



GCSE

C510U20-1A



S25-C510U20-1A



FRIDAY, 16 MAY 2025 – AFTERNOON

BUSINESS – Component 2
Business Considerations

Resource Material

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1. The Big Bus Company was established in London in 1991. The Big Bus Company specialised in hop-on hop-off city tours. Travellers visiting London could enjoy a guided tour of the city, on an open-top sightseeing bus whilst listening to a pre-recorded audio commentary about the city. The tours visited the main sites of London; travellers could hop-off the bus at various bus stops and explore sites further. When travellers wanted to continue the tour, they could hop-on the bus and continue to listen to the audio commentary.

In 1991, The Big Bus Company owned four buses. By 2010 it had grown to become a global company, owning hundreds of buses and operating in major cities across the world, such as Rome, Paris and New York.



In 2011, The Big Bus Company and another hop-on hop-off bus business, based in France, merged. This is an example of horizontal integration. When the two businesses merged, the business name changed to Big Bus Tours. Big Bus Tours is a private limited company. The business is one of the largest hop-on hop-off bus businesses in the world.

In London, Big Bus Tours offers pre-recorded audio commentary in 5 different languages. It faces competition from other businesses, including:

- Tootbus offers live audio commentary in English and pre-recorded audio commentary in other languages
- Golden Tours offers live audio commentary in English and pre-recorded audio commentary in 11 languages
- City Sightseeing offers live audio commentary in English, pre-recorded audio commentary in 11 languages and audio commentary for children.

Competing with businesses that offer a similar service in such a competitive market is challenging for Big Bus Tours.

Figure 1 below, shows a price comparison of the four main hop-on hop-off businesses for the London 24-hour and 48-hour tickets (the tickets are valid for 24 or 48 hours and customers can hop-on and hop-off the buses as many times as they wish within this time period).

		24-hour	48-hour
Tootbus	Adult	£27.90	£36.90
	Child	£16.20	£22.50
Big Bus Tours	Adult	£35.00	£51.00
	Child	£27.90	£44.10
Golden Tours	Adult	£35.00	£42.00
	Child	£20.45	£22.70
City Sightseeing	Adult	£37.00	£42.00
	Child	£22.00	£24.00

Customers have to buy the tickets before they start their tour. Customers are able to purchase Big Bus Tours tickets in a number of different ways.

- Through agents who sell tickets on the bus stops
- Through physical outlets located around London attractions
- The Big Bus Tours website
- Through third party websites, for example, Trip Advisor, visitlondon.com, Hop-on-hop-off-bus.com
- By phone via its call centre
- In hotels.

London attracts many visitors from across the world, many of who come to London to just to see the attractions, such as Big Ben, Buckingham Palace and The Tower of London.

In addition to the channels of distribution above, Big Bus Tours decided to develop its website and introduced a new app which allowed customers to:

- book more easily from their smart phone in their own language
- show a QR code instead of using printed tickets
- easily rearrange their booking
- provide customers with a live chat option to access customer service support

Before the redevelopment of the website and the introduction of the app, Big Bus Tours was averaging £40 000 in sales revenue per day online, after the redevelopment of the website and the introduction of the app, the business was averaging £100 000 in sales revenue per day online. In addition to the increase in sales the newly developed website and app allowed customers to improve customer experience and satisfaction.

2. Meals in Minutes is a manufacturer and distributor of meal kits that operates in the UK and Europe, including countries that are members of the European Union. Meals in Minutes is a multinational company.

