Examiners' Report
Lead Examiner Feedback

June 2023

Pearson BTEC Nationals
In Sport (21405J)
Unit 22: Investigating Business in the Sport and Active Leisure Industry

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Grade Boundaries

What is a grade boundary?

A grade boundary is where we set the level of achievement required to obtain a certain grade for the externally assessed unit. We set grade boundaries for each grade, at Distinction, Merit and Pass.

Setting grade boundaries

When we set grade boundaries, we look at the performance of every learner who took the external assessment. When we can see the full picture of performance, our experts are then able to decide where best to place the grade boundaries – this means that they decide what the lowest possible mark is for a particular grade.

When our experts set the grade boundaries, they make sure that learners receive grades which reflect their ability. Awarding grade boundaries is conducted to ensure learners achieve the grade they deserve to achieve, irrespective of variation in the external assessment.

Variations in external assessments

Each external assessment we set asks different questions and may assess different parts of the unit content outlined in the specification. It would be unfair to learners if we set the same grade boundaries for each assessment, because then it would not take accessibility into account.

Grade boundaries for this, and all other papers, are on the website via this link

Introduction

This was the ninth series of the level 3 Nationals specification for Unit 22: Investigating Business in the Sport and Active Leisure Industry.

Lead Examiner reports highlight the trends that learners continue to show across the full range of entries and indicate structures to paper marking

The task-based external assessment for Unit 22 is a 3-hour paper sitting, split into 4 activities (or questions). These questions, along with the mark scheme have remained consistent throughout the entire series and are available through the Pearson website, along with past papers and Lead examiner reports for preparation and support for future examination papers.

The only element that changes is the company scenario within each assessment for both the main company and the 'rival' company. The format of the paper remains consistent throughout, breaking information down into:

1. Business operations
2. Facilities
3. Products and services
4. Demographics

The release of Part A (2 weeks prior to the examination date) allows research for the paper, where candidates are expected to prepare notes that could be used within part B, under exam conditions.
A maximum of 4 pages of A4 notes are allowed to be developed in preparation.

Previous Lead Examiner reports, along with this one, continue to highlight the importance of the research preparation for the paper. It is essential that this preparation is undertaken robustly and that candidates are well prepared for the assessment, as the level of research included within the responses limits the score candidates can access.

The task-based assessment for June 2023 followed the same format as all previous exam series, the Sample Assessment Material (SAM's) as well as the additional Sample Assessment Material available on the Pearson website.

Paper Breakdown:

Activity1 focuses on the review and purpose of the business, its data and suitable research to support the business status. **There is a total of 16 marks for this question.**

Activity 2 requires candidates to undertake a business model analysis to clearly highlight the internal and external factors effecting the business in relation to competition. **There is a total of 16 marks for this question.**

Activity 3 requires candidates to make recommendations with reference to the development and marketing of the business. **There is a total of 20 marks for this question.**

Activity 4 requires candidates to make justifications linked directly to the recommendations and develop links to a wider business context. **There is a total of 12 marks for this question.**

Introduction to the Overall Performance of the Unit

The mark range for this series is in line with all other paper outcomes and therefore remains comparable for accessibility.

Use of supportive levels of research and preparation to support candidate's responses from what was observed within previous papers has been identified within this series. In most cases, candidates have incorporated research into their responses, and therefore were able to access the higher-grade boundaries.

As always, it is essential that through Activity 1,2 and 4, research is included to support the response to gain the higher bandings. The research must be external (as in not the second business within the scenario to meet the higher bandings).

Stronger candidates continue to use the well-planned information and research available to them to develop their responses throughout the paper. As with all examinations for this paper, research notes can be produced to support Part B of the examination and are vital to support candidate responses, particularly in activity 1, 2 and 4, as there is credit available for supporting responses with suitable research from the wider business context (external businesses).

Activity 1 observes a reduced usage of suitable research material to support learners' responses. It is essential that points being made, that are linked to research to support and linked and not generic.

The lack of research included within activity 2 (analysis of the internal and external factors effecting the business -SWOT/PESTLE) limits the grade to a maximum band 1 (4 marks), and this has been seen again in the series, as with all other series, where candidates are using PESTLE as the links to external business examples are weak or non-existent.
As with all previous papers, SWOT responses were seen to be stronger. Higher bandings require competitor activity, supported by examples. PESTLE usage has significantly reduced over the qualification lifespan.

The following individual activity guidance remains stable through this paper in line with previous series, as in the main, candidates are making the same approaches to respond to the activities.

Activity 1 (16 marks)

As with all previous series, activity 1 was the lowest performing activity on the paper. Candidates must be able to take information from part B, the unseen element, and ensure that they review the business by showing some understand the purpose of the type of business, being able to interpret data and include suitable research to support these elements.

This is the most difficult of the activities to respond to, and as a result candidates' performance on this question still needs further development and focus. (Further on within this document are ways to prepare and support candidates to respond to this question).

The paper scenario contains, as always, an abundance of data to be able to analyse and in this paper specifically there was a data set in the form of an 'income and expenditure' table (over 2-year period) to support the data responses of candidates, however in the main they tended to repeat, as opposed to analyse in any depth. The use and incorporation of the data analysis to score on this question is not extensive, however incorrect calculations or misconceptions are still being observed by examiners.

Activity 2 (16 marks)

Activity 2 contained stronger responses as was seen with all other papers, and the vast majority of leaners used the SWOT analysis to highlight the internal and external factors effecting the business.

The lack of research included to support responses is the limiting factor here on this question, as described above, specifically in the PESTLE analysis. Examiners allowed research to be applied anywhere within the response of this activity. The embedding of research to support the responses is being now implemented by learners, and it's clear that candidates are starting to support their points of the SWOT with examples from both GYMBATS (business 2) and external prepared research. This evidences that the centre is preparing learners more directly to create their A4 notes in relation to the requirements of this activity.

As with all other previous papers, most candidates performed very well on the strengths and weaknesses of the business (internal) and improved their understanding of opportunities (which links well into activity 3). However, it was the threats (external) that was the limiting factor again. Although this paper did see threats being included more consistently than all other

papers. In most cases, external threats can be 'pre-planned' as they can include the economy, or other businesses with any alternative methods of income generation.

It has been made clear in all Lead Examiner reports that threats must be **EXTERNAL** to the business (out of their control). If the business can control the factor, then it should be placed within the weaknesses section of the response. No credit is given to points made in the threats box that is in the control of the business. Using GYMBATS as a threat will allow one external to be credited (quality of response will determine banding here), however using GYMBATS as the only threat can only be counted as **one external threat**, no matter how many points are made, as this information is given to candidates in the paper and does not evidence preparation through development of other related businesses.

The examples of wider research in general were limited in candidate's responses and there still needs to be clearer links made to the research as opposed to, in some cases, where candidates were just 'tagging on' research linked to a point they made, and not really using the research to support the response. For example, ESGYM does x/y/z (taken from the scenario) .... just like Business A (not highlighting exactly how this is similar).

GYMBATS (competitor business) in some cases was the only business used to support responses and this will only allow candidates to achieve the lower bandings for this activity (max band 2 for trait 1).

Activity 3 (20 marks)

Activity 3 evidenced a continuous improvement and better candidate responses where there was a clear understanding of what the activity response requires. This question has been clearly articulated in all the previous Lead Examiner reports to emphasise that the ideas for development (recommendations) **do not require any supporting research**, yet must be clearly developed with examples of how they would be implemented, to score into the higher bandings. The key here is the development of the recommendation.

This response requires recommendations for the customers, the trends in the industry and meeting the needs of the business. All three elements need to be covered to reach the higher banding. Examiners looked to categories these recommendations into the three headings if the candidate had not specifically sectioned these off within the response. To gain

maximum marks on the coverage there must be 7 points made here (2/3 under each heading). Each trait is also graded separately on the quality of its content, linked to the bands available.

Justifications were still being included in this response, and they are not creditworthy for activity 3, they need to be included in activity 4. **Candidates will not be credited at all for giving reasons in this response (e.g. to maximise profit, to increase customer numbers etc)**

Candidates continued to include the WHY and this activity only requires the HOW. Candidates need to see this activity as the '**Planning for Improvement'** element of the paper – meaning that the information they include needs to be tangible and could be implemented without anyone having to ask any further detail on what the recommendation or plan would be. Prepare this as a 'business plan' making sure that the reader could implement the recommendations without asking any further questions!

Activity 4 (12 marks)

Activity 4, the research and preparation undertaken by candidates allows them to perform well on this question, as this is all about justifying the recommendation and supporting with relevant research to do this. This question requires candidates to very clearly justify the recommendations made and link these to wider research. Specific and sustained research needs to be included in the candidate's responses for this activity. The level of justification for the recommendations in activity 3 needs consolidating and expanding to score into the higher bandings here.

Key to managing time and focus – Use the time wisely!

The most difficult element of this paper for most candidates has still been the ability to be very specific and focussed with their responses through the questions. There was a tendency for candidates to repeat themselves as they have in previous series and include more information than was necessary in certain activities. This was particularly seen again in activity 3 and 4 where candidates were making recommendations and giving reasons (justifications) in activity three, and then the development of the response for activity 4 was limited. **Justifications included in activity 3 are not awarded credit unless they are placed in activity 4. Activity 3 requires no link to research at all, and 20 marks are available.**

Activity 3 (recommendations) is worth 20 marks! – this is the element of the paper to really ensure learners understand how to structure and respond

Individual Questions

The following section considers each activity on the paper, providing examples of candidate responses and information regarding where responses were positive and scored well, and where the areas of focus are with regards preparing for future examinations.

This section should be considered with the live external assessment (June 2023) and corresponding mark scheme (once the paper is published and can be used for supporting future series)

Activity 1. Review of business information.

Review the current business status using the information provided in the set task information about ESGYM

You should consider:

- the purpose
- the data
- your research of the sport and active leisure industry

Reviewing the business

The review should use the information from the current business ESGYM and needs to consider the purpose, the data and supporting research undertaken in Part A, or the use of the second business within the scenario (GYMBATS)

As with all the previous papers there were a number of elements that could have been included within the candidate responses here, and all were credit worthy, so long as they were valid. Repetition of the scenario, and taking information directly from it, with no further expansion scored very low on this activity. The key here is to think about the IMPACT on the business, or how what the business does will affect it in the current position or moving forwards.

