1. Define the term Competition. (2 marks)

Ziferblat

Ziferblat is the Russian and German word for Clock Face. It is also the name of a unique chain of cafes, which are mostly based in northern England.

The founder of the business is Ivan Mitin, who set up the business in Moscow in 2011. Currently, there are 13 branches of Ziferblat across Europe and the largest of these is in Edge Street, Manchester.

The concept behind Ziferblat is that it is a comfy and welcoming space where you can either entertain friends or work. Each café has superfast Wifi, papers and books, board games, comfy sofas, piano and a large selection of cakes and savoury items. There is a decent range of teas and the coffee is excellent. Guests can help themselves to as much as they like as long as they wash up afterwards. There is no charge per item consumed.

But the business makes a profit, so what is the catch? It makes a profit due to its unique pricing structure – guests are charged a rate of 6p per minute - In other words, £3.60 for every hour that they stay in the café. The minimum bill has been for 18p and the maximum was a man who stayed for 11 hours.

In addition, guests can volunteer to do an hours work at the café and they are rewarded with two hours of credit.

2. Ivan Mitin clearly saw a gap in the market. Outline the strengths and weaknesses of his business concept. (6 marks)

3. How might existing cafes in the Northern Quarter of Manchester have responded to the opening of Ziferblat? (4 marks)

4. Why might the Ziferblat model be suited to the North of England? (4 marks)