



GCSE

3510U20-1A

WEDNESDAY, 5 JUNE 2024 – AFTERNOON

BUSINESS

Unit 2: Business Perceptions

Resource Material

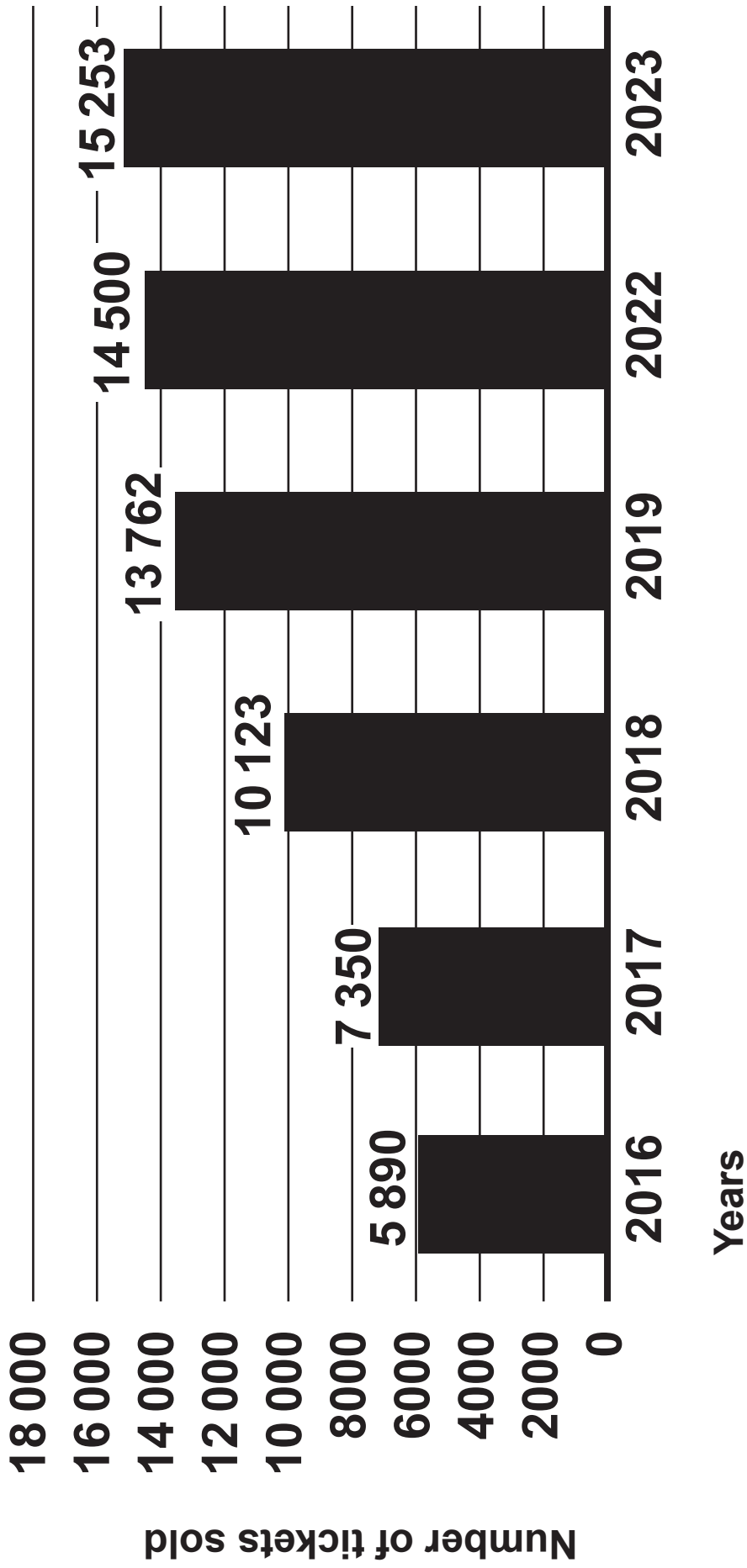
- PowysRocks is a 3-day summer music festival that takes place once a year in August, in a rural (countryside) location 10 miles west of Llandrindod Wells, Powys. The festival was held for the first time in 2016 and is the only event organised and run by PR Partnership. PR Partnership, which consists of four local business people, decided to start up the festival following the increased popularity of music festivals in the UK. PR Partnership carried out market research into the UK music festival market before investing. Opposite is a map of the festival site for 2023.**