Candidates could have included information regarding any of the potential areas below:

- Business Type (Ltd)
- Business Scope (International/national for equipment distribution)
- Business Size (micro)
- Current Provision (activities)
- Staffing/roles/responsibilities (FT/PT)
- Range of facilities/resources

Whatever information the candidate decides to use from the scenario needs to link to the purpose of the business and to explain what the impact could be on the business.

To focus the response here candidates could use the following from the specification to structure their response:

- **Make profit**
- **Survival and Growth**
- **Diversification**
- **Service Provision**
- **Marketing**
- **Customer Service and Satisfaction**

The stronger responses in this paper were where candidates used the information from the scenario and linked it to the specification structure above, clearly identifying where the business was showing growth or decline (through the data figures), where their service provision was (facilities, access, session/activity times and dates etc), information on the marketing aspects and so on.

Candidates could have included that the business is a limited company, and information about what a limited company. This could have included liability, the pros and cons of an Ltd, regarding issues of profit, sickness and cover. Candidates could have included information that the business is local and national (national for traveling high class performers), and what its potential USP is to attract its target demographics.

Identifying the size of the business and the impact of the working patterns of the MD with regards full-time roles and responsibilities, sales, and coaching staff. Candidates can think about the size of the business, compared to the staffing structure, and link this to income and expenditure to see if its suitable for survival/growth or diversification.

The response could have included the scope of the business (international/national), however, that it's limited to specific markets (adults busy with work)

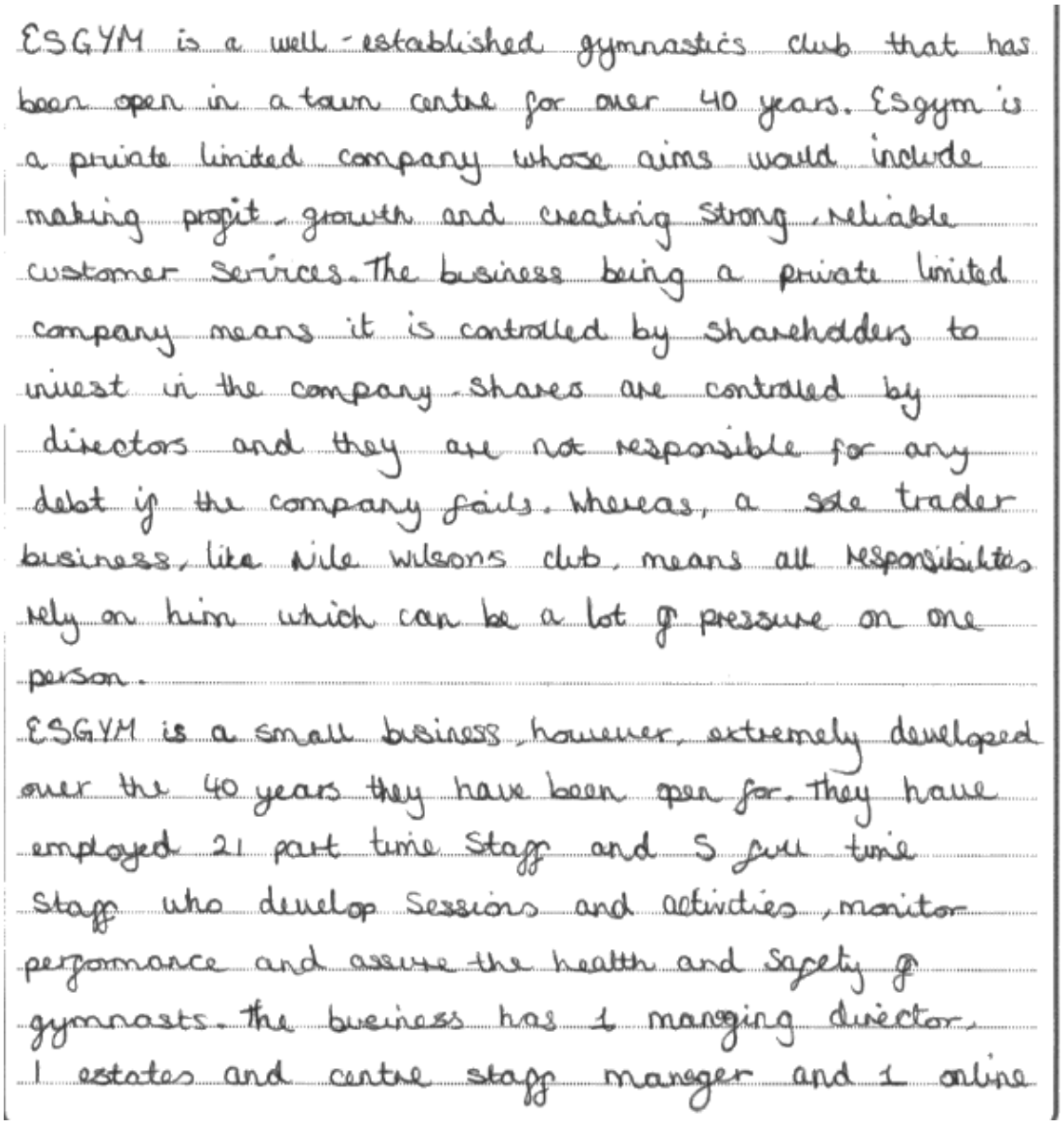
The best structured responses maintain links with the scenario and the specification coverage. Highlighting that the business is looking to **increase profit (make profit), that they survive and grow, that they can be the market leaders within their demographic, that they have a good service provision(diversification), and high-quality customer service and satisfaction** focused candidate's responses.

It is important that whatever element the candidates focuses on from the scenario that they are linking it back to the purpose of the business. Ultimately all these will then develop profit, which would be the underlying theme for this response for a growing business.

Ensuring that examples are incorporated that link to the points being made were important in this activity. The key for the higher banding here is to link similar and different elements of the presented business to other businesses. This can obviously include the second business (GYMBATS) however this will not allow higher banded responses. Only external research can command the higher banding here (band 3 and 4).

Example of candidate responses for Activity 1

Example of Band 3 Answer for Activity 1 – See commentary below.



ESGYM is a well-established gymnastics club that has been open in a town centre for over 40 years. ESgym is a private limited company whose aims would include making profit, growth and creating strong, reliable customer services. The business being a private limited company means it is controlled by shareholders to invest in the company. Shares are controlled by directors and they are not responsible for any debt if the company fails. Whereas, a sole trader business, like Nile Wilsons club, means all responsibilites rely on him which can be a lot of pressure on one person.

ESGYM is a small business, however, extremely developed over the 40 years they have been open for. They have employed 21 part time staff and 5 full time staff who develop sessions and activities, monitor performance and assure the health and safety of gymnasts. The business has 1 manging director, 1 estates and centre staff manager and 1 online

content production manager that all work full time. With Someone focusing on only their one job each can really benefit the business and keep it organised, instead of one individual taking all responsibilities of the business.

ESGYM has made a ~~facilities~~ facility accessible for all levels of gymnasts and cheerleader from recreational to competition standards. This would be a huge factor on making propit for the business as it would grow their customer base. More customers would want to be apart of this club, no matter what stage they are at in their gymnastics. Whereas, a gynastics club like GYMBITS who only train the highest of gymnasts, their customer base will be more professional, however a lot smaller that ESGYM. ESgyms aims are to create propit and this will definately help them reach that goal.

Esgym offers many different pricing options for their customers, such as, party bookings and holiday camps. This will attract customes as they are able to have a choice in what they are paying for, customers can even pay just £8.00 for one session this gives them time to decide and try out if they want to gain a membership there at £150 for an Excel membership or £30 for an engage membership. Whereas, a business like Severn Valley only

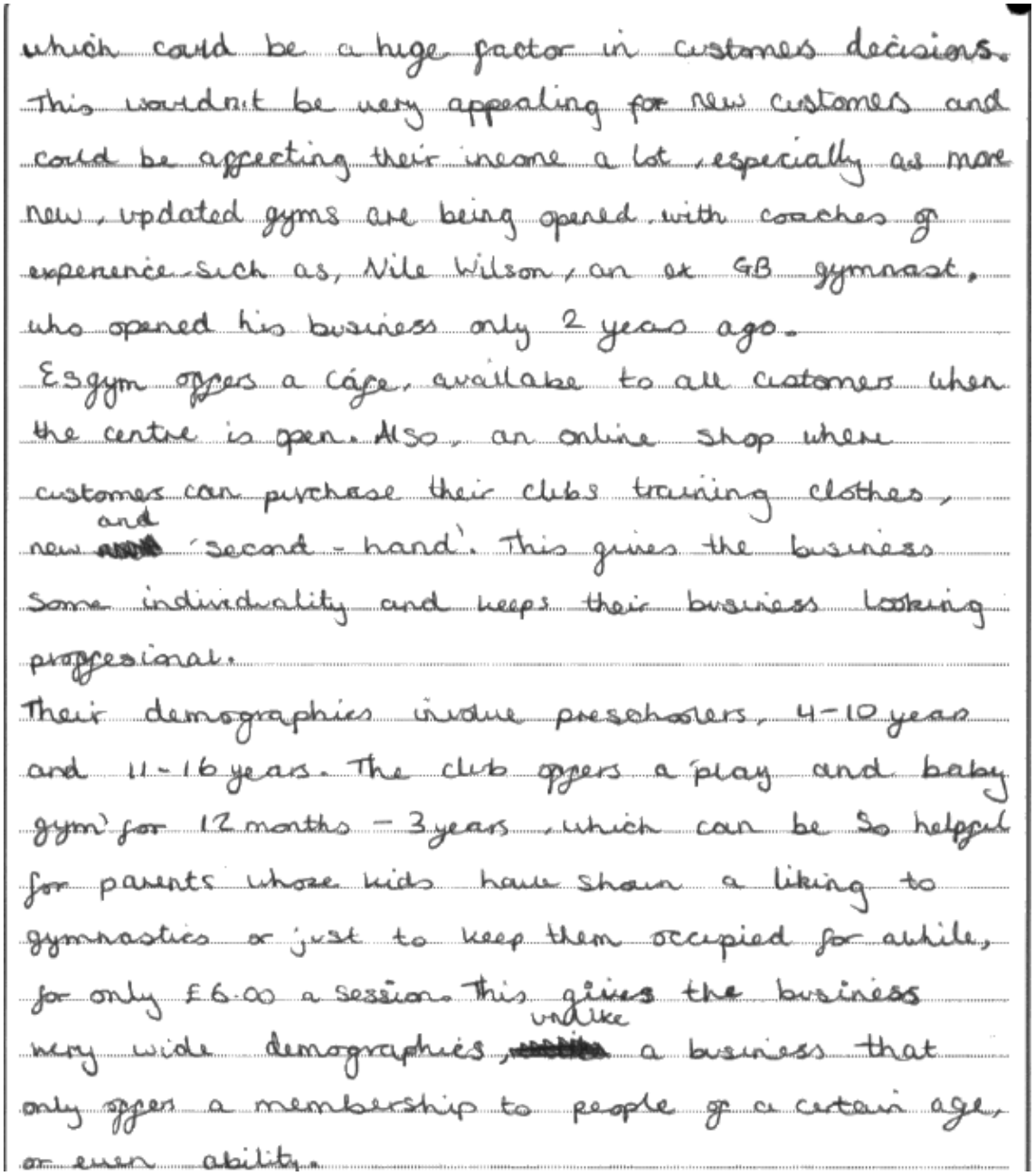
offer one main membership that ranges in price, depending on what level gymast you are.

