

**Unit 1 – Investigating Business AO5 Coursework**

There are three different sectors within business. They are:

- ⊗ Primary sector
- ⊗ Secondary sector
- ⊗ Tertiary sector

The primary sector is made up of the collecting of raw materials, the growing of food and the catching of fish. Industries in this sector include:

- ⊗ Mining for oil
- ⊗ Coal
- ⊗ Iron
- ⊗ Forestry
- ⊗ Agriculture
- ⊗ Fish farming
- ⊗ The claiming back of land

In the primary sector are also included the energy-making utilities like coal, oil and nuclear-fuelled power stations, gas making plants and hydroelectric schemes.

**Secondary Sector**

This sector refines processes and manufactures and includes industries like petrochemical refineries, steel making mills, factories for making equipment and machinery for industry and goods for consumer purchase. The products are refined to the point of semi- refurbishment.

Part of this group is my chosen business, Cadburys. **Cadbury plc** is a confectionery and beverage company with its headquarters in Berkeley Square, London, England, UK. Cadbury's is currently the only major international confectionery manufacturer to produce Fair-trade or organic products, which it sells through its subsidiary company Green & Black's. Many people may suggest that Cadburys falls into the category of the secondary sector because it manufactures the chocolate. It could not be part of the primary sector because it does not collect all the ingredients to make all the chocolate. This is achieved by paying companies in the primary sector, for instance, farmers, to supply them with the ingredients to make the chocolate. Cadburys could not be part of the tertiary sector because they sell all their chocolate to newsagents and other confectionary businesses.

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However, believe it or not, Cadbury's does fall into every sector possible. Cadburys falls into the primary sector because it buys its own land and employs people to help them make the ingredients e.g. cocoa beans. These cocoa beans are grown in the south region of Mexico. Because the chocolate was first made in the time of the Aztecs, the chocolate was used as an early currency to buy things. A researcher from Central America discovered that:

- ☉ 4 cocoa beans would buy a pumpkin
- ☉ 10 cocoa beans would buy a rabbit
- ☉ 100 cocoa beans would buy a slave

Obviously it also fills the secondary sector because of the fact that they make chocolate within a massive warehouse situated in Birmingham. At the time that the company decided to set up business, the warehouses location was in a town called Bourneville. This later inspired the company to make a bar of chocolate called Bourneville, named after their factory. Cadburys fit into the tertiary sector because they sell items to the public. This is done via the Cadbury's World shop, as well as Cadbury's own shops and some companies even buy some of Cadbury's vending machines. Cadburys is a manufacturing company which makes chocolate, so here is a graph showing the decrease of manufacturing businesses.

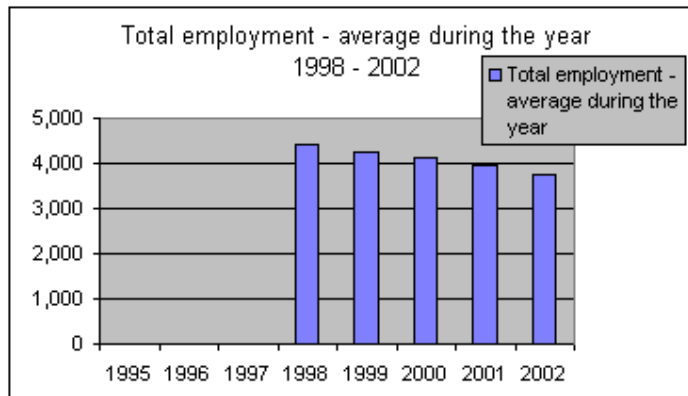


**Source: BBC Bitesize**

This is good news for Cadburys because as there are more people going out of business, they have less competition to deal with. The decrease may have happened because of Cadburys prices, in which they have enough money to force another company into a price war. It may also have happened because other businesses have decided there is more money to make in another type of business. The employment has also gone down in all of the manufacturing businesses, as shown in the graph

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below. Another reason is that businesses have found it to be cheaper in foreign countries to produce the products. It is cheaper as the materials are cheaper and the countries such as China and Taiwan all have very small minimum wage requirements, meaning the cost is kept down and companies make more profit. Below is the graph explaining the total people employed in the manufacturing business.



