



Oxford Cambridge and RSA

Friday 15 May 2020 – Afternoon

AS Level Business

H031/01 The local business environment

Resource Booklet

Time allowed: 1 hour 30 minutes



INSTRUCTIONS

- Use this Resource Booklet to answer the questions in **Section B**.
- Do **not** send this Resource Booklet for marking. Keep it in the centre or recycle it.

INFORMATION

- The business described in this Resource Booklet is a **real** business.
- This document has **4** pages.

The Cow Shed

Extract A – The Cow Shed beachside café

'Superb', 'friendly', 'spotless' and 'a hidden gem' are all terms that happy customers have used to describe The Cow Shed, a coastal café with unrivalled sea views, located on Auburn Farm.

Mark Jackson took over the running of Auburn Farm, as well as a successful caravan site and beach car park, from his parents in 2015. Although in an isolated location, accessed by a long road, he decided to open a café for the benefit of the regular beachgoers, dog walkers and caravan site customers. However, recommendation by word of mouth soon led to new visitors being attracted to the beach and café. 5

As soon as The Cow Shed opened, it was a welcome addition for visitors to the beach. They discovered the stylish café offering delicious snacks, home-made cakes and coffees, all able to be consumed while enjoying the sea views. And a bonus for all dog owners, who take their pets for a run on the beach, was that The Cow Shed was designed to be dog-friendly; though there is also a separate cosy area where dogs are not allowed. It all looks very different from when it was a derelict cow shed. 10

Michelle Scholey, Mark's fiancée and the co-owner, runs The Cow Shed with a team which includes experienced chefs. Before opening, extensive market research went into selecting the coffee, which is proving very popular with coffee drinkers. Michelle said, "I spent quite a lot of time visiting places and seeing what they were doing before opening." 15

The business is a private limited company which was incorporated on 25th October 2016.

Source: Adapted from 'Café with panoramic views a hit with dog walkers and beach-goers', The Journal, December 2017

Extract B – The Cow Shed's online presence

The Cow Shed uses social media to promote the business. It has a Facebook page which includes a menu and photos of the café. Customers can also leave their reviews; both positive and negative. In recent weeks, Michelle Scholey has responded to some of the positive reviews that have been received. 20

Reviews of the café can also be found on TripAdvisor.

Although Auburn Farm has its own website, The Cow Shed currently does not. On Auburn Farm's website it states: 'Now Open: The Cow Shed Tea Room/Café'. There is no link to any further information about the café. 25

Source: Adapted from www.auburnfarmatfraisthorpebeach.co.uk. (Accessed 16/11/2018)

Extract C – Coffee consumption in the UK

The British Coffee Association has revealed that the UK's coffee consumption has grown to 95 million cups a day in 2018, up from 70 million in 2008.

It found that nearly a third of those surveyed said they did not drink coffee at all, while 6% admitted to drinking 6 cups or more a day. It revealed that 65% of coffee is drunk at home, 25% at work or while studying and the rest is consumed in shops, bars and restaurants.

30

And, while as a nation we consume on average 2 cups a day, there are significant differences among the age groups. The survey revealed that those under the age of 20 drink the least coffee, at just 0.5 cups a day, while Millennials (20–37 years old) consume 1.3 cups a day and Generation X (38–52 years old) consume 2.1 cups a day.

35

Surprisingly, Baby Boomers (53–71 years old) and those over the age of 71 consume the most, averaging 2.2 cups a day.

Source: Adapted from <https://www.independent.co.uk/life-style/uk-coffee-week-2018-british-people-drinking-millions-cups-day-consumption-rise-a8307206.html> (Accessed 16/11/2018)

Extract D – The UK coffee shop market in 2018

81% of people now visit a coffee shop at least weekly.

Despite a mixed year for the big brands, the excellent news for the smaller brands and independents is that they have also managed to be successful by selling the experience, not just the coffee.

40

Many consumers are having to spend their money more wisely. For a quick, affordable cup of coffee, people are using the likes of Greggs. To justify spending more, they want to experience something exceptional as well.

Source: Adapted from <https://www.cafesuccesshub.com/uk-coffee-shop-market-2018/> (Accessed 13/11/2018)

Extract E – UK coffee shop sales grow

Visiting coffee shops is a ritual that many people enjoy. The UK coffee shop market has recently experienced its biggest period of growth since 2008. Over the last five years, the sales rose from £2.4 billion in 2011 to £3.4 billion in 2016.

45

It seems the market is brewing up for further success, as sales are forecast to reach £4.3 billion by 2021.

Source: Adapted from <http://www.mintel.com/press-centre/food-and-drink/uk-coffee-shop-sales-enjoy-a-growth-high> (Accessed 19/11/2018)

NB: All data was accurate at the time of writing (November 2018).

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