

A Level Business

Lesson 3: Comparing Businesses



Aim of this Lesson

The A level examination consistently asks you to consider how businesses will be impacted by an event such as a raise in minimum pay or an increase in import duties.

Typically students struggle with these questions as are unable to consider a sufficient range of industries so they can compare, contrast and evaluate in order to answer the question.

This lesson is designed to get you to think about how businesses can be compared. It concludes with an exemplar essay which illustrate the need for this knowledge, which is a core requirement if you wish to do well at A Level

Activities 1-3

The next 3 activities ask you to compare companies within an industry. 'Mcdonalds' and '5 Guys' both sell burgers, 'Primark and Zara' both sell clothes, but whilst they have many influences in common, they equally have many factors which differentiate them such as, pricing policies, promotion, target audiences, distribution, supply chain considerations.

For each activity. Take notes on a separate sheet of A4 so you can keep them in your business folder and refer back to them when planning essays

Activity 1 – Compare Car Companies

Research the Morgan Motor Company and Nissan. Identify similarities and their differences:

- Job/mass production
- Skilled labour/availability of skills
- Elastic/Inelastic – ability to change price
- Mass/Niche market – level of competition
- Ownership
- Local/national markets
- Size of company



Activity 2 – Compare Capital and Labour Intensive Industries

Watch the following video about how frozen pizzas are made

[Frozen Pizza MEGA FACTORY: How Automation Produces TONS of Pizzas Daily.](#)

These large factories are called capital intensive as they use lots of space and large machinery which are funded by capital (money). Assume the factory is making pizzas for a well known brand.

Compare that to how your local independent pizza restaurant (or one you visited on holiday) make pizza. Look at the staff levels – what are they skilled at?, dependency on reviews/sourcing of ingredients. Make judgements about location, ownership and access to loan/investor capital.

Who are the target audience, competition and what are the pricing considerations?



Activity 3: Availability of Skills

Compare the 3 businesses below.

- <https://www.youtube.com/watch?v=G6O2zTuGOVQ> Heinz
- [Inside Amazon's Smart Warehouse](#) Amazon
- <https://www.youtube.com/watch?v=HBe6XUFvtRY> Google

Do the usual comparisons as in Activity 1 and 2, but then focus on the workers.

1. How many are there, are they engineers, highly creative or likely to be on minimum wage?
2. How many people have the necessary skills to do the required work?
3. What implications will that have for the leaders for those organisations