

All business courses cover **legal structure** or **business ownership**. This is the legal ownership that a business adopts. This can be **unlimited liability** businesses such as a **sole trader** or **limited liability** companies, be they publicly or privately owned.

Unlimited liability means that the personal assets of the owner(s) are at risk. This means if the business got into debts the owner may have to sell their personal possessions to cover this debt. For example, a sole trader may have to sell their family home and car to cover the debts of the business.

Limited liability means that the owners are only responsible for, and therefore only risk losing, the amount they have invested or promised to invest. Their personal belongings are safe.

Watch the third part (approx. 15 mins.) of the Channel 5 documentary "Inside Aldi".

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

What is the legal ownership of Aldi?

What are the advantages and disadvantages of this over being a public limited company?

Advantages to Aldi	Disadvantages to Aldi

Businesses are affected by **external influences**. These are factors outside of the control of the business that can have a positive or negative affect on the business. For example, they may affect costs or **demand**. Demand is the number of customers who are willing and able to buy goods at a given price at a given point in time.

Watch this short YouTube video to learn about demand. You may want to download the note taker document here to support you whilst watching this clip.

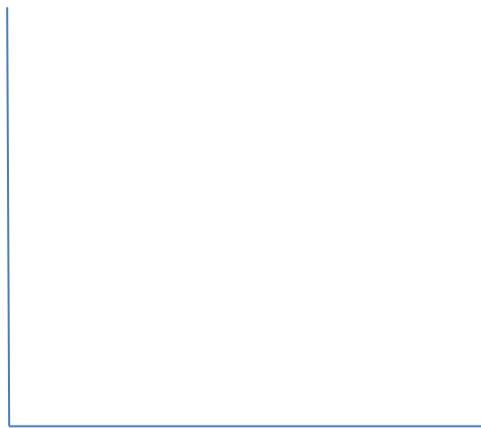
YouTube <https://www.youtube.com/watch?v=YuV9RRqahVY&t=107s>

Note taker https://drive.google.com/file/d/19L_ORNeJ7ZnE0Jvq8WOCQTtNjk-sHZxF/view

One external factor affecting Aldi was the Financial Crisis.

Was the financial crisis a positive or negative influence for Aldi? Justify your answer.

Can you support your answer above with a demand curve. Think what happened to demand and draw a diagram to illustrate this.



Businesses may target a specific **market segment**. Market segmentation is the process of categorising customers into groups with similar characteristics. One way of segmenting the market is by income or socio-economic group.

Socio-economic groupings

A – Higher managerial such as chief executives and directors

B – Intermediate managerial such as solicitors, accountants and doctors

C1 – Supervisory, clerical or junior professional such as teachers and junior managers

C2 – Skilled manual such as plumbers, electricians and carpenters

D – Semi and unskilled workers such as refuse collectors and window cleaners

E – Pensioners, casual workers, students and unemployed



What evidence is there of Aldi's market segment having changed over time?

Consider the other supermarkets competing in this industry. What do you think is the market segment targeted by each one? Remember one supermarket can target multiple segments.

A	B	C1	C2	D	E

Recap:

What is the marketing mix?

Promotion includes **advertising** and **sponsorship**. With reference to Aldi, write your own definition of each of these terms.

Advertising

Sponsorship

Recap:

What is meant by branding?

What evidence is there of Aldi using its branding to gain a competitive advantage?

In business you will learn a lot of new terminology. In this worksheet you have been introduced to 12 key terms.

- Legal structure/business ownership
- Limited liability
- Unlimited liability
- Private limited company
- Public limited company
- Market segmentation
- Socio-economic group
- External influences
- Demand
- Demand curve
- Advertising
- Sponsorship

You will also be expected to gain confidence in quantitative skills. In this worksheet you have been introduced to quantitative skill (QS) 3, construct and interpret a range of standard graphical forms.