

## THE PIG® - BUSINESS STUDIES/MANAGEMENT

### Student Activity 1

Craig would be described as an entrepreneur. From the case study about THE PIG®

- (i) Identify the features that show that Craig is an entrepreneur
- (ii) Explain how intellectual property supported Craig in his quest for entrepreneurship

### Teacher's notes Activity 1

Students are likely to identify the following features:

(i) Number and diversity of ideas

- Craig followed his ideas through to successful development and on to the market
- Perseverance and time spent on development
- Awareness of the need to protect his investment
- Vision.

(ii) Enterprise and entrepreneurship would be impossible without the protection that intellectual property (IP) give businesses. They are able to carry out research and develop their ideas through to putting them on to the market, safe in the knowledge that they are the exclusive owners. Any copying of granted patents, designs and trade marks would be an infringement and illegal. This is particularly relevant for small businesses, which may have to involve outside agencies for financial and technical support, widening the sphere of people who have access to the 'secrets'.

## Student Activity 2

You are a marketing consultant. Craig has come to see you for advice on whether he should try and arrange the manufacturing and marketing of THE PIG® himself, or whether he should sell it to one of the big sports brands. Prepare a presentation for Craig to help him make his decision. You might like to work in pairs for this activity and you can present your work as a PowerPoint show, a website or a verbal presentation to the rest of your group.

## Teacher's notes Activity 2

This would be dealt with successfully as a cost-benefit analysis exercise. Students should be expected to show the conflict that Craig is likely to have if he sells to a sports company. Possible 'for' and 'against' arguments for selling to a sports company are:

### For

- Freedom from worries over marketing and financing campaigns
- The lack of direct involvement will give him time to work on new ideas
- No concerns over establishing reputation and customer base
- No need to seek high levels of funding for manufacture which will be difficult for a small business
- No cash flow issues

### Against

- Losing control which, as an entrepreneur, he may find difficult
- Loss of opportunity to enjoy 100% of sales revenue
- Loss of self-satisfaction of seeing the project right through to the end by himself
- Loss of opportunity for brand extension

## Lesson plan Business Studies/Management Suggested lesson structure [45 minutes/one hour]

### Lesson objectives

- For students to understand the factors involved when businesses make pricing decisions.
- For students to apply knowledge on pricing decisions in a vocational setting.
- For students to understand the relevance of trade marks to pricing.

### Prior learning

Students should have studied the four elements of the marketing mix and understand the role that pricing has when devising marketing strategies.

### Starter

A brainstorm activity - what do businesses need to take into account when making pricing decisions? (Students should be expected to include in their discussions issues such as: cost of production, likely demand, marketing objectives, e.g. desired product position, cost versus quality, superior/inferior rivals, target market, brand image: for example, Tesco 'finest quality products' and Tesco 'own brand'.)

### Main

- Refer students to the text on THE PIG® and the mini-case study on the Predator® .
- Students should work in groups to put forward explanations for the significant difference in pricing of the two products. (Students should be expected to show understanding that, as the Predator® is the first of the two products, its development costs are likely to have been much higher, and that targeting products at different markets has an impact on pricing decisions. Students should also consider objectives Craig may have had regarding pricing strategies such as penetration or competitive pricing.)
- Whole class discussion on the extent to which sports brands are also prone to lifestyle and status symbol choices and the significance of that as a pricing factor. Comparisons of different trade marks (Nike®, adidas® and cheaper brands) and how that affects price.
- Students should draw up an A4 poster advertising the Predator®, targeting consumers who would be likely to purchase the Predator® as much for its image as a status symbol as for its technical qualities.