Esgyms profit actually decreased from 2021 - 2022 by £2,000. They had lost a lot of profit on memberships and their holiday camps. This could be because people can just purchase the 'as you go' Sessions and not need to pay for a membership like other clubs. However, ESGYM has several sponsers who provide finance supporting the clubs competition fees, facility developments and marketing.

Their current marketing is all based online on websites the business does not widely use social media to promote their business, which could limit their customer base. Many people are on social media and many people rely on social media to apply and join clubs just like ESGym. Such as, Gymbats who use only social media to promote and keep their customers up-to-date on everything going on.

Esgym is open from 9am until 8pm every week day and 9am until 6pm Saturday and Sunday. Being open everyday of the week will help the business's aims of progressing and creating a strong customer base as it can work for many people, who may be busy in the week but can attend weekends, extremely flexible opening hours.

ESGYMs building is very outdated and old fashioned,



which could be a huge factor in customes decisions. This wouldn't be very appealing for new customers and could be affecting their income a lot, especially as more new, updated gyms are being opened with coaches of experience such as, Nile Wilson, an ex GB gymnast, who opened his business only 2 years ago.

Esgym offers a cafe, available to all customers when the centre is open. Also, an online shop where customers can purchase their clubs training clothes, new and 'second-hand'. This gives the business some individuality and keeps their business looking professional.

Their demographics include preschoolers, 4-10 years and 11-16 years. The club offers a 'play and baby gym' for 12 months - 3 years, which can be so helpful for parents whose kids have shown a liking to gymnastics or just to keep them occupied for awhile, for only £6.00 a session. This gives the business very wide demographics, unlike a business that only offers a membership to people of a certain age, or even ability.

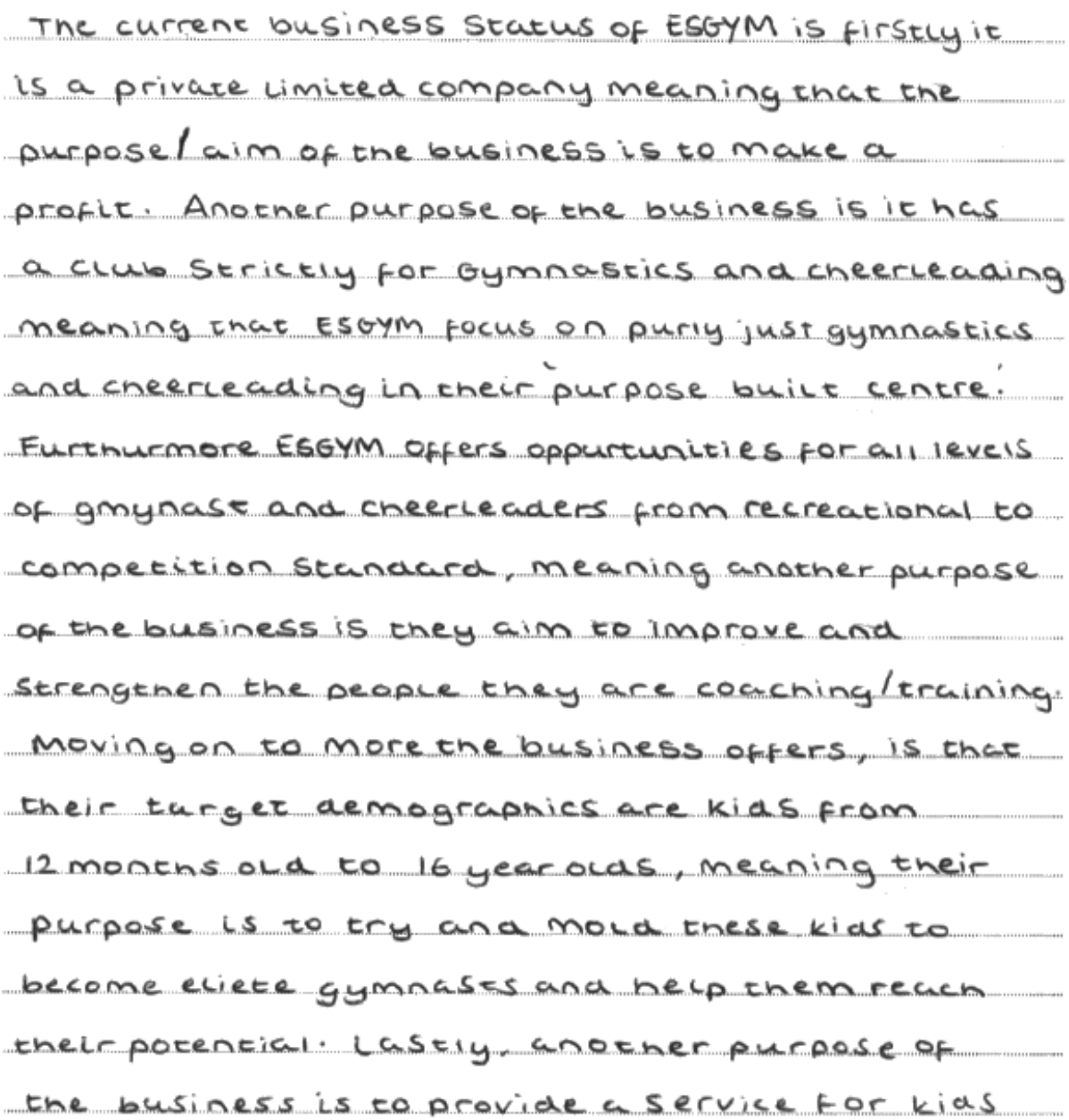
This response was awarded 11/16 marks (Band 3)

This response focused on the aims of the business and looked to relate information back to how these were impacted. They gave information on a Ltd company and supported with relevant, external research. They included information on the staffing structure, and importantly the impact on the business. They included facilities and how this generates profit through increased memberships (impact), again linking it to suitable research to support the response. Pricing options were linked to attracting customers and increasing profit. Data was used very basically (decrease profit total). Opening times were well explained and how again they would impact

customer base. Building quality was linked to customer decisions and rival competition, using external research to support.
Coverage of the intent was strong, with good impact and supporting external example businesses (scored maximum points for research!)

The following response was awarded 4/16 marks (Band 1)

The impact here was focused on the customer, as opposed to the business. 'Improving and strengthening people coached', and 'mold kids to become better elite gymnasts' is not an impact on the business, unless they went on to say how this would be beneficial (better reputation, more sustained memberships, therefore driving 3customer numbers and profitability for the future). Data was just repetition in the main with nothing analysed and linked to impact. No research included at all therefore 1/3 of the marks lost completely for this response.



The current business Status of EGGYM is firstly it is a private limited company meaning that the purpose/aim of the business is to make a profit. Another purpose of the business is it has a club Strictly for Gymnastics and cheerleading meaning that EGGYM focus on purly just gymnastics and cheerleading in their purpose built centre. Furthurmore EGGYM offers oppurtunities for all levels of gmynast and cheerleaders from recreational to competition Standard, meaning another purpose of the business is they aim to improve and strengthen the people they are coaching/training. Moving on to more the business offers, is that their target demographics are kids from 12 months old to 16 year olds, meaning their purpose is to try and mold these kids to become elitte gymnasts and help them reach their potential. Lastly, another purpose of the business is to provide a service for kids

and give them the opportunity to learn gymnastics/cheerleading, whilst even giving them opportunities to compete in competitions, whilst also providing more services like a dance studio, a cafe, facility hire and more.

Moving on to the business side of ESGYM, data shows that ESGYM made a total income of £421,000 and a profit of £48,000 in 2021, and in 2022 made a total income of £410,000 and a profit of £46,000 meaning that the business is consistently making a good amount of profit per year, which means it's, as a private limited company achieving it's goal of making profit. Furthermore ESGYM has a total of 30 members of staff making it a small business, but this also means as a small business that amount of staff means all gymnasts and cheerleaders are getting plenty of help and one on one time with staff as their are 5 members of full time coaching staff and 21 members of part time staff.

Now all of the above helps meets the aims of the business as firstly they are making a good profit, secondary they are providing a service for people, and finally they are making enough profit to survive as a business.

Activity 2. Business model analysis

Using the SWOT **or** PESTLE business model, analyse the factors that are currently affecting.

For this question, most of the candidates opted to use the SWOT analysis which has been successful. Where candidates chose to use the PESTLE analysis, there was a clear lack of competitor activity within the response, and therefore they could not move out of Band 1 – The PESTLE analysis therefore, without the correct incorporation of eternal examples limits the activity outcome to max 4 marks.

