



CONSUMER STUDIES: SUMMARISED NOTES

GRADE 12 – TERM 1



Selecting a suitable product



Availability of human skills

At the beginning, the entrepreneur tries to do all himself. If the business is making a profit and expanding, the entrepreneur can consider the following:

- Learn new skills yourself.
- Ask for help from other people who already have the necessary knowledge / experience.
- Employ trained staff, and take note of the following labour laws:
 - Basic Conditions of Employment Act
 - Employment Equity Act
 - Broad-Based Black Economic Empowerment Act

Type of workers available in the labour market

Unskilled workers	Semi-skilled workers	Skilled workers
Very little / no training.	Limited training.	Have specialised training and expertise.
Get paid the least	Cannot perform specialised work, but can be part of projects led by others.	Can work independently.
Usually do the repetitive / routine work.	Receive better pay than unskilled workers.	Deliver high quality work.
		Receive good salaries.



Characteristics of a good worker:

- Hardworking
- Creative
- Self-motivational skills
- Time management skills
- Vision for the future



Costs to keep in mind when employing workers:

- **Wages / salaries:** are determined according to their skills / training and experience.
- **Unemployment Insurance Fund (UIF):** The employer must pay 1% of the worker's gross salary / wage to the UIF.
- **Sector Education and Training Authority (SETA):** The employer must pay 1% of the worker's gross salary / wage to the relevant SETA.
- **Pay-as-you-earn system (PAYE):** A 12th of the estimated annual tax must be deducted from the worker's salary, before the worker is paid.



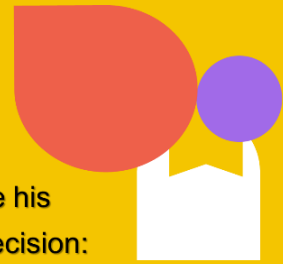
Availability of workers:

- Important to find the most suitable person for the job.
- The person must meet all the necessary skills, experience and knowledge.
- Workers must accept the salary / wage that is offered to them.
- Vacancies can be advertised in a newspaper / online / by agencies, for candidates to send in their CVs.
- Agencies can help with the screening process.





Financial resources



The entrepreneur can approach an institution / someone to finance his business, but must keep the following in mind when making this decision:

Start-up costs	Operating costs
The cost of starting a business.	The cost of running a business.
<ul style="list-style-type: none">• Registration fees• Business licenses and permits.• Rental deposit (building / kiosk).• Purchase of equipment.• Beginning inventory.• Packaging	<ul style="list-style-type: none">• Rent• Water and electricity• Salaries / wages• Loan repayments• Purchase of equipment• Maintenance of equipment• Fuel• Telephone bills• Stationary
These costs will be affected by: <ul style="list-style-type: none">• Type of business.• Size of the business.• Place from where it will be operated.• Type of product.	As well as any other costs relating to the: Manufacturing / marketing / selling the product.

Possibilities to finance the business until the profit threshold is reached.

- Savings
- Bank loan
- Partners
- Investors





Available Workspace

Businesses usually start small and grow systematically.

The size of the business and the type of product being manufactured, will affect the size of the workspace needed.

- Available workspace will determine how many people can be hired.
- Most entrepreneurs initially operate their businesses from their home.
- When the business grows, a business premises can be considered.



Available raw materials

Raw materials required will vary from product to product.



Must be easily accessible.

Make use of local raw materials.

Build good relationships with suppliers.

Grow your own organic raw materials if possible.

Use high quality raw materials.



Consumer attraction

Attract customers and create a special shopping experience by offering:

- Interesting products
- Appealing products
- Products that are unique / different.
- Good & competitive prices.



Increase the attraction

Sight



Attractive packaging.

Different sizes.

Attractive displays.

Uniqueness.

Keep fashion trends in mind.

Touch



Arrange products in such a manner that consumers can touch them to experience different textures.

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Taste



Provide snacks.

Serve a small sweet snack with coffee / tea.

Serve water with ice and a slice of lemon.

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