

Business A Level Pre-Course Material

SUBJECT	A-Level Economics
We all engage with businesses everyday. Maybe it's through buying your lunch or paying a bus fare, through a social media post or seeing an advert online. Complete the activities below to develop your understanding of the business world. Looking forward to seeing you in September. Mr Wilson, Mr Garland, Miss Amjid & Mr Smith.	
WATCH THIS	6 Tips on Being A Successful Entrepreneur Why Aldi is America's Fastest Growing Grocery Store
READ THIS	Members only: are loyalty card discounts a good deal for UK consumers?
DO THIS	Access this free online course which explores the importance of businesses knowing their customers and competitors. https://www.futurelearn.com/courses/starting-a-business-3
ANSWER THIS	Fast fashion has received some bad press recently. Prices of these items are so low that they encourage customers to buy clothes often and throw them away. People are not encouraged by fast fashion businesses to think about how this affects the environment. Customers are not returning as frequently as they would like at The Clothing Co. The Clothing Co. needs repeat customers so that it can sell a large number of products at low prices. Market research has indicated that some clothing items do not fit well. It also shows that customers are becoming more aware of the impact their repeat purchases have on the environment. The Clothing Co. is considering two options. Option 1 – Introduce live chat to the website A team of two employees would be available from 9 am to 5 pm each day to: • give advice on a wide range of issues • give advice on the size and fit of the clothing before customers make the purchase • explain in more detail the shape and style of the clothing • recommend items which could be worn with the clothing being discussed. Option 2 – Introduce a recycling scheme: • A pre-paid postage bag would be sent with all repeat purchases. Customers can use this to return old The Clothing Co. items free of charge. One supplier has agreed to recycle the material that has been

returned in the production of new clothing.

- Customers would receive a 10% discount voucher off their next purchase for every two items of old clothing they send in.

The Clothing Co. wants to increase customer loyalty and is considering two options to achieve this. 1. Introduce live chat to the website to improve customer service. 2. Introduce a recycling scheme to improve the ethical behaviour of the business.

Evaluate which of these two options will have the biggest impact on customer loyalty for The Clothing Co.

Write about a page outlining the arguments for and against both options, with a final paragraph being your recommendation.