Using SWOT, this was a well-developed response overall, however with a few modifications higher bandings could easily have been achieved by a number of candidates. Following the guidance in the SMLW (Sample Marked Learner work) and previous Lead Examiner reports and exam papers, most candidates set out the SWOT originally in a table form under the 4 headings, then went into further detail to expand this response. This has tended to be the best approach to completing this question successfully, as the plan structures the response and ensures coverage of all elements.

KEY POINT

For traits 2 and 3 (knowledge and application of the business model) candidates are required to make at least 3 points under each correct heading (SWOT), using external research to support their answer to score in the top band (band 4) . There must be a minimum of at least 2 suitable external businesses used in this activity to score into this highest banding.

It is then the quality of the response from limited (band 1) to detailed (band 4) that examiners were looking for.

This question for the SWOT analysis requires candidates to clearly place the correct information into the right position within the business model. It's important that candidates understand that there are internal and external factors that are affecting the business.

The strengths and weaknesses (internal) were in general well-presented candidate responses. Opportunities and threats (external) are where candidates struggled with this response, specifically the threats. Threats need to be external, and must be 'out of the control' of ESGYM.

If they are in control, and ESGYM can have direct influence over them, then they are potentially weaknesses or opportunities.

Where candidates completed this response with just the SWOT analysis list/table without any examples of information regarding the points that they had made, then this response could reach a maximum of 4 Marks (information presented in the table format must be suitable and relevant to be awarded credit) if they had included 3 correct points under each heading.

Therefore, if candidates plan the SWOT analysis out, clearly highlighting 3 points under each of the correct heading, without any further detail or research they can score 4 marks on this question.

KEY POINT

The research element of this question is where candidates failed to achieve the grade they were capable of, especially if using PESTLE analysis. Considering the mark scheme for this activity, to move into band 2, competitor activity must be used to support the responses being given. No research (the scenario company GYMBATS would be credited here) limits candidates to the bottom band, so whatever the quality of their response, no research limits the marks available.

It is important to note, that the research (competitor) could link to any point made throughout the response, under any of the headings, as long as it is relevant. The most obvious areas here to link to is external (opportunity and threat), however included anywhere it would be credited.

Overview of most popular responses for the SWOT analysis (taken from a range of learner responses)

INTERNAL	
Strength	**Weaknesses**
• Well established small business 40 years old • Wide target audience (all ages and standards) • Strong product range -from play and baby gym to school holiday camps • High income driven through membership program • Pay as you go allows access and large income generation • Pricing low in comparison to other equivalent* (if applicable from research) • Website includes case stories/ customer feedback – promotion of positive • Flexibility of FT and PT staffing to manage peak and off-peak activity • Good range of opening times for access	• Outdated and old-fashioned facilities • Limited marketing spends- Social media not extensively used • Pricing high in comparison to other equivalent* • Shop and café sales decreasing • Party income stagnant • Expensive excel membership compared to GYMBats top membership (double) • Membership income falling
EXTERNAL	
Opportunities	**Threats (out of the control of ESGYM)**
• Better use of social media to market options (such as party option) • Provide a USP to gain advantage over competitors indicate what this would be) • Open days/free events to get people through the door • Look for additional funding to improve facilities • Coaching academy – qualification for gymnasts to undertake • More externality – event s and competitions – marketing opportunities • Financial investors to support reducing membership costs • Work with more schools as this is very popular and a growth area	• GYMBATS and other businesses -e.g. Better Facilities • Very high Rental costs • Equipment replacement costs • Legal and insurance costs

KEY POINT 2

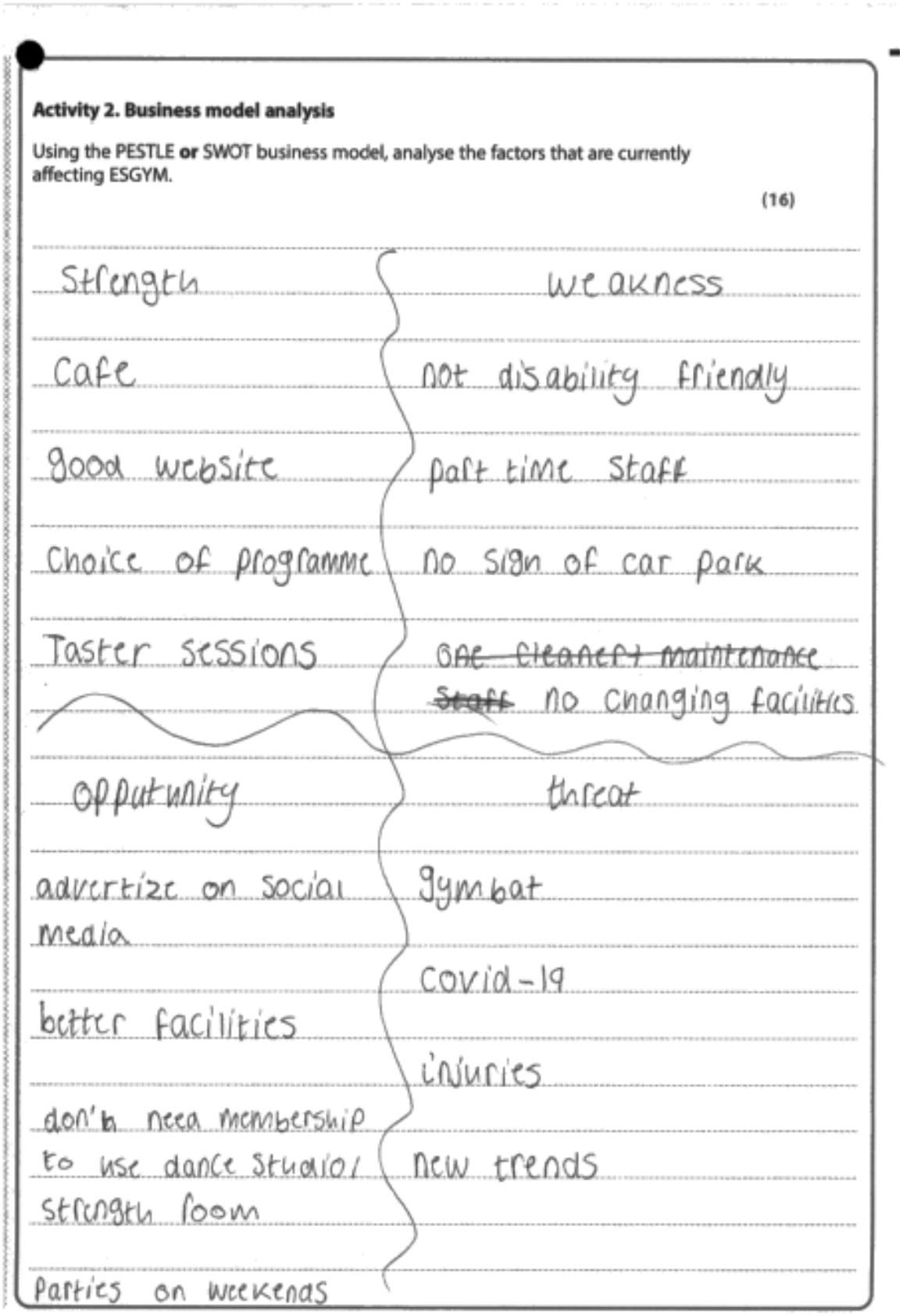
If GYMBATS (the second business) or an external competitor is used under the threats box it is only counted by examiners as one threat (i.e GYMBATS is the threat), no matter how many points are made. For example, if in the threats the following were included (from example above):

- GYMBATS/External Competitor– better pricing
- GYMBATS/External Competitor – better range of product
- GYMBATS/External Competitor - better distribution demographic

This would only be credited as ONE threat (for top band there needs to be 3 in the threats section that are relevant)

Examples of a Candidate responses for Activity 2

Example of Band 2 Answer for Activity 2 – See commentary below



Activity 2. Business model analysis

Using the PESTLE **or** SWOT business model, analyse the factors that are currently affecting ESGYM.

(16)

Strength	weakness
Cafe	not disability friendly
good website	part time staff
Choice of programme	no sign of car park
Taster sessions	~~one cleaner + maintenance staff~~ no changing facilities
opputunity	**threat**
advertize on social media	gym bat
better facilities	covid-19
don't need membership to use dance studio/ strength room	injuries
Parties on weekends	new trends

Esgym has many strengths as a club, for instance it offers a cafe providing food & drink for customers as well as a place to sit down and relax, while also making esgym more money, as well as that esgym take pride on a strong website, by storing all their key information on there such as the when and where of events and also an online shop where users can spend money on ~~clo~~ training kit and photos. The gym also provide two suitable programmes for customers depending on ability and how far you want gymnastics to take you, with one being for leisure and becoming fitter, while the other one is all about becoming a better gymnast and entering competitions, and finally the gym offer taster sessions free of charge so the customers can try out something different and won't have to pay if they don't like it and if they do esgym get another happy customer.

The gym also has it's weakness', for instance it doesn't include disability classes therefore ~~losio~~ losing out on customers and

making some unhappy, they also hire lots of part time staff, which means they may not have the same work ethic and may miss sessions or not be as well trained as the full timers. Esgym doesn't also include a car park meaning customers will have to walk to the gym or either lose money paying for a space and lastly there is no sign of changing facilities leaving customers with perhaps little privacy and somewhere to get changed before & after a session leaving customers unhappy

Esgym also have opportunities to help the buisness and grow it, such as advertizing more especially on social media as it's so popular these days and if the more people who see it on social media the more ~~this~~ chance of customers knowing about esgym who didn't know about their gym or even website, the club could also improve on facilities as the building is outdated and there's little equipment which will put customers off. Esgym also have cheerleading and a strength & conditioning room that can only be used with a membership

that isn't worth it just for to use one of the two so make a different membership for them two and they will be used more and cost. Esgym also only provide parties on weekdays which means there tough to get to and due to work and school, so by having them on weekends you would get more parties, so more money and people in the gym.