**Source: BBC News**

This is because of many reasons. Part of the reason of unemployment is the fact that the companies Cadbury's and Schweppes have parted allegiance from each other, leaving people out of jobs as Cadbury's and Schweppes cannot keep all the jobs that they used to have. The announcement was made on the March 13<sup>th</sup> 2007. This split was basically to focus on their fields to concentrate on making money. Cadburys agreed to make only chocolate products, whereas Schweppes agreed to concentrate on the beverages side of the business, making more money from top selling product, Doctor Pepper.

Another reason is the recent boom in people who go off work to get easy benefits. This initiative is run by the government, and they pay families who cannot get out working for either medical or family reasons. This means that more people earn money without doing anything, meaning they do not have to work.

**Tertiary Sector**

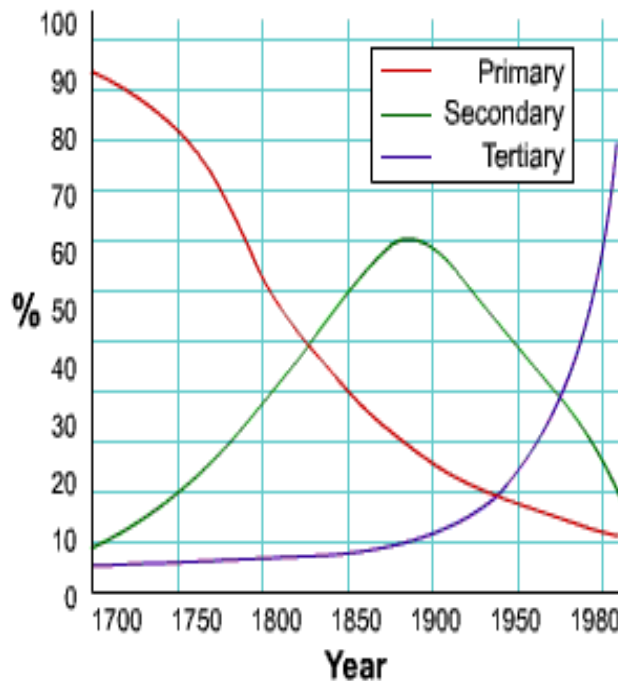
Tertiary jobs involve providing a service. About 76 percent of UK workers are employed in this sector. The key employment are nursing, teaching and banking. This industry makes the most money because it sells the most products for the cheaper prices. An example of this may be Tesco, as they have to product a good range of products and service in order for the customers to shop with them and maybe even use their business again. This is a really important objective to reach for this sort of business, because if they do not fulfill this, they will become victims of their fellow competitor's fortunes.

Other businesses within the tertiary businesses include Argos, Morrison's and all other businesses that provide a service to the public.

**Trends between all the sectors**

Cadburys operates within all of the sectors show in this document. Cadbury's operates within the primary sector because it buys land and makes it into farms. It also buys plots of land in Venezuela, Madagascar etc. This is because these places are said to harvest the best cocoa beans throughout the world. This sector is the one they least operate in as this only serves one purpose, to serve Cadburys with ingredients. Cadburys operates in the secondary sector as this is where they turn all the ingredients into the bars of chocolate that shop owners/keepers like to sell in their shops. This is the sector most used by Cadburys because this is where their product is manufactured and that has a lot more steps than just creating the ingredients in the primary sector. Cadburys finally uses the tertiary sectors to sell its product and this is where their source of income lies.

