AQA

ASSESSMENT and
QUALIFICATIONS
ALLIANCE

General Certificate of Education

Applied Business 8616/8619

BS11   The Marketing Environment

Report on the Examination

2008 examination - June series

General Comments

Successful candidates had a broad knowledge of the specification content and could apply this knowledge using the information contained in the data items. Many candidates had developed this applied understanding. The best candidates also demonstrated an ability to analyse specific features of the marketing environment and made judgements based on this analysis.

However, it is worrying that a significant proportion of candidates are insufficiently prepared for this A2 assessment. These candidates lacked an applied understanding of the specification content or demonstrated poor examination techniques, ie failed to use the information contained in the data items.

Further improvements in the performance of candidates could result from a focus on developing an applied understanding and improving the examination techniques of candidates. The following comments will, hopefully, assist in this process.

Question One

(a)   The majority of candidates managed to provide an explanation by referring to data in the item, eg because online sales had increased, *Tesco* was receiving more revenue and this would increase profits. However, a significant minority of candidates restricted themselves to describing the data ie simply rephrasing paragraph one from the item. This is an example of poor examination technique where the command word 'explain' has been ignored.

(b)   Better candidates analysed the degree of competition by using their understanding of key concepts to frame the problem, eg using the idea of dominance in conjunction with Figure 1 (the change in market share held by the main competitors) and the third and fourth paragraphs from the item (*Tesco*'s tactic of outbidding for potential sites and the British Retail Consortium's comments regarding the level of competition). This type of approach gained high marks.

A large proportion of candidates managed to explain the nature of competition in the market by using the item, eg "It could be described as a monopoly as *Tesco* owns more than 25% of market share, a measure used by the Competition Commission, but I think it is more like oligopoly as *Asda* and *Sainsbury* both have quite a big share of the market. So you see that there is competition in the market, but from just a few businesses. That's oligopoly." This type of approach gained Level 2 marks, ie between four and six marks.

A significant minority of candidates restricted themselves to describing the competition in the market, ie by paraphrasing the data contained in the item. This type of approach gained Level 1 marks. Centres are advised to stress the importance of explanation in *all* questions unless the command words 'describe', 'state' or 'identify' are used.

Finally, some candidates lost marks because they contented themselves with a theoretical definition of, for example, oligopoly rather than 'using' the data in the item. This type of approach also received Level 1 marks.

(c)   As in question 1(b), candidates who used the data in the item, when analysing how *Tesco* might have established a competitive advantage, gained Level 3 marks, ie seven to eight marks. This analysis could have been approached in a variety of ways but, inevitably, required candidates to build a case for this by referring to key data in the item, eg "*Tesco* are very aggressive in the way they buy up sites for new supermarkets. It's no wonder that they have a competitive advantage if many people have no choice but to use *Tesco.* To be honest, it's also because they think about what people want these days - the trend is for "one-stop" shopping and convenience. You can see from Item A that *Tesco* have really made an effort here - non-food sales up by 11.6% and online sales by a massive 29%. *Tesco* have established a competitive advantage because they keep one step ahead of their competitors." It was pleasing to see a significant minority of candidates achieving this type of response.

The majority of candidates achieved Level 2 marks by using the item to explain how *Tesco*'s marketing activities met the needs of customers and/or are superior to those of its competitors, eg "It sells things online which lots of people prefer these days so they are going to shop at *Tesco'*s as they are giving people what they want." This would have achieved a marginal Level 2 mark, ie four marks. However, as in question 1(b), too many candidates contented themselves with either a theoretical response, divorced from the context, or a descriptive response. Both approaches received Level 1 marks.

Question Two

(a)   When assessing candidate responses, the differentiating factors were: did candidates access the data in the item and, did they use this data when explaining a potential benefit to *Morrisons* of the takeover? Too many candidates lost marks because they either restricted themselves to explaining a 'generic' benefit of takeovers or they 'described' a specific benefit to *Morrisons*. Both approaches failed to address the command words in the question, ie "*using* Item B" and "*explain* two potential benefits". This is another example of how centres could help candidates to improve their examination techniques.

Candidates gaining high marks for this question identified two distinctly different benefits and placed the theoretical benefits of a takeover into the context of *Morrisons'* marketing