The gym also has threats to the buisness such as other gyms nearby like gymbat where customer may choose to use due to them seeing it better. Covid is also a huge threat as if staff members or customers got covid, it would force the gym to close down losing money & customers and reauiring a deep clean. injuries to customers are also big threats to esgym as the gym may be sued and the customer may never come back, and it also puts a bad name on them, and finaly new trends come around outdating other things in the gym and ~~de~~ customers choosing to do them rather than coming to gymnastics.

This response was awarded 8/16 marks (Band 2)

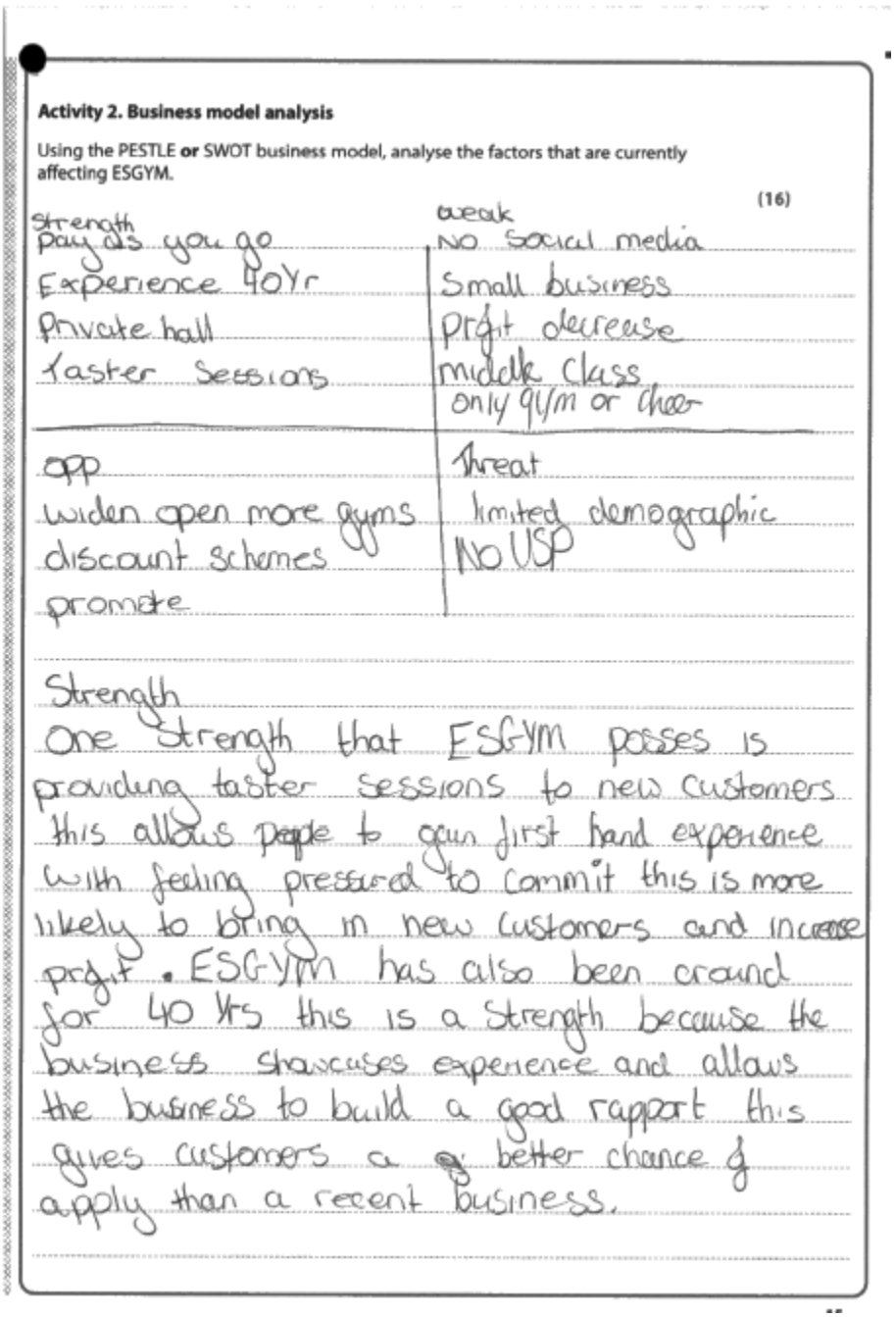
The response is well structured and starts with the candidate setting out the 'plan' of the SWOT analysis. This is good practice, and tends to ensure that full coverage is made, specifically when coming to the opportunities and threats element (external).

The coverage here was one of the key components to reaching this banding. There were the full 3+ responses included under each heading, all they were credit worthy. This automatically put the response into the top band for coverage. The quality of the responses themselves however mainly fell into band 2.

The links to research were limited to GYMBATS only and limited to the threats. To score higher, more external research would be required to support the response throughout.

The following response was awarded 10/16 marks (Band 3)

The quality and detail of the response was much more comprehensive than the previous example, however the coverage caused the marked to be limited. With the threats, due to there being 2 examples from competitors, this is only classed as one threat, therefore limiting the coverage. Having a USP or adding new things would be classed as 'in control' of the business, as they could implement this, therefore not awarded as a threat. This example emphasises the need for the structure of the responses to be in line with the guidance given in the LE reports. With a little tweak here, this response would have scored top band (13-16 marks)



Activity 2. Business model analysis

Using the PESTLE **or** SWOT business model, analyse the factors that are currently affecting ESGYM.

(16)

Strength	weak
pay as you go	No social media
Experience 40Yr	Small business
Private hall	profit decrease
Taster Sessions	middle class
	only gym or cheer
opp	Threat
widen open more gyms	limited demographic
discount schemes	No USP
promote	

Strength

One strength that ESGYM posses is providing taster sessions to new customers this allows people to gain first hand experience with feeling pressured to commit this is more likely to bring in new customers and increase profit. ESGYM has also been around for 40 Yrs this is a strength because the business showcases experience and allows the business to build a good rapport this gives customers a better chance of apply than a recent business.

Weakness

A weakness that ESGYM have is only promoting their business through there website and not other social media platforms even though they have a part time online content producer this limits the access to new potential customers and doesnt meet current trending apps like Snapchat and insta. the stats also show that ESGYM have a profit decrease of £1000 because some of the services made less money and will limit of other factors like bringing in new facilities or being able to pay staff expand on staff & advertising the business

Opportunity

ESGYM have the opportunity to expand and widen the demographic by opening more gyms instead of being just regional they can become national this will increase sales and membership as well as profit. Another opportunity ESGYM ~~has~~ has is introducing discount schemes friend refferals or adding new product launches with advertising

This will promote the business and bring in new customers to increase membership and profit opportunities to be able to become finacially Sucessfull.

Threats

A threat ESGYM has is their limited audience and demographic this impacts the customers reached only children seem to be catered to where as other businesses like heathrow dont just do different activities for adults & kids but also imply coach therapy which adults would take an interest too this is an impact as adults may take kids else where that provides a service for both people. Another threat is not adding new things or changing a USP they dont offer something unique just standered other places like fantasic gym to t2-1 sessions and do home sessions this USP builds Customer satisfaction and loyalty as not many bussnesses offer it. Meaning people may go else where for this service further decrease in profit.

Activity 3. Recommendation

Recommend how ESGYM can develop and market itself.

You should consider:

- customer groups
- trends in the industry
- the needs of the business.

This question requires no external research to be included and holds the largest amount of credit on the paper, a total of 20 Marks.

Candidates need to make recommendations that will allow DPS to develop and market itself moving forwards. Candidate responses were taken at face value here and there was no set responses for examiners to use to award credit. If recommendations were suitable, and they could positively impact the business then they were available to be credited.

KEY to this question: HOW (not WHY)

Most candidates who scored well on this activity focused very much on the HOW. The best way to think about supporting leaners to complete this question is to make them think, the following:
'If someone was to come and pick up the recommendations they were suggesting, that they would have enough detail to implement them, without asking the candidate any more questions.'

The deeper the level of detail the recommendation goes into, the higher the grade boundary.

NO REASONS and NO RESEARCH – HOW ONLY

The response to the activity however does need some structure. Candidates must cover recommendations under the required traits: **customers, trends and business.** This is where there was some confusion over which heading they fall under, however examiners were trained to support the when marking, and if headings were incorrect, they credit was still given under the right heading so candidates should look to structure this answer using the three headings

- CUSTOMER
- TRENDS
- BUSINESS

Candidates were structuring this question well and clearly articulating the HOW in the main– this is the biggest mark available on the paper so getting this question right is essential.

Candidates need to ensure that they cover all the three elements of this activity to score into the higher bandings.

To reach band 4 there must be a spread of recommendations from each trait (customers, trends and business) -3 in each were required – some could be small, and others larger, but the coverage must be in place. Looking at the banding for this activity the response needs to be detailed, and more importantly comprehensive to reach the higher banding. By setting the response out into the individual traits then candidates can be sure that they are more likely to be comprehensive in all areas.

Example of structuring the response

Recommendation 1:

- Introduce Open days/free events
- These will occur monthly (last Saturday of every month)
- They will open the whole center from 9-12
- All activities/equipment will be free to use
- Booking online required (collect personal details for future marketing)
- 10% discount on membership prices if you have attended an open day

Recommendations could have included information below (not exhaustive). Setting put a plan, link in activity 2 could ensure that the full coverage is in place.