Within the primary, secondary and tertiary sectors, people have to be employed to do jobs within the business. Here is a graph highlighting the employment structure within the UK in the last 200 years:

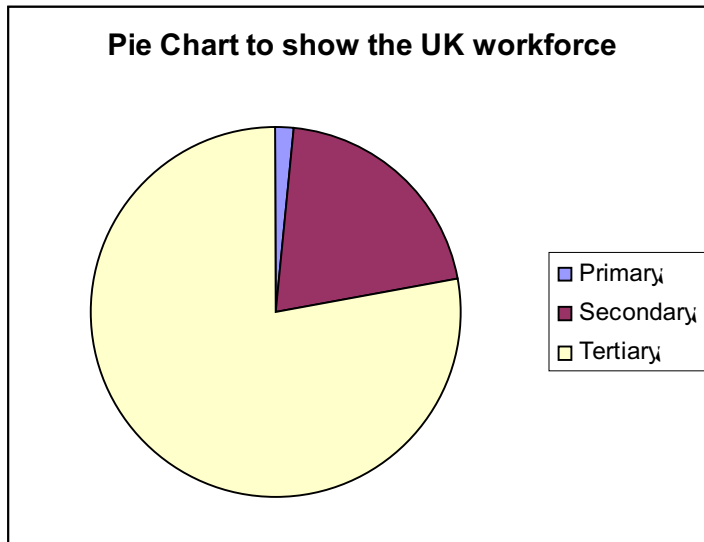


**Source: BBC Bitesize**

As you can see, the primary sector began extremely high owners of the employment structure at the start of the 1700's. This is mainly to do with the fact that there was more land then and therefore there was more room to grow products. This has recently seen a huge decrease because more houses have been built and so there is less land to grow crops. This means that there are fewer jobs in the sector and the workers have to work for either the secondary sector or the tertiary sector.

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This shows a fairly low due to their being less work premises that a business could work from to manufacture and sell products. The secondary sector had a boom after that as the products were extremely badly needed in the tertiary industry in which to sell. It then started to go downhill because we created machines to do the jobs for us, meaning that there are less people needing to be employed in the sector. The biggest increase is in the tertiary industry. This is because there are more services being provided to the public and so more people need to work in the industry.



**Source: OCR Coursework Booklet**

This graph is to show in which sectors the UK's workers are currently working. The graph shows that most people work in the tertiary industry, in fact 77.8% of the British population do. It also shows that little people work in the primary sector, people working in the primary sector is rare because there are more people in the world so there are new ideas being created. The primary sector is very small at 1.8%, surprisingly small as there should be a demand from the secondary sector for more raw materials. In fact, this has happened already, with Britain being told we are low on bare essentials such as oil.

Type of business	Number employed in 1980	Number employed in 2002
Agriculture, forestry and fishing	361	255
Energy and water supply	726	177
Manufacture	6940	3668
Construction	1252	1186
Services	13693	20375
<b>Total</b>	<b>22972</b>	<b>25661</b>

**Source: OCR Coursework Booklet**

As you can see, there has been a real decline over the last 20 years. This is because of the change to the tertiary sector. The real rise is from the services, basically because of the growth of the businesses and the growth of technology.

**Comparison of the three sectors**

One of the main reasons the people are not working in the primary sector is the value of money compared to other countries. Some countries have a lower currency rate than us, meaning the secondary businesses can buy in the raw materials we need for a fraction of the price. Tertiary businesses are at an advantage because they can buy specialist staff from different countries across the world. These can make specialist equipment, otherwise a fortune in the UK, for a smaller price. Further reasons that the primary sector is in decline because of the lack of the resources in the world today. Just last week we had a report from Sky News, telling us to cut back on oil. Further reasons for the primary sector are the wage problem. Employees have a choice of a higher job and a higher wage; this entices the workers away from the lower wage bracket jobs. The biggest thing that has been making the decline of the primary sector has been the introduction of robots. This means that people are not needed in order to complete the job. A final reason to the triumph of the tertiary sector is the fact that consumers have become richer, therefore they spend more money on the goods, services the tertiary sector provide.