



Rewarding Learning

GCSE Examinations 2009

G37 Business Studies B

Research Brief

(Teacher's copy)

ICAAE in association with CCEA

Teacher Notes

This pre-reading material is intended to give an outline of the context set for the terminal examination and provide additional, appropriate information.

There is no requirement for centres to produce coursework that is based upon the context outlined in the Research Brief, although centres may choose to do so if they wish.

Teachers are reminded that the Research Brief does not indicate the content of the examination questions, and candidates should revise ALL areas of the syllabus, but within the context outlined.

The terminal examination papers (Foundation and Higher) will comprise five questions in each and candidates should be aware that two of the questions (Questions 2 & 3 on the Foundation Tier and Questions 2 & 3 on the Higher tier) are common to both Foundation Tier and Higher Tier Papers. Candidates will be examined on the full range of the assessment objectives published in the specification, including the capability to interpret and analyse information presented to them.

Included in this pre-reading material are the following:

- **Background Information**

This has been produced as a starting point for teachers introducing the context of manufacturing dishwashers and mobile phones. It provides useful information on the state of the industry and recent developments. Teachers may wish to make this, or key points from it, available to candidates.

- **Research Brief**

This outlines the specific details of the context upon which the questions in the terminal examination papers have been based. This will also be duplicated in the examination papers.

Research Brief

John Lally and Theo Kaloumenos set up a private limited company, JLTK Ltd, in 1972 manufacturing dishwashers. In the 1990s JLTK diversified by manufacturing mobile phones. JLTK became a public limited company in 2001.

In 2002 JLTK broadened its product range by becoming the first and only UK mobile phone manufacturer to also offer a phone network. This was a market already dominated by O², Vodafone and Orange. JLTK remains the smallest UK provider of mobile phone network services. The manufacture of dishwashers has continued but only accounted for 8% of company sales revenue in 2008. However, JLTK dishwashers have a good reputation and the brand name is well respected by its customers.

Currently, JLTK manufactures basic mobile phones that are at the bottom-end of the market. These are moderately priced and the latest models do not provide any additional facilities such as a built-in camera, MP3 player or access to the Internet. JLTK has factories in the UK and abroad.

JLTKs current target market for mobile phones are those consumers who prefer simple, straightforward phones without expensive 'add-ons'. 85% of sales are customers in the 50+ age bracket. This market segment is sometimes referred to as 'the silver surfer generation'.

The majority of customers that purchase a mobile phone from JLTK plc also sign up for the phone network, with 95% opting for 'Pay-As-You-Go'.

JLTK also has a niche market in manufacturing mobile phones for the partially sighted and hard of hearing.

Profits and sales revenues in 2007 and 2008 were disappointing.

Sales of white goods can be severely affected by a downturn in the housing market and there is a growing concern that the UK housing market is set for a prolonged downturn.

The Directors are considering:

- the launch of a new range of mobile phones aimed at different market segments
- their position in the 'white goods' market
- raising finance for expansion.

The Directors will use SWOT analysis to assess these issues.