/digital-marketing-plan-tactics
https://www.marketingdonut.co.uk/marketing-strategy
http://www.thedrum.com/news/2016/09/24/ten-tips-building-effective-marketing-strategy

7. GLOSSARY OF TERMS

Above-the-line (promotion)
Using independent/mass media to target consumers

Absorption costing
A costing method that takes into account both direct and indirect costs, which are 'absorbed' into the total cost of the product

Accounting rate of return (average rate of return) (ARR)
An investment appraisal method that calculates the return from the net income of the proposed investment

Advertising
Paid methods used by a sponsor to communicate the product to actual/potential customers

AIDA
The Attention-Interest-Desire-Action model, used to describe the stages of customer awareness and action

Appraisal
Reviewing an employee's overall contribution to the organisation, for individual growth/development

Allocation and apportionment of costs (overheads)
The identifying of specific costs (allocation) or the sharing of a general cost (apportionment) relating to a product

Assets
Items owned by a business

Asset turnover
The value of sales generated by the business's assets

Base year
The year chosen for an index and normally given the value of 100, against which the performance in all other years is compared

Below-the-line (promotion)
Controlling promotion of a product using non-mass methods, e.g. trade shows, direct mail, targeted search engine

Benchmarking
Measuring the quality of an organisation's policies and products, and comparison against standard measurements/measurements of its competitors

Breakeven analysis
The objective of determining the minimum number of units to sell in order to avoid making a loss, and to review the interrelationship between output, costs and profit

Breakeven point
The output level at which neither a profit nor a loss is being made

Brick and click (clicks and bricks, or click and mortar)
A business model in which the business is both online and has a physical operation

British Independent Retailers Association (BIRA)
A trade association representing UK independent retailers

British Retail Consortium (BRC)
A trade association representing UK retailers

Budget
A plan expressed in financial terms: also, an allocation of a set amount of money for a particular use

Budgetary control
The comparison of actual results against budgeted figures to establish the efficiency or otherwise of the specific product/activity/location in the business

Budgeting
The act of preparing and implementing a series of individual budgets

Business aim
A long-term statement of intent, which is not easily measured as it stands

Business objective
A short-term statement of intent that is measurable, e.g. using the SMART approach

Capital
The amount invested or employed in a business

Capital expenditure
Purchase of long-term assets for use by a business to make profit

Catchment analysis
The process of identifying the best location for an outlet

Clicks and bricks
See 'Brick and click'

Competitor array
A form of competitor analysis based on reviewing the industry, the competition and the customers, followed by rating the competitors

Competitor profiling
A form of competitor analysis based on establishing areas/factors where the business has an advantage over its competitors

Concepts (Accounting)
Assumptions, conditions or 'rules' that help determine financial values and/or policies

Consumer panel
A group of people asked by a business to comment on a chosen product

Contribution
The amount by which the product's selling price exceeds its variable cost, this amount being a 'contribution' towards the fixed costs that have to be paid regardless of sales levels

Contribution analysis
Used in decision making, a review of products based on the contributions they make towards meeting the fixed costs of the business, rather than making decisions based purely on profit figures

Contribution pricing
Setting a price so, at the very least, such a price will contribute to overall gross income even if there is no contribution to net income (therefore the price at least covers the product's share of fixed costs)

Cost of sales (cost of goods sold)
The direct costs linked to the items sold

Cost-plus pricing
A fixed profit factor is added to the cost of a product to establish its price

Current assets
Cash, and other 'short-term' assets that are expected to be turned quickly into cash

Customer retention
When the business seeks to reduce the number of customers who do not repeat purchase its product

Delphi method
Structured communication involving a panel of experts who answer questions and/or complete questionnaires

Digital marketing
Marketing products through using digital channels to reach consumers

Direct costs
Those costs that can be directly linked to a product

Direct (channel of) distribution
Moving the product from seller to buyer without the intermediate stages of wholesaler and/or retailer

Direct marketing
Selling products directly to the public, e.g. via mail order

Discounted cash flow (DCF)
An investment appraisal method using the time value of money, i.e. appraising the proposed investment by estimating future cash flows, discounted to give their present values (PV)

Diseconomies of scale
Economies of scale no longer apply, normally through size, resulting in an increase in marginal costs for the business (increasing average costs of production)

Economies of scale (external)
These positive externalities arise from activities outside the control of the business, relate to the industry or area as a whole and result in declining marginal production costs (falling average costs of production)

Economies of scale (internal)
Arising from the growth of the business, they are business-specific and occur when unit costs fall as output increases (declining marginal costs of production)

Efficient consumer response (Efficient customer response) (ECR)
A supply chain strategy employed to improve/increase the services available to consumers through close co-operation at each stage of the chain