Trait 2: CUSTOMERS

- **Customer service** (e.g website)
- **Special offers** (e.g. promotions, customer loyalty schemes/different membership types)
- **Communicating with customers** – (e.g. taking on feedback to improve customer service)
- **Developing activities offered to certain groups** (e.g. specific packages for age groups and exercise outcomes
- **Develop other options for customers** (e.g subscription for friends and family)

Trait 3: TRENDS

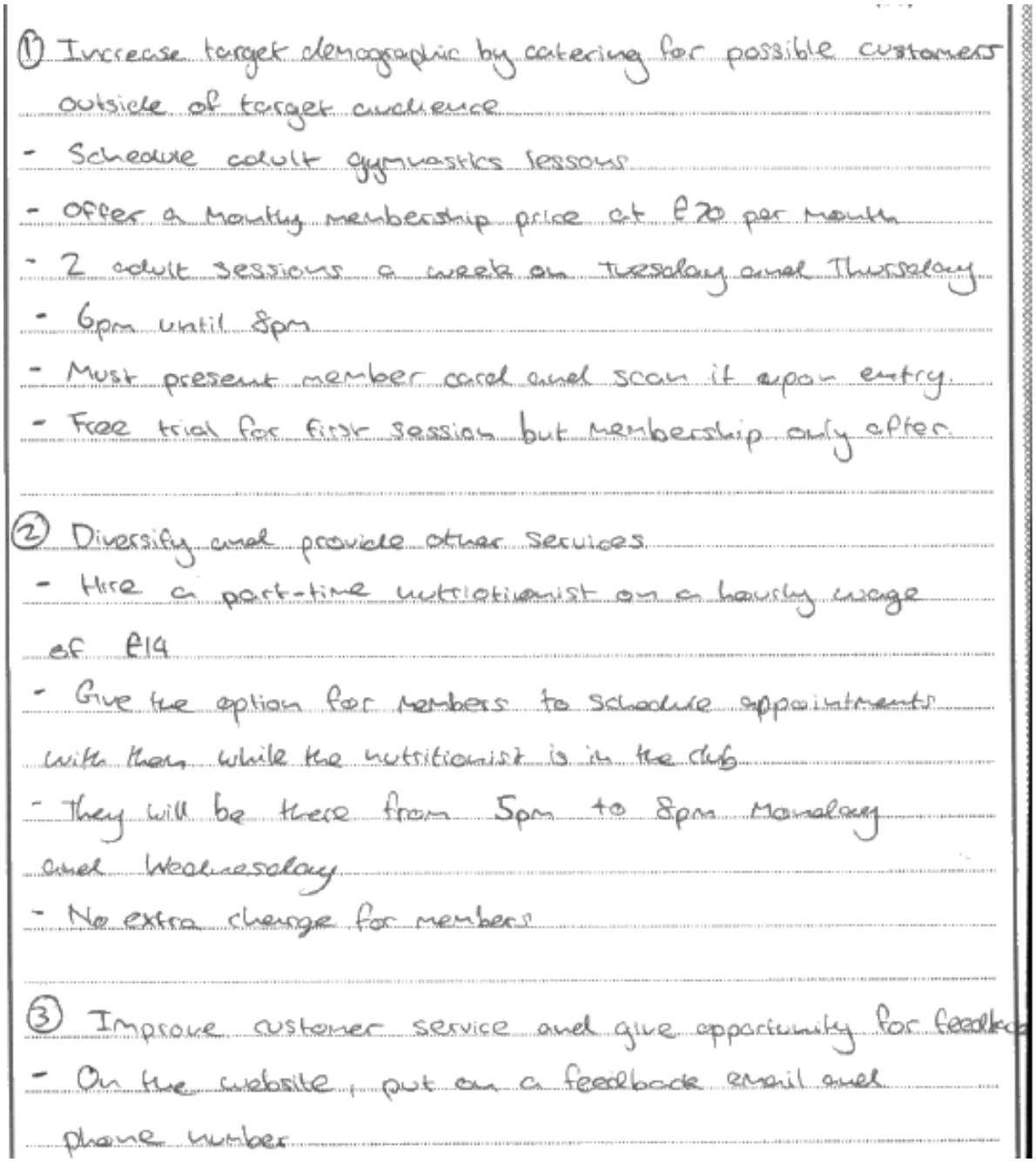
- **New 'on trend' offers** (e.g. tailored and individualised packages)
- **Advertisement and Marketing** (social media outlets – twitter/instagram/linkedIn) – for the right target audience
- **Develop a USP** (e.g. something that other business don't currently offer that's attractive to participants - (focus the USP)
- **Changes in participation** (e.g. how ESGYM could improve for specific groups – e.g schools programs)
- **Increased mass participation events** (free sessions/trial periods etc)

- **Trait 4: BUSINESS**
- Sustainable - reduce costs/alternative ways to deliver outcomes with reduced cost
- Staffing–CPD for the teams/increased remit specific individuals through upskilling
- Increase the number of people being targeted (corporate memberships)
- Updating and development – (e.g.) – Legal regulations – ratios of staff to participants

KEY POINT

Recommendations should be clear and be suitable for the business to achieve however this section is for **recommendations only**, **not for justifications** as to why the recommendation would be suitable. **Justifications here will not be credited**, this information needs to be placed in activity 4, with a clear link to the justification made in Activity 3.

Example of Band 4 Answer for Activity 3 – See commentary below.



(1) Increase target demographic by catering for possible customers outside of target audience
- Schedule adult gymnastics lessons
- Offer a Monthly membership price at £20 per month
- 2 adult sessions a week on Tuesday and Thursday
- 6pm until 8pm
- Must present member card and scan it upon entry.
- Free trial for first session but membership only after

(2) Diversify and provide other services
- Hire a part-time nutritionist on a hourly wage of £14
- Give the option for members to schedule appointments with them while the nutritionist is in the club
- They will be there from 5pm to 8pm Monday and Wednesday
- No extra charge for members

(3) Improve customer service and give opportunity for feedb
- On the website, put on a feedback email and phone number

- Have someone always at the phone to pick up when it is rung.
- The Managing director will have access to both of these methods of communication
- The phone will only be picked up during the open hours of the day
- It can be accessed 7 days a week

(4) Advertise on Tiktok

- The online content production manager will have access to the account
- Post a minimum of 3 videos a week
- Advertise the account on the website by showing the username
- Advertise the business and give information on coaches and services offered

(5) Offer a new activity like Yoga

- Have a yoga instructor come in 1 per week
- Participants will ale a pay as you go type of payment
- Use one of the dance studios
- Open to adults only (18 and over)
- Monday nights from 7pm to 8.30pm
- £10 per session

(6) Introduce video analysis

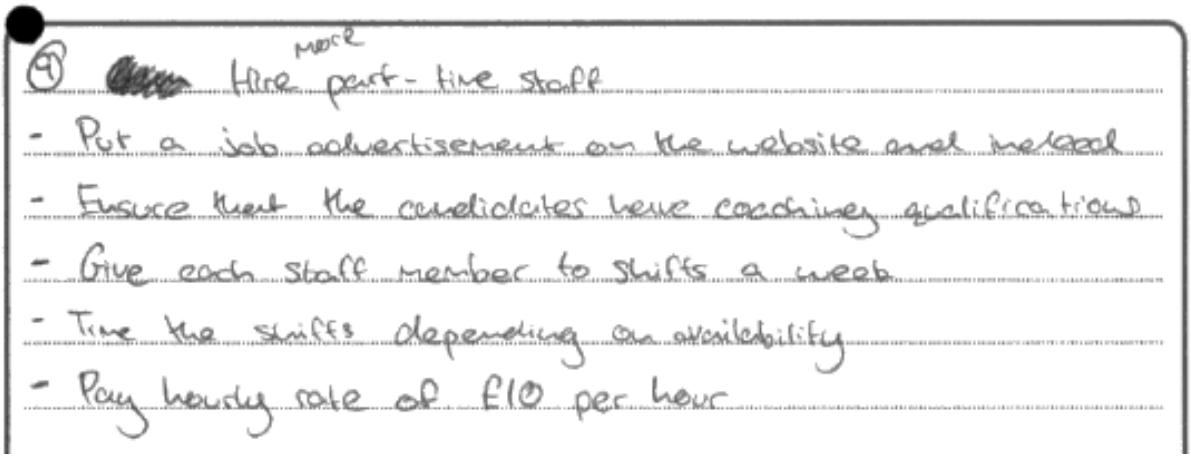
- Purchase a Veo sports camera with funds for the busi
- Have all members on the veo account
- Film competition routines and full training routines
- Film on iphones for more accessible and quick videos
- Watch videos at the start of each session to figure out areas for improvement

(7) Buy new and upgraded equipment

- Buy more modern equipment with leftover profits
- Buy Purchase very good quality equipment so that training standard can be improved
- Pay for renovation of gyms and other training suites to ensure there is good mindset
- Buy from websites known for good quality gymnastics equipment

(8) Reduce spendings by finding a new distribution company for merchandise

- The managing director should search for distribution companies
- Take notes on each company
- Compare each company to see which is most appropriate
- Have all merchandise distributed by the company which is the least expensive and does a good job

