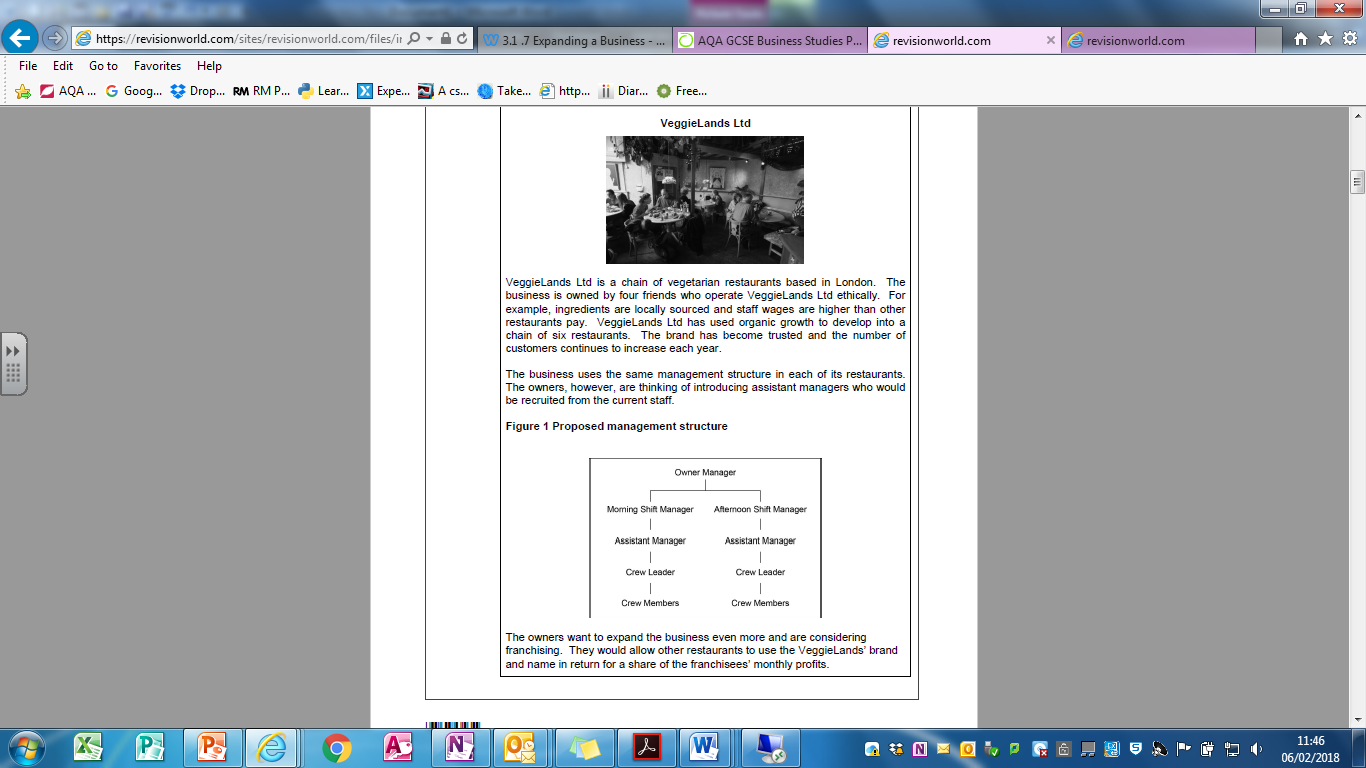
Expanding a Business



|  |  |  |
| --- | --- | --- |
| **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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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 | |