PR Partnership uses other businesses to provide many of the services required to run a successful music festival:

- PR Partnership pays the music acts and the businesses that provide security, staging, camping facilities, toilets and showers.**
- Other businesses such as caterers and stallholders (selling clothes, groceries and children's toys) pay PR Partnership to rent a space to sell to people at the festival (festivalgoers).**

StagingUK Ltd has been used by PR Partnership since the festival started in 2016. StagingUK Ltd supplies the five stages, sound and lighting equipment which it constructs one week before the start of the festival. It then dismantles and removes the equipment after the festival ends. StagingUK Ltd is responsible for the safety of the staging throughout the festival. StagingUK Ltd employs over 100 workers to carry out these tasks, many of whom would be on zero-hour contracts.

Ticket sales for PowysRocks from 2016 to 2023



The number of tickets sold for PowysRocks has been steadily increasing. The chart opposite shows the numbers of tickets sold each year. In 2020 and 2021 the music festival did not take place.

In 2023, the festival hosted around 200 different music acts across the five stages. A ticket for the festival cost an average of £195 per person.

PowysRocks is similar to many other music festivals where most of the festivalgoers drive to the festival, park in the on-site car parks and stay in tents or campervans in fields surrounding the stage areas. However, some festivalgoers may arrive by public transport or choose to stay in nearby self-catering accommodation, local hotels or B&Bs and may also visit other local attractions. In fact, the positive impact from visitors coming to the local area and spending money outside of the festival site means that PR Partnership receives grants from the local council.

PR Partnership tries to ensure that PowysRocks is an ethical festival. For example, it rents space at the festival to businesses that sell Fairtrade products, caterers with high animal welfare standards and businesses that employ workers from the surrounding areas.

(Turn over)

PR Partnership invests over £2 million each year to plan and set up the festival. Tickets are available throughout the year although most tickets are sold between January and March. PR Partnership made a profit of £590 000 in 2023 and it is hoping to increase this in 2024, although this will require further investment.

2. **Wren has been manufacturing and selling kitchens in the UK for over 35 years. The business owns the factories that manufacture the kitchens as well as its own showrooms where customers can order their kitchen. There are currently 107 showrooms throughout the UK and Wren is planning to grow by opening more showrooms. When selecting suitable sites for showrooms, Wren needs a large amount of space to display its wide range of different kitchens. Before a customer can order a kitchen, they must book a home visit to measure the size of the kitchen space and an appointment with a kitchen designer in the showroom, who will guide the customers through the many available options and design the kitchen for them.**



(Turn over)

Wren offers a range of kitchen types including:

- **The “Vogue” range which is a standardised range of 5 styles and 4 colour choices. These kitchens are usually available immediately.**
- **The “Infinity Plus” range has 22 styles, 78 colour options and a wide range of worktops, to offer the customer a fully customised kitchen. These kitchens are ready for the customer around nine weeks from ordering.**

Once a customer has chosen the style of kitchen, the designer will create a 3D digital plan of the kitchen to show how it will look in the customer’s home. Wren uses technology to show customers a realistic virtual tour around their newly designed kitchen. The software allows the customer to change the design if they are unhappy with a particular feature. Customers are sent the 3D virtual tour so they can view it on their own electronic devices.

Wren's Head Office is located in Barton-upon-Humber, North England, next to one of its factories. There are two more factories located in England. In the Head Office, as well as the company directors and senior managers, there is a team of people responsible for managing the supply chain (procurement, logistics and stock control). The relationship between the sales, marketing and finance functions and those managing the supply chain is important to the smooth running of the business.

