

Answer **all** the questions in the spaces provided.

- 1. Dame Anita Roddick, who died recently aged 64, was the energetic founder and guiding spirit of The Body Shop, the international cosmetics and toiletries empire built on a combination of soap, bubble bath and ethical conviction. In countless ways, Roddick was an inspiration: she was a grafter, a risk taker, and that rarest of creatures – a successful female entrepreneur who, from a single shop in Brighton in 1976, presided over a **franchise** of 2,000 stores in 53 countries just 30 years later. All this was achieved with a bank loan of just £4,000, which she was at first refused! However, returning to the bank with a convincing **business plan**, she finally persuaded her bank manager to back her.

The key to The Body Shop’s success was the identification of its products (e.g. Fuzzy Peach Shower Gel, Brazil Nut Conditioner, Raspberry Shampoo) with the social and political pre-occupations of the young women who constituted its main customer base: such as animal welfare, the protection of the Brazilian rain forest, Third World poverty and, of course, the age-old pursuit of youth and beauty. Her husband, Gordon was considered by many to be the financial and business brains behind the enterprise, while Anita provided the passion, the activism, the ideas and the publicity.

Source: Adapted from *The Guardian*, 10 September, 2007

- (a) (i) What is a *franchise*? [2]

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- (ii) Briefly explain **two** requirements of franchisees that you might expect to find in a Body Shop franchise agreement. [4]

I.

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II.

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- (b) Explain the benefits to a business of taking out a franchise with The Body Shop rather than operating independently. [6]

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