Expanding a Business



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| **1**  | **(d)**  | The owners of VeggieLands Ltd want to expand the business. They are considering two ways of doing this: • continuing to open up new restaurants themselves • franchising the VeggieLands’ brand and name. Which of these two methods of expansion do you believe would be better for VeggieLands Ltd? Support your answer by referring to **Item A**. **[9 marks]**  |

Areas of possible analysis:

• would franchisees uphold the ethos of the business?

• risk of brands image being tarnished

• Might be more financially rewarding to continue to expand organically

• loss of control – franchisees might behave unethically

• owners might not want their role to be changed from overseeing their own restaurants to administrators

• Time taken – franchising would be more rapid way to expand

• Greater awareness of the brand from franchising would promote trade in existing Veggielands

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| **Level**  | **Descriptor**  | **Marks**  | **Assessment Objective**  |
| 3  | Analyses issues relating to options in context.  | 4–3  | AO3  |
| 2  | Describes issues relating to options in context.  | 2  | AO2  |
| 1  | States relevant points.  | 1  | AO1  |
| 0  | No valid response.  | 0  |