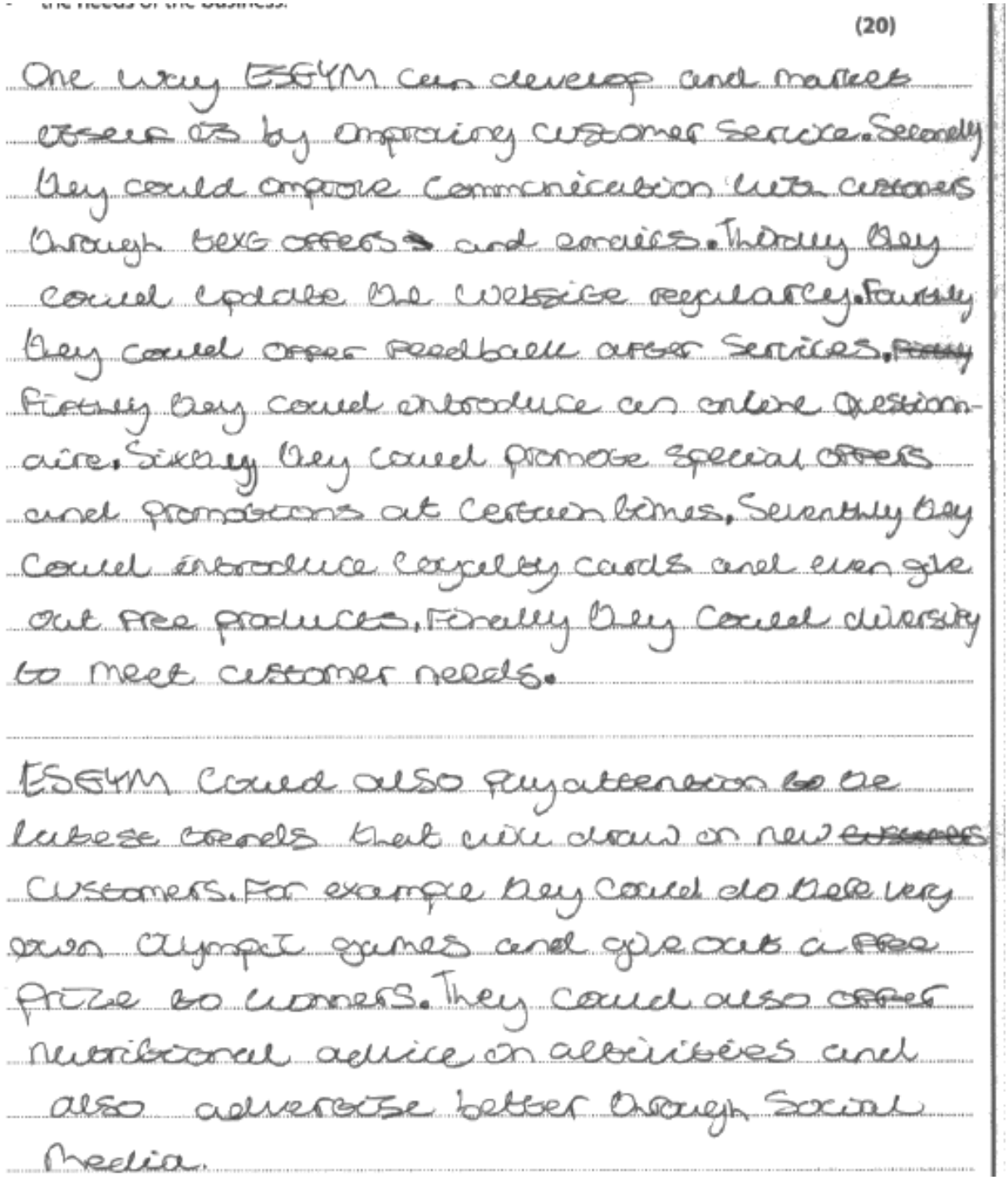


The above response was awarded 16/20 marks (Band 4)

This response was very well structured. It had the full coverage requirements (7 + points made) to score maximum marks on coverage. As directed by the LE reports, the response allowed the examiner to easily understand the requirements of the recommendation. The learners clearly identified what plan would be put in place to cover the recommendation and customers, trend and business was all included. Customer examples were the strongest, with business being the weakest, and this tends to be the position of most responses linked to this activity. The learner has used the time wisely to articulate the plan, and not gone into any reasons 'why' as this would not be creditworthy. The plans are simple; however, they have enough content for the reader (examiner) to understand how they would be implemented and the thought process of the learner. It's a clear plan of how they would implement the recommendations.

The following response was awarded 8 marks (Band 2)

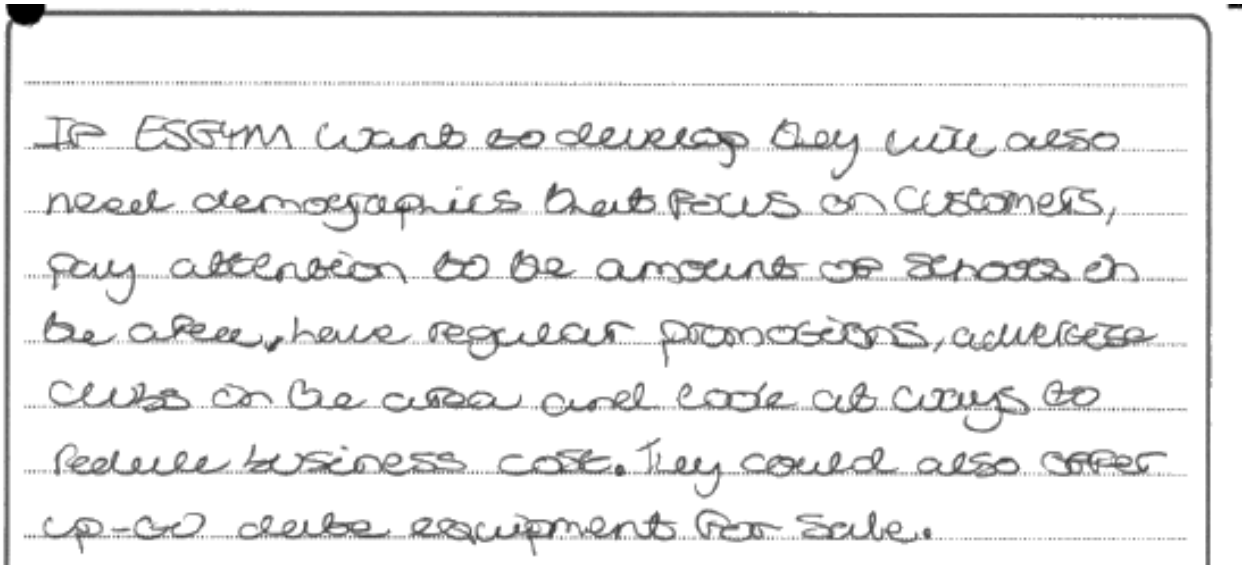
Here the coverage was maximised (7+ points) and therefore maximum marks were awarded for coverage. The quality for the response however was basic, especially towards the trends and business elements.



(20)

One way ESGYM can develop and market itself is by improving customer service. Secondly they could improve communication with customers through text offers and emails. Thirdly they could update the website regularly. Fourthly they could offer feedback after services. Fifthly they could introduce an online questionaire. Sixthly they could promote special offers and promotions at certain times. Seventhly they could introduce loyalty cards and even give out free products. Finally they could diversify to meet customer needs.

ESGYM could also pay attention to the latest trends that will draw in new customers. For example they could do their very own Olympic games and give out a free prize to winners. They could also offer nutritional advice on activities and also advertise better through social media.



Activity 4. Justification
Justify your recommendations for ESGYM in relation to:

- 'GYMBATS' and other obstacle events businesses
- The wider business context in the sport and active leisure industry.

This activity heavily focuses on the **WHY,** linked to the recommendations made in Activity 3. Justifications need to be made that support the recommendations regarding how they will improve the business moving forwards. The more detailed the justification here, the higher the banding for trait 1 (see mark scheme below)

This question is marked in isolation to Activity 3 by examiners, however it does link. To ensure that it is clear what recommendation is being justified here candidates are recommended to include this information into the response

For example:

Recommendation: To Increase the demographic to include other target audiences (with examples)

Then make the clear justification as to why this was recommended in activity 3, with reference to external businesses/research.

As with previous series the key to moving through the bands for trait 2 for this question links to research to support the justification. This is all about the preparation that takes place through part A of this examination process.

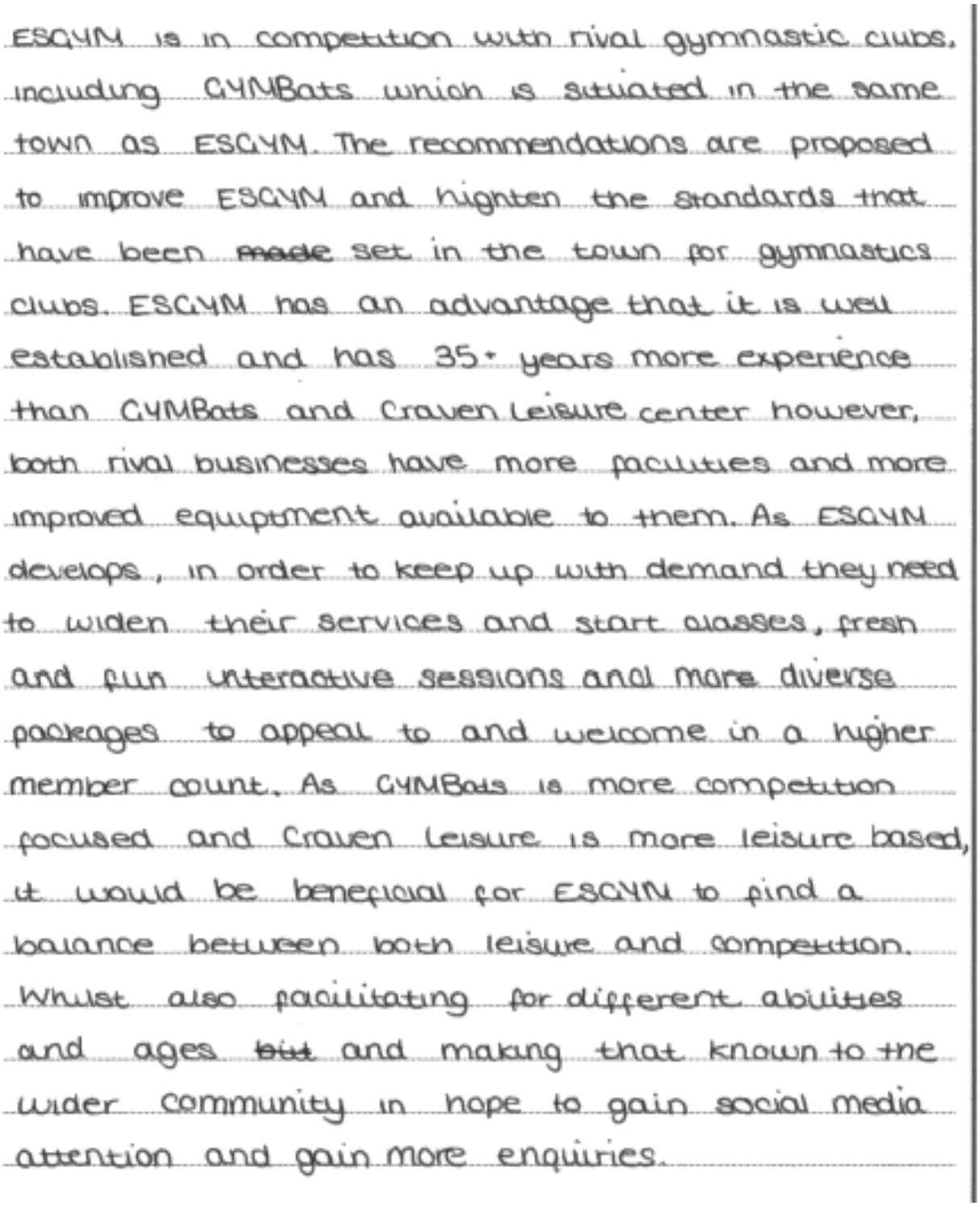
Bringing together ideas and recommendations, providing evidence, and giving a strong argument for why they should be implemented will move candidates into the higher bandings.

