

20. Competition

1. Missing words

Businesses are run by people who, like us, love an easy life. We'd all like to get up late and have a relaxed day with a good lunch break and no stress. When businesses have no competition, that's largely how it is. Until recently, this was the position of _____, with its 80% share of the world market for business software ('Office', i.e. Word, Excel and Powerpoint). Because customers have nowhere else to go, the dominant supplier can charge _____ prices and provide poor customer _____. Competition can make a real difference. Once a business has strong competitors, it has to work hard to give _____ for money.

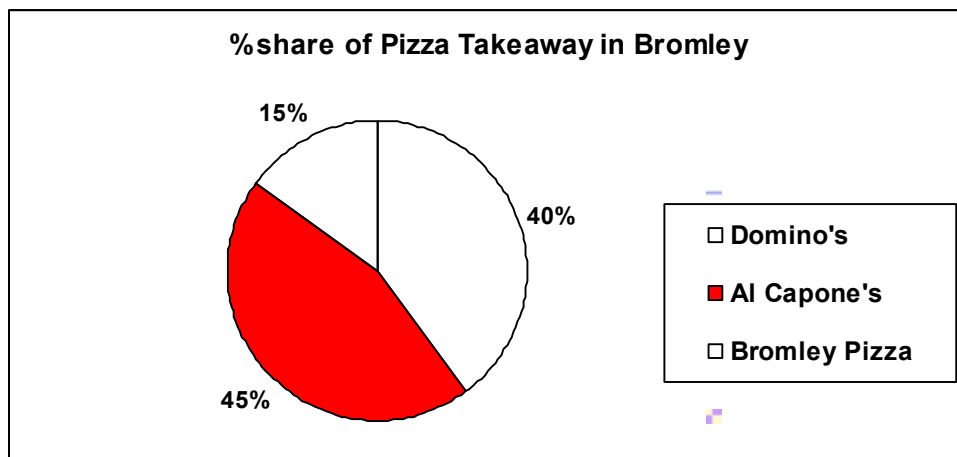
Hint: words from – high, value, Microsoft, service

2. The American chocolate giant Hershey decides to spend £60 million to break into the UK chocolate market, currently dominated by Cadbury. Briefly outline the possible impact.

Group	Effects of Hersheys' arrival	Likely responses to Hersheys arrival
UK consumers		
UK chocolate manufacturers		
UK retail (shop) outlets		

3. Data Response

Sonia loves pizza and believes she can start a successful takeaway business in her home town: Bromley. She and her two brothers have interviewed 120 people and found the following, surprising, results. A local business called Al Capone's is outselling the mighty Domino's Pizza. She is very encouraged by this.



3.1 Outline two possible reasons why Al Capone's is outselling Domino's locally. _____

3.2 Sonia plans to call her outlet **19Pizza**, with the promise: 'Delivery in 19 minutes or your money back'. Outline one strength and one weakness of her plan to beat her competitors.