Wren was voted the best retailer to work for in the UK for 2019, in a survey carried out by recruitment agency, Indeed. One of the reasons that Wren is highly rated is the belief it shows in its staff by using internal recruitment. Recruiting internally means that vacancies are filled by existing workers.

Wren uses a number of different promotional techniques. Wren's main form of advertising is on TV and through social media where it uses the hashtag #wrenovation so customers can tag their new kitchens. Wren also uses a range of sales promotion techniques such as discounts, multi-buy offers, a free home measure and design service, interest-free credit and celebrity endorsements. Like all businesses, Wren is aware of the importance of reviewing its marketing mix and changing its strategy in response to a dynamic and competitive market.

The graphs opposite show secondary data about Wren and its main competitors.

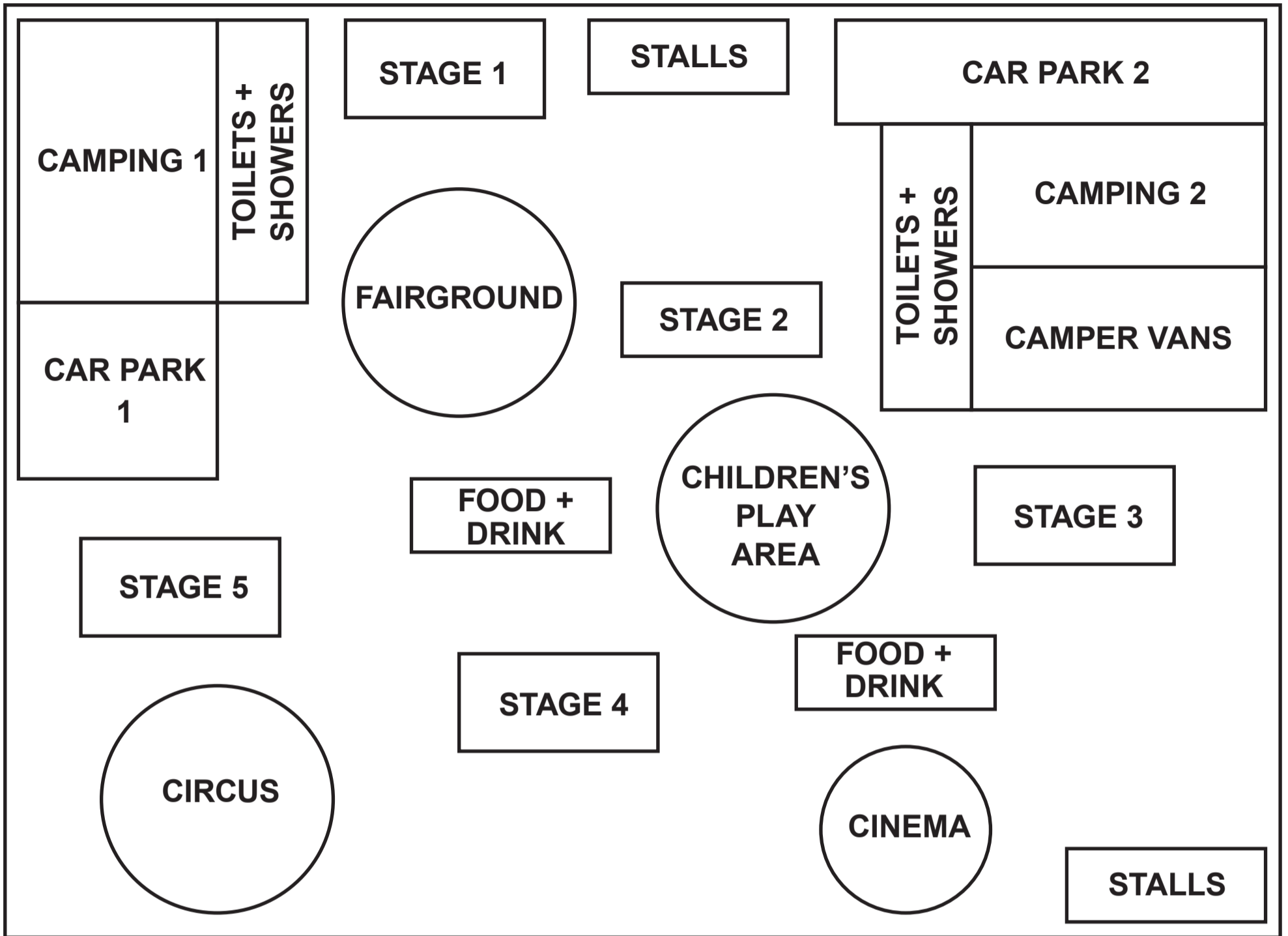


FIGURE 1

Average price of a kitchen

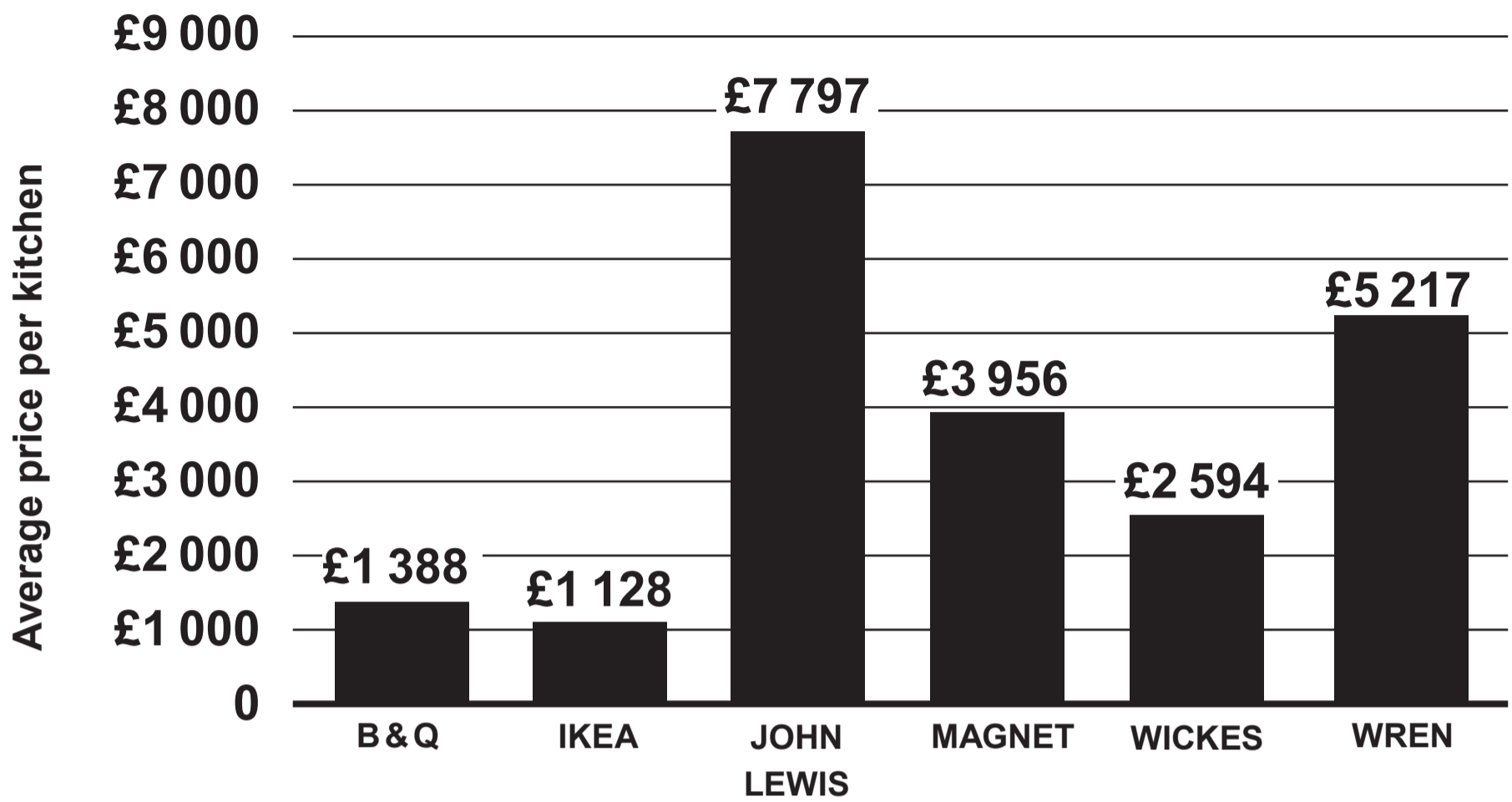


FIGURE 2

Number of UK stores

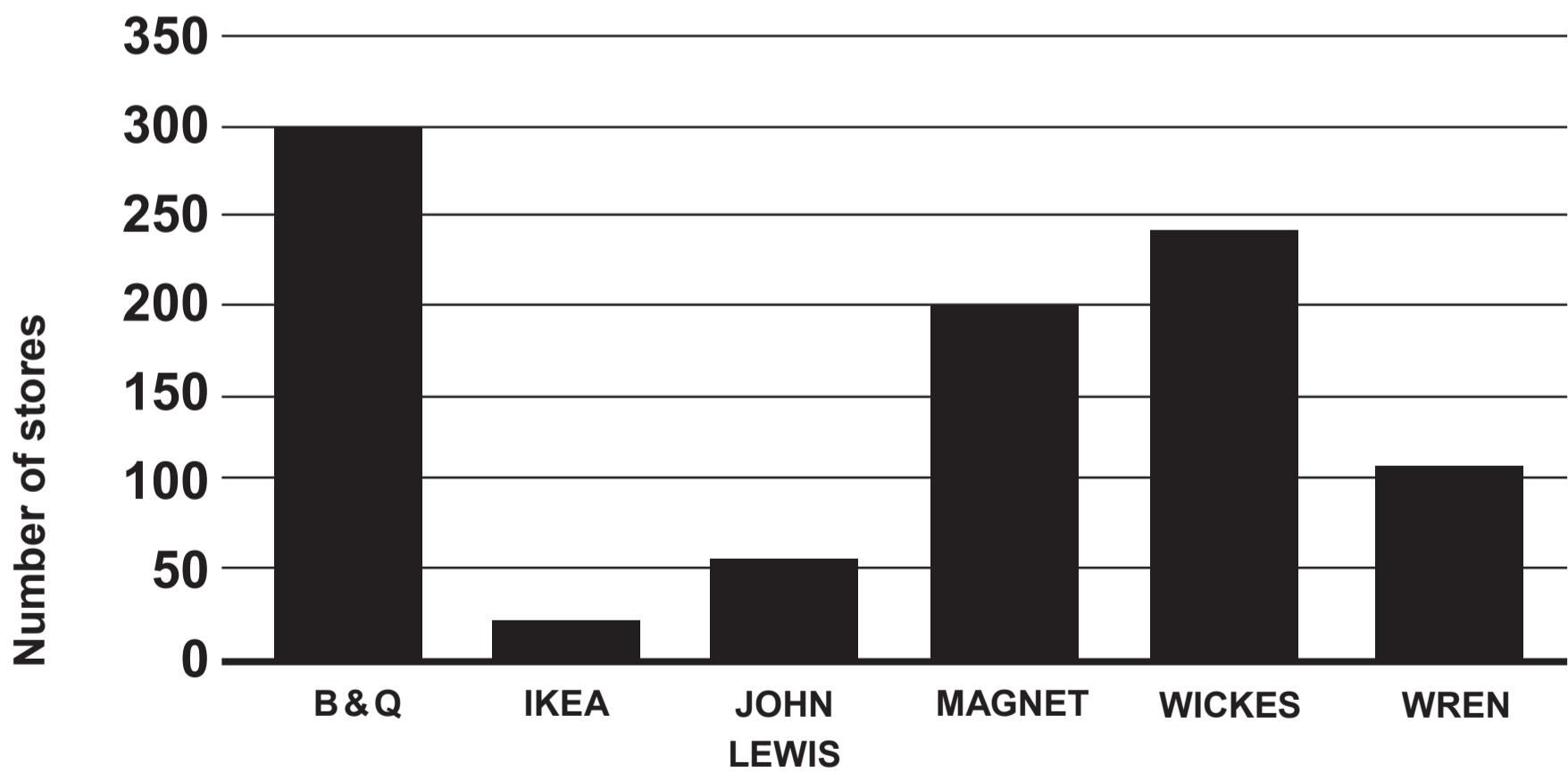
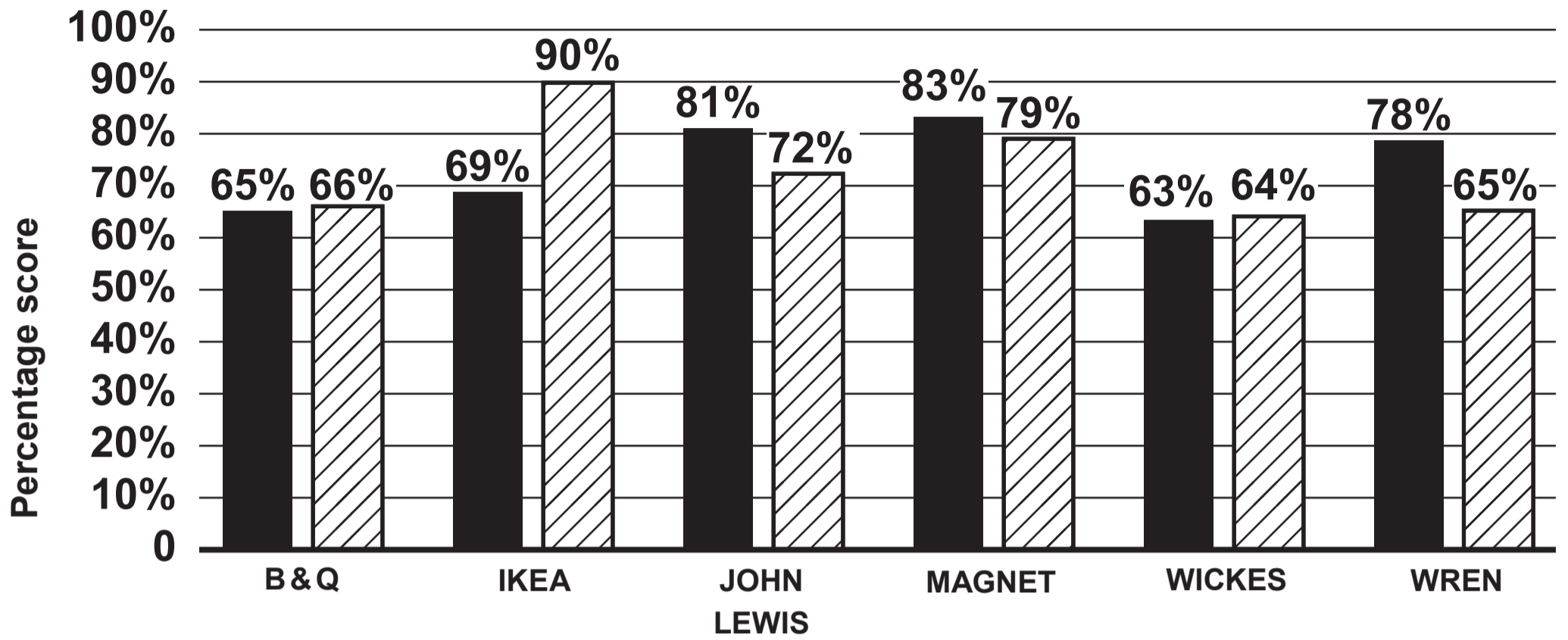


FIGURE 3

Average quality of kitchens



Key:

■ Quality of kitchen based on independent testing. Which? (consumer magazine) carried out lab tests on the 6 kitchen manufacturers shown in Figure 3. These tests simulated many years of use of the kitchen to measure durability and detect faults.

▨ Quality of kitchen based on customer feedback. Which? contacted customers of the 6 kitchen manufacturers for their opinions.

Source: Adapted from Which.co.uk