With regards structuring this response, candidates could use the following techniques

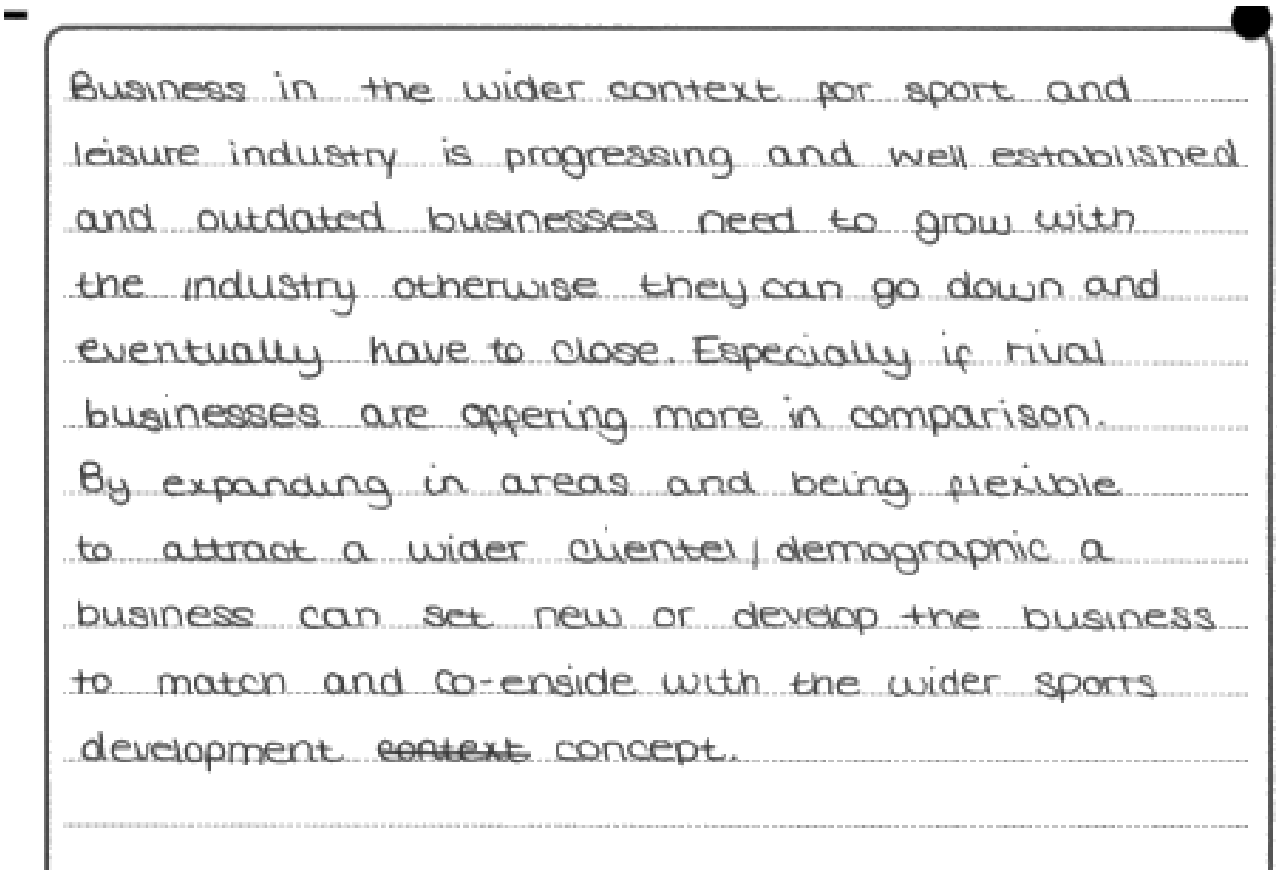
1. **What recommendation is the justification linked to (e.g opening the demographic up)**
2. **Trait 1 : Give the reasons why this improve the business (credible ones)**
3. **Trait 2: Link this to some research from Part A (wider business context), or scenario business (GYMBATS – band 2 max for trait 2) to support the point made.**

Example of candidate responses for Activity 1

Example of Band 2 response for Activity 4



ESGYM is in competition with rival gymnastic clubs, including GYMBats which is situated in the same town as ESGYM. The recommendations are proposed to improve ESGYM and highten the standards that have been ~~made~~ set in the town for gymnastics clubs. ESGYM has an advantage that it is well established and has 35+ years more experience than GYMBats and Craven Leisure center however, both rival businesses have more facilities and more improved equipment available to them. As ESGYM develops, in order to keep up with demand they need to widen their services and start classes, fresh and fun interactive sessions and more diverse packages to appeal to and welcome in a higher member count. As GYMBats is more competition focused and Craven Leisure is more leisure based, it would be beneficial for ESGYM to find a balance between both leisure and competition. Whilst also facilitating for different abilities and ages ~~but~~ and making that known to the wider community in hope to gain social media attention and gain more enquiries.



Business in the wider context for sport and leisure industry is progressing and well established and outdated businesses need to grow with the industry otherwise they can go down and eventually have to close. Especially if rival businesses are offering more in comparison. By expanding in areas and being flexible to attract a wider clientel/demographic a business can set new or develop the business to match and co-enside with the wider sports development ~~context~~ concept.

This response was awarded 4/12 marks (Band 2)

This response is typical of this activity. The first paragraph here is very weak and does not get to the point of the question. Learners are best to just identify the recommendation they are going to justify and then start with the reasons and linked research. Credit worthy material starts with 'keeping up with the demand' and appealing to and welcoming in a higher member count. These are the justifications of the heightened standards recommendation they are trying to conclude. There is use of an external business (craven) however the points that the examples are supporting are not well developed. Learners should be able to articulate that the rival or other businesses have improved facilities, and therefore this drives the customer base, enhances the price range that they can charge, and maintains customer retention/loyalty therefore allowing growth and future diversification.

The following response was awarded 7/12 marks (Band 3)

Straight from the offset the learner quickly identifies the recommendation being justified. The justifications are well structured and build well to give a clear process to the response. The research used to support the answer is clear and sustained, and relevant to the point being made, if not so detailed.

I reccomended ESGYM to open up another facility to help them increase their growth. This is because the bussiness is 40 years old and its still a private limited company. This means the owner has been taking profits every year and not reinvesting into the business which means it has become "old and outdated". By opening another facility it can help increase revenue which if costs stay the same or only dipper slightly then profits will increase. This means they will be able to give lower prices and discounts to increase their market share against competitors such as Southampton gymnastics whos prices are cheaper at 6 pounds per session. By having lower prices they can get the edge as Southampton Gymnastics also have other incentives such as that its a Non profit organisation. This means that customers are guarenteed that there money gets reinvested back into the company. By opening up another facility it helps grow the size of the bussiness and also the scope from global to national/regional. This means that there is a ~~Big~~ Big larger market with more customers.

I reccomended ESGYM to improve facilitys and equipment to help compete against rival bussiness's such as GYMBox. This is because Gymbox are a relativley new company with large investment who are growing rapidly. There main USP is there quality training facilitys

and competition reputation that means they can charge a very high price for a High quality experience. I have reccomended ESGYM to improve facilitys due to GYM bats decreasing prices due to large investment from private investors. This is Gym bats attempt to take ESGYMs market share/customers. So If ESGym invests in better conditions it will be able to retain market share and also compete with other Cost leadership focused businesses such as GYM stars who also charge 8 pound a session.

I reccomended to change the way they market themselves as they Currently operate in a cost leadership ~~go market~~ way. They should Change and improve Quality of service so they can increase prices. By increasing prices they are able to make more revenue per session and as costs stay the same they can make more profit per session. By improving quality it also helps them against other local businesses such as Southampton gymnastic who offer solo session and advanced classes. This means they are able to charge more and make more profit per session. With the more profit they can reinvest into making the sessions better.

I reccomended to open up another facility as it can help improve the aims of the business. The aims of the business is convenience and by Creating more facilitys there will be more places in which customers can go to. This can encourage customers who travel a lot as they can pay for an membership and then go to a facility that is closest to them at the time. This also helps the get a edge over competitors

such as Renaicence, gym Stars and Gym bats as they are all micro businees who focus on local scope and by increasing the amount of facilities it can outgrow them and get a bigger market share.

Summary

<u>The activities and mark scheme never change with this unit examination (hence why the Lead Examiner reports have the same content and information due the paper structure, mark scheme and activities remain constant –All that changes is the scenario/businesses)</u>

There have been Sample Assessment Material provided, along with Lead Examiners reports, and previous exam papers, to support the preparation and development of research for this unit examination.

KEY POINTS for Preparation for future examinations:

1. Undertake the research element of PART A. Ensure candidates have the 3 businesses researched and their key points for success/how they run.
2. Have well developed A4 notes (individually prepared) to support the completion of the exam.
3. Read the scenario carefully, highlighting key points that could be used for activity 1 and 2.

Activity 1: structure the response linking to the specification. Get leaners to look for information linked to **making profit, Survival and Growth, Diversification, Service Provision, Marketing, Customer Service and Satisfaction.** Ensure that research from Part A is used to support this response. Ensure that the information is analysed, and not just regurgitated. Use the data, make calculations, and interpret it

Activity 2: plan out the response initially (SWOT). Ensure full coverage of each element. Make sure that threats are external and 'out of control of the business' **Include research to support points made throughout.**

Activity 3: HOW not WHY. Be able to pick up recommendations and implement them without any questions asked. Must cover all elements (business/customer/tends – 3 of each for top banding)

Activity 4: WHY – give suitable reasons why the recommendations would work, and support this with information from the second business, **and external research.**

Ensure that the research completed in Part A is focused on the activities in the assessment. The activities will never change. They will be in the same

order, just linked to a different scenario and business in Part B. The mark scheme will also never change. It will contain the same traits and bandings. Tutors need to make themselves fully aware of the requirements of this task-based assessment, by using this report, the SAMs and Additional SAM's.

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