



*Rewarding Learning*

**ADVANCED SUBSIDIARY (AS)  
General Certificate of Education**

---

# **Business Studies**

Assessment Unit AS 2  
*assessing*  
Growing Business

**[SBU21]  
SPECIMEN CASE STUDY BOOKLET FOR STYLE**

---

## **CASE STUDY BOOKLET**

## CASE STUDY 1

Read the following information and answer **Questions 1(a) to (d)** in the answer booklet.

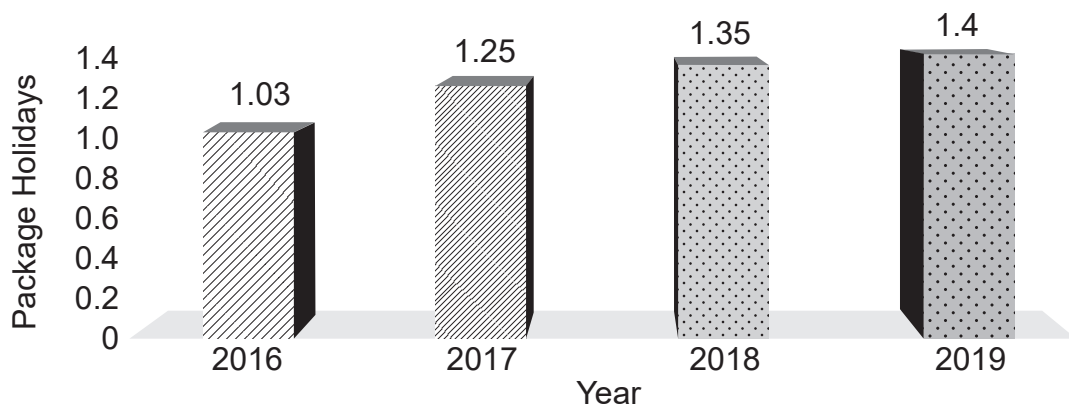
### Jet2Holidays

Jet2Holidays offers over 200 scheduled routes to holiday destinations located in the Mediterranean, Canary Islands and various European cities. Jet2Holidays operates in a highly competitive industry alongside other holiday firms such as Thomas Cook and Tui.

Jet2Holidays employs key elements of the marketing mix to achieve its business objectives. Indeed, the firm offers a variety of holiday types as stated below:

- Family (package) holidays
- All inclusive
- Group
- Long stay
- Luxury
- City breaks
- Adult
- Short breaks
- School groups

In 2016 the number of holiday packages sold by Jet2Holidays totalled 1.03 million and 1.25 million in 2017, respectively. It is expected to rise to 1.4 million by 2019, although the number of traditional family holidays is expected to decline due to increased competition from online operators.



**Fig. 1: Jet2Holidays: Actual and predicted package holidays (millions)**

The growth in popularity of online operators such as Expedia.com and Airbnb represents a threat to Jet2Holidays' range of family package holidays. Jet2Holidays' response to this threat from online operators is achieved through extension strategies such as increased promotion of existing products as well as product modifications. This is crucial to the success and competitiveness of the business.

Jet2Holidays has recently introduced winter sun and ski holidays into its product range and new market destinations such as Naples, Krakow, Lyon, Vienna and Dubrovnik.

Jet2Holidays regularly modifies its products by improving services and updating the technical operations of the business. The business is renowned for its customer focused approach and has recently invested a substantial amount of money in customer service training for check-in staff and cabin crew.

Jet2Holidays offers a variety of 2★ to 5★ hotel accommodation together with free child places and a low deposit, which appeals to families. Other product modifications include car hire partnerships and a resort-based “flight check-in” facility from the hotel so customers can enjoy a hassle-free end to their holiday.

Finally, to support the new markets and maintain high standards of health and safety, thirty “Next Generation” Boeing planes have been ordered and are expected to be operational in 2018.

A further example of Jet2Holidays’ product modifications enables the use of mobile technology as a marketing tool to help increase its market share. The “Jet2 App” provides opportunities for customers to search, save, book a holiday and check-in before going to the airport. The data gathered by the business is used to build customer profiles and predict holiday preferences. This makes it possible to have future direct contact with customers advising them of special offers for destinations, hotels and other travel add-ons such as car hire, thus increasing potential sales and market share.

*Adapted from sources: Dart Group plc, <https://jaywing.com/work/how-personalisation-can-increase-sales>; [www.statista.com](http://www.statista.com)*

---

**TURN OVER FOR CASE STUDY 2**

---

## CASE STUDY 2

Read the following information and answer **Questions 2(a) to (d)** in the answer booklet.

### Groomin' Gorgeous

Paul and Cathy Grimes live in Groomsport, County Down. They converted their garage to set up a part-time dog grooming business three years ago.

Groomin' Gorgeous proved very popular and over time the couple built up a loyal customer base due to their hard work, the excellent reviews posted on their website and word of mouth recommendations.

Paul analysed his financial statements for the year ended 31 December 2018 and extracted the information summarised in **Table 1** below:

**Table 1: Groomin' Gorgeous Costs and Revenue data – 31 December 2018**

Sales Revenue per treatment	£25
Total number of groomed animals in 2018	1180
Fixed Costs per annum	£3,500
Variable Costs per treatment	£15
Contribution per treatment	£10
Breakeven Point	350 treatments
Profit for Year 2018	£8,300

Paul and Cathy are investigating ways in which to grow the business. Market research points to a new potential dog grooming market in the rural areas. Based on these findings they have decided to introduce a mobile dog grooming service in 2019 to service their new customers who live in rural areas. This new service will require the leasing of a new vehicle with annual leasing payments of £2,400. They also plan to employ two part-time staff to support the new mobile dog grooming service.

Both Paul and Cathy agree that the new mobile dog grooming service must be heavily promoted to communicate the benefits of this new service to customers. They have decided to promote the new service in the most inexpensive ways, including: business cards, vehicle wrap advertising placed on the new vehicle, social media, including Facebook and Twitter, mobile phones, own website and blogs and writing articles in their local newspapers about their business.

In planning Groomin' Gorgeous activities for 2019, Paul completed a fixed budget as shown in Table 2. The costs are based on Paul's own knowledge of the dog grooming market.

**Table 2: Estimated Fixed Budget (2019) – Groomin' Gorgeous**

	<b>Budget Estimation based on:</b>	<b>2019 Budget £</b>
Sales Revenue	1400 customers × £25 per Treatment	35,000
Materials – Shampoo	1400 customers × £15 per Treatment	21,000
<b>Less Expenses</b>		
Wages	Part-time staff for New Vehicle	5,200
Leasing	Van Leasing Payments	2,400
Website Costs	Upkeep of Website	1,000
Vehicle Expenses	Tax, Insurance and Repairs	1,100
Estimated Profit		4,300

In light of the decrease in estimated profits, Cathy has asked Paul to review the fixed budget, giving consideration to her concerns below:

- material cost decreases have been ignored;
- sales prices have been left unchanged at £25 per treatment; and
- only an additional 220 customers have been included in the budget for 2019.

Cathy believes that with a review of the fixed budget, the actual profit for Groomin' Gorgeous should ultimately be greater than the profits estimated (**Table 2**).

---

**END**

---

---

**THIS IS THE END OF THE CASE STUDY BOOKLET**

---



Permission to reproduce all copyright material has been applied for.  
In some cases, efforts to contact copyright holders may have been unsuccessful and CCEA  
will be happy to rectify any omissions of acknowledgement in future if notified.