



General Certificate of Education

Applied Business 8616/8619

BS11 The Marketing Environment

Report on the Examination

2007 examination - June series

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General Comments

This was the second assessment of BS11. As in January 2007, successful candidates demonstrated the following qualities:

- a broad knowledge of the unit's content
- an ability to apply this knowledge, using the information contained in the question paper data items
- an ability to analyse the problems set by the questions and make appropriate judgements supported by the question paper data items.

When candidates failed to accumulate marks it was due to weaknesses in some or all of the above qualities.

Question One

- (a) This question targeted assessment objectives one and two and was allocated two marks. This relatively straightforward question appeared to baffle candidates, with the phrase 'change in the share' confusing many. Many candidates wrote about independently booked holidays rather than simply identifying the trend away from UK foreign holidays booked through the tour operators. However, candidates gained full marks if they commented on the change in the volume of sales and qualified this by referring to values taken from the bar chart.
- (b) This question targeted assessment objectives one and two and was allocated seven marks. Most candidates were able to identify and describe at least one of the two factors affecting sales. They went on to describe how these factors might impact on the profits of the major tour operators. Better responses displayed a logical chain of argument, considering the effect on demand and subsequent sales. Unfortunately, a minority of candidates copied directly from the text and this, inevitably, resulted in no marks being awarded.
- (c) This question targeted all four assessment objectives and was allocated nine marks. Knowledge of 'marketing environment' factors was, in the main, good with the vast majority of candidates able to describe one or two factors possibly impacting on the degree of competition within the market. However, the quality of the rest of the argument was variable. Better candidates analysed how changes in the marketing environment, shown in Item A, might alter the level of competition within the market. The best candidates provided a balanced argument by considering whether or not these changes would have actually led to an increase in competition in the market.

Question Two

- (a) This question targeted assessment objectives one and two and was allocated four marks. Most candidates were able to describe a possible reason for high profits in the specialist and activity holiday sectors. Only the better candidates explained the use of premium pricing for this type of specialist holiday, ie that this type of activity was likely to be aimed at the high income segment of the market.

- (b) This question targeted assessment objectives one, two and three and was allocated 12 marks, comprised of two six mark parts.

In relation to TV advertising, most candidates gained at least three marks and used Item B to good effect. Knowledge of this topic was sound and candidates felt comfortable explaining the use of this method of marketing for *First Choice*. Many candidates made reference to the use of images and persuading consumers to purchase, thereby increasing sales and market share.

In relation to *Thomsonfly.com*, successful candidates wrote about the competitive element of this type of strategy, especially as other budget airlines had started to introduce this type of activity. Candidates also referred to changing trends within the market. Either explanatory approach gained at least three marks. Full marks were gained by candidates who analysed the problem, eg by using *Ansoff's* matrix in context.

- (c) This question targeted all four assessment objectives and was allocated 12 marks. Six of these marks were allocated to assessment objective four. Knowledge of mergers was variable and this question proved to be a good differentiator. Unfortunately, a significant number of candidates provided one-sided and generic arguments, eg by outlining the benefits of any merger. Access to higher marks required candidates to make judgements in context – in this instance about the ability of the merger to deal with the increased competition in the market. Candidates need to develop their skills of evaluation, perhaps by questioning their own analysis and using the context to weight their arguments.

Question Three

- (a) This question targeted all four assessment objectives and was allocated 14 marks. Six of these marks were allocated to assessment objective four. The vast majority of candidates were able to describe an opportunity and a threat facing tour operators. Weaker candidates took the opportunity to copy directly from the text and this resulted in low or zero marks. However, many candidates used the data to help formulate their answer. These candidates wrote about the significance of the data, ie what implications it might have for tour operators and how they might respond. The best candidates wrote confidently about the reducing size of youth/family holidays, especially as the market size for the 16–24 year old age group was considerable. Environmental factors were also discussed with some candidates presenting the possible effects on tour operators if the government changed legislation or increased taxation to restrict activities.
- (b) This question targeted assessment objectives one, two and three. The vast majority of candidates could describe at least one valid method of research or data to be collected. Better candidates went on to explain specific pieces of data which needed to be collected, in relation to Item C. Unfortunately, too many candidates identified data that was not specifically related to Item C and this restricted their marks to the lowest mark band. A small minority of candidates analysed the purpose of their chosen research in the context of Item C, eg more detailed demographics and buyer behaviour data for the 16–24 year old age group.

- (c) This question targeted all four assessment objectives and was allocated 12 marks. Six of these marks were allocated to assessment objective four. This was an open-ended question with candidates having the opportunity to propose a suitable marketing strategy. A significant minority of candidates failed to select any strategy, instead proposing specific tactics (eg advertising). This approach failed to gain any marks for AO1, AO2 or AO3 but could gain a mark for quality of written communication if this was evidenced. Relevant marketing strategies are described on page 82 of the specification. However, the vast majority of candidates selected an aspect of *Ansoff's* matrix, segmentation strategies or competitive position strategies. Whilst knowledge was reasonable here, many candidates failed to specifically relate their strategy to Item C. Often the evidence provided was little more than a repetition of the candidate's response to 3(a), ie merely identifying one or two opportunities. When judgement was seen, it usually considered the potential benefits and drawbacks of the strategy.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results statistics](#) page of the AQA Website.