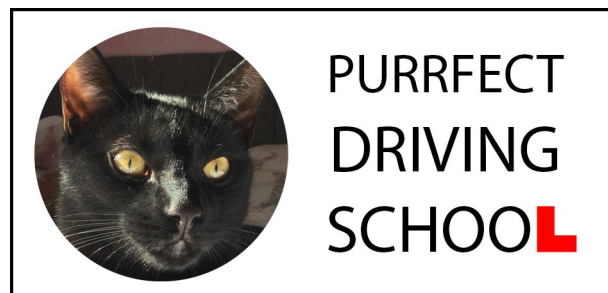




## Purrfect Driving School

Eve Rose is an entrepreneur who owns and runs a driving school business. She is a sole trader and does not employ anyone else. Eve carries out all the driving lessons as well as all the other roles and duties of running a small business.

When she started the business one year ago, she was aware that there were already many other driving instructors in her area and the competition for customers would be fierce. Eve graduated from university with a marketing degree and therefore fully understands the importance of developing an effective marketing strategy, including carrying out thorough market research and creating a successful marketing mix.



Eve decided to call her driving school Purrfect Driving, using a cat logo on her car and her marketing material.

Eve carried out secondary research to help her find information before starting her business. The information she obtained included:

- Nationwide, the average number of lessons required to pass the driving test is around 44 hours of paid professional instruction and 22 hours of private practice.
- Approximately 1 in every 3 driving test candidates will pass on their first attempt.
- The average cost in the UK for a driving lesson is £24.



Figure 1: UK driving test candidates by age 2017 to 2018

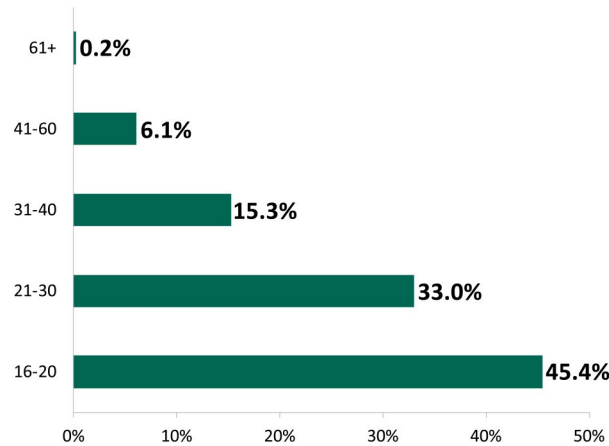
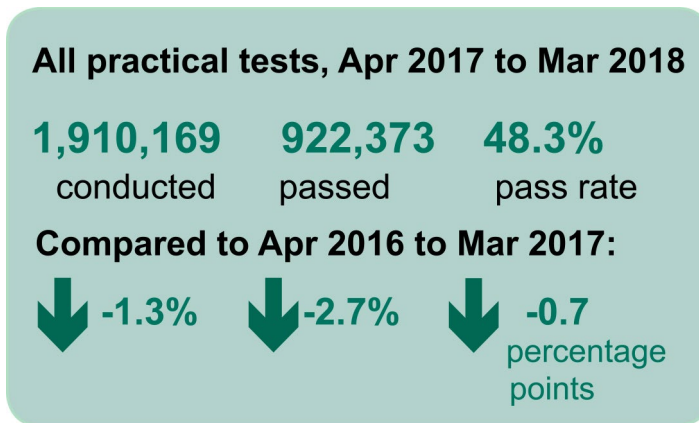


Figure 2: Number of UK driving tests 2017



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Eve also carried out primary research in her local area. Eve used the secondary and primary research data to help her finalise her marketing strategy. When devising the marketing mix for Purrfect Driving School, Eve considered:

Figure 3

Branding Quality Product differentiation Unique Selling Point (USP)	Competitive pricing Cost plus pricing Penetration pricing Price discrimination
Promotion Advertising media Use of technology	Geographic area E-commerce and m-commerce Multi-channel distribution



Eve calculated the following costs for Purrfect Driving School:

### Figure 4

Annual fixed costs	£ 12,000
Variable cost per driving lesson	£ 8

During the last year Eve has worked very hard to make her business a success and has attracted a lot of new customers. She is considering growing her business by purchasing an additional car and employing another driving instructor to increase the number of lessons Purrfect Driving School can supply. Eve is also considering widening the geographical area in which the business will offer driving lessons.

## Questions

1. Describe why Eve can be described as an entrepreneur. (2) (AO2 2)
2. Outline **two** advantages and **two** disadvantages of sole trader ownership. (4) (AO1 4)
3. Explain the difference between primary and secondary market research. (2) (AO3 2)
4. Using the secondary research data, calculate:
  - The number of driving tests in 2017 to 2018 for 16-20 year olds. (1) (AO2 1)
  - The average total cost for candidates to pass their driving test. (1) (AO2 1)
5. Consider how useful the secondary research information was to Eve before she started her business. Make direct reference to the data in your answer. (6) (AO2 3, AO3 3)
6. Identify **two** suitable methods of primary research Eve could have used to gather her primary information. (2) (AO1 2)
7. State what is meant by the marketing mix. (2) (AO1 2)
8. Using **Figure 3** and other relevant **qualitative** and **quantitative** data in the case study, recommend a suitable marketing mix for Purrfect Driving School. (10) (AO1 2, AO2 4, AO3 4)

## Additional Questions

- Using **Figure 4** and the average cost of driving lessons in the UK, calculate the number of lessons Eve must sell **each week** in order to break even. (4) (AO1 1, AO2 3)
- Consider possible sources of finance Eve could use in order to grow the business. (8) (AO1 2, AO2 3, AO3 3)