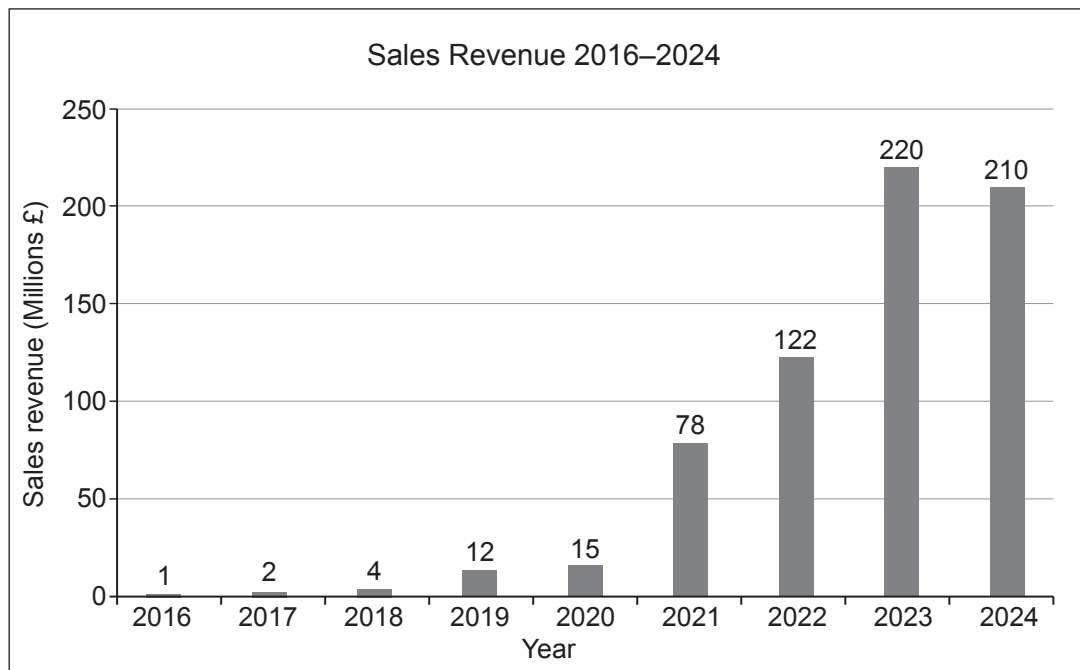
Its customers pay a monthly fee and receive a weekly delivery of a meal kit, which includes all the ingredients and recipes needed to make 7 healthy meals. The meal kits are delivered to the customer's home through a courier service.

A key feature of its meal kits is that all meals can be cooked in under 60 minutes. All ingredients are measured out and packaged separately to save time in preparing and cooking the meals. This appeals to many customers including those who lead busy lifestyles or those who find cooking a challenge.

Customers can use the Meals in Minutes app to choose from a range of eating plans including low-calorie, plant-based and high protein meals. Families are also catered for with an option to choose smaller portions for children, with healthier versions of child-friendly favourites such as pizza and chicken nuggets.



Chart 1 below shows Meals in Minutes sales revenue for 2016–2024.



Meals in Minutes assembles its meal kits in warehouses located in various countries including the UK, Spain and Poland. Meals in Minutes makes sure that customers know where its food comes from and it works hard to develop good relationships with its suppliers. Meals in Minutes sources its ingredients locally and nationally when possible.

Meals in Minutes understands the importance of packaging in order to keep products fresh and free from contamination. In addition, strong relationships are required with the courier businesses to ensure that the meal kits are delivered to the customer's home at the time requested by the customer.

Unfortunately, some customers receive meal kits with missing ingredients, which means they are unable to complete the recipe. Also, some customers have complained that the meal kits arrived damaged or kits have arrived late.

People in different countries have different eating habits, cultures and tastes. To ensure it meets the needs of its customers, Meals in Minutes employs a specialist research team to identify the food likes and dislikes of its various customers.

In recent years, Meals in Minutes has increased its spend on advertising using television, national newspapers and magazines, online advertising and social media to increase its brand awareness. In addition to advertising, Meals in Minutes also uses sales promotions. Customers receive a free meal kit for every 12 meal kits they order and can also benefit from discounts when they refer new customers to the business.

Meals in Minutes targets its offers through direct marketing to cater for different customer needs. For example, families are offered discounts during school holidays and customers who have not purchased a meal kit for 2 months are offered a 10% discount, while customers who have not purchased for 6 months are offered a 50% discount.

Meals in Minutes has received some feedback from customers who are becoming unhappy with the number of emails and text messages they receive informing them of special offers and new recipes. Existing customers also complain that they don't receive the same offers as new customers.

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