Enterprise
Activity undertaken for profit/growth but having a risk element

Equity
The value of (ordinary) shares in a company

Exclusive distribution channel
An agreement where the seller gives the retailer exclusive rights to distribute the product

Expenses
Costs of a business that will be set against its revenue to calculate profit or loss

Financial statements
The ‘final accounts’ of a business, i.e. the income statement showing profit or loss, the balance sheet displaying assets and liabilities (plus the statement of cash flows and statement of changes in equity)

Fixed assets
See 'Non-current assets'

Fixed base index
The stated price at any time is compared against the original base (normally having a value of 100), and this base date/value does not change throughout the lifetime of the index

Fixed cost (finance)
A cost that stays the same regardless of changes in output

Flexible budgeting
Setting budgets that are adjusted ('flexed') for changes in activity/output so that actual and budget figures can be validly compared

Focus group
A group of people brought together to discuss a product before launch

Franchisee
The buyer/operator of a franchise

Franchisor
The seller of a franchise

Functions
The different sets of activity carried out, often by departments such as Marketing or Finance

Gearing
The ratio of a company's debt (loan capital) to its equity (ordinary share capital)

Gross profit
The amount by which sales exceeds cost of sales

Gross profit margin (percentage)
Gross profit expressed as a percentage of sales

ICT
Information and Communication Technology, incorporating devices, services and applications linked to communication/communicating information

Index number
A number that shows the price/cost of something compared with its price at a specific earlier date (usually having a value of 100 to assist the comparison)

Indirect costs (overheads)
Those costs that cannot be traced to a specific product, and therefore have to be apportioned

Indirect distribution
The product passes through at least one other stage in addition to seller and buyer

Induction training
Introductory activities for new employees to enable them to become settled and efficient as quickly as possible

Innovation
A new method, process or procedure that helps business efficiency/growth

Intensive distribution channel
Selling through as many outlets as possible

Inventory
Stock items for use in production or available for resale

Just-In-Time (JIT)
An inventory strategy used by a business to control stockholding and related costs, by receiving the stock only as it is needed in the production process

Kaizen
The philosophy of continuous improvement of working practices and personal efficiency

Liabilities
Items owed by a business

Liquid assets
Cash and assets that can easily be turned into cash, e.g. trade debts, but not inventory (stock)

Liquidity
A measure of the extent to which a business can meet immediate/short-term debts

Loss
The amount by which a business's expenses exceed its revenue

Margin of safety
The volume of sales above the breakeven point, i.e. the number by which sales can fall before the business starts making a loss

Market research
Research undertaken by a business into the market for its products

Market-based (market-led) price strategy
Also known as competition pricing, the seller sets the price at or near the prices of competing products

Marketing mix
The various factors/inputs that a seller uses to influence consumers to buy the product

Marketing models
Theoretical models, e.g. Ansoff Matrix, BCG Matrix, used to analyse the market situation of a business/product

Marketing research
Research undertaken by a business into the efficiency of its marketing function

Mark-up
A percentage is added to the cost of a product to establish its price

Margin
Expressing the profit as a percentage of the selling price

Marginal costing
Using marginal costs (in practice, the variable costs) as the basis for decision making by distinguishing between fixed and variable costs

Mass market
A market for goods produced in large quantities

Merchandising
Promoting the sale of products, particularly in retail outlets

Mission statement
Formal summary of the aims and values of an organisation

Moving average
A sequence of averages calculated from successive figures, the average 'moving' as the sequence moves step by step

Mystery shopper
A person paid by a business to visit a shop/outlet incognito and to comment on aspects of the outlet

Needs (customer)
The desire a customer has for the benefits from a product that will fulfil a requirement the customer has

Net current assets
Current assets less current liabilities

Net present value (NPV)
The difference between the present value of cash inflows and the present value of cash outflows, closely linked to the discounted cash flow investment appraisal method

Net profit
See 'Profit for the year'

New product development (NPD)
The complete process of bringing a product to market

Niche market
A specialised market for a product

Non-current assets
Long-term assets used by the business to generate profit

Non-profit making organisation (non-business entity)
An organisation established to provide a service or activity, having a goal other than to make profit

Off-the job training
Training activities undertaken away from the employee's normal place of work

On-the-job training
Training activities undertaken at the employee's normal place of work

Open to buy (OTB)
The activity of planning merchandise sales and purchases; also merchandise budgeted for purchase by a retail store during a certain time period that has not yet been ordered

Overheads
See 'Indirect costs'

Payables collection period
Creditors compared with credit purchases

Payback method
An investment appraisal method based on the time it takes to recoup the original investment

Personal selling
Face-to-face selling where the seller attempts to persuade the potential customer to buy the product

PESTEL
Analysis undertaken of a business's external influences, categorised into (e.g.) political, economic, social, technological, environmental and legal

Physical distribution
The handling, storage and movement of products from the point of origin to the final consumer

Point-of-sale (POS)
The place where sales are made, e.g. a local area, a checkout till

Predatory pricing
A price is initially set so low as to force competitors out of the market

Price penetration strategy
The initial price is set low to attract customers to the brand

Price skimming strategy
The seller sets a high price, normally before other competitors enter the market, the price falling over time

Product lifecycle
The different stages a product typically goes through during its existence in the marketplace

Product portfolio
The range of products sold by a business

Profit
The excess of revenue over expenses

Profit for the (financial) year
The 'net' profit, i.e. the profit after all expenses have been deducted from revenue

Profitability
The measurement of profit against some other figure, e.g. capital employed or turnover, to establish the financial success of the business

Promotion (marketing)
The advancement of a product through publicity and/or paid methods of communication

Psychometric test
A standardised procedure used to measure attributes such as aptitude, personality or intelligence

Public relations
Maintaining a favourable public image for a business through professional activities

Qualitative research
Collecting information about opinions, views, beliefs and intentions

Quality assurance
Systematic checking to ensure a product maintains the desired level of quality

Quality circles
Groups of employees who meet regularly to consider how to resolve problems/improve production

Quality control
Maintaining quality standards through sample testing

Quality engineering
Analysing management systems at all stages in order to improve the quality of the production process

Quantitative research
Numerical-based research, normally into a sample representing the consumer population

Quick response (QR)
A technique used in retailing to reduce order response time, and to obtain greater accuracy in despatching goods (e.g. through using computerised equipment)

Receivables collection period
Debtors compared with credit sales

Recruitment
The act of attracting new employees to a post

Research and development (R&D)
Innovative work directed towards introducing new (research), and improving existing (development), products

Return on capital (employed)
A measure of how efficiently the capital employed in the business is generating profit

Revenue
Income of a business, against which expenses are charged

Revenue expenditure
'Day-to-day' expenses met by a business

Sales forecasting
The process of estimating future sales, using techniques such as time series analysis that incorporates trends, seasonal and cyclical variations, and random variations

Sales promotion
Normally a short-term tactic used to stimulate product sales through merchandising and related activities

Sampling
The process of selecting a representative proportion of the population, typically those who are actual and/or prospective customers

Sector
Businesses operating in a part of the economy that are identifiable either by activity, ownership (public/private/voluntary), legal status, frequency or location (local/national/global)

Selection
The act of obtaining new employees via interview or related process

Selective distribution channel
Using more than one, but not all, channels available to the seller

Semi-variable cost
A cost that contains both fixed and variable elements and so changes as output changes, but not in direct proportion

Shrinkage
The loss of inventory through activities such as employee/customer theft, damage in store and damage in transit

SME
Abbreviation used for small and medium-sized enterprises, defined by either number of staff, balance sheet total or turnover

Social media analytics
Gathering data/information from various blogs and social media websites, often stakeholder-based

Solvency
The degree to which a business's current assets exceed its current liabilities

Stakeholder
Relationship a business has to an internal or external person, group or organisation

Standard costing
A costing method using standard (predetermined) costs, i.e. target costs under normal operating conditions

Stepped cost (Step cost)
A cost that does not change steadily as output changes, but will change at a set output (e.g. renting a second delivery vehicle once sales reach a certain point)

SWOT analysis
Analysis undertaken in a business to judge its strengths and weaknesses (internal factors), and to anticipate its opportunities and threats (external factors), to aid decision making

Test marketing
Using a representative segment of the total market to test the success or otherwise of a new product about to be launched

Time series analysis
Using statistical methods to predict future performance (sales)

TQM
Total quality management, a structural approach to improve product quality through refinements arising from feedback

USP
Unique selling proposition (or point), a factor that differentiates a product from competing products

Value analysis
The business reviews and judges every feature of a product in order to ensure the lowest cost for its functionality, by eliminating all unnecessary costs that contribute nothing to the product's quality or functionality

Variable cost
A cost that varies directly with a change in output

Variance
The difference between the actual and budgeted figure

Virtual distribution
The electronic (internet) connection between seller and buyer

Virtual product development (VPD)
Developing and prototyping a product in a digital environment (2D or 3D)

Wants (customer)
The desire for a product that is not necessary but one that the customer wishes to buy

Web(site) audit
Analysing the factors that affect the visibility in search engines of a business's website

Working capital
See 'Net current assets'

Zero defects
Ensuring quality and seeking to reduce defects to zero through a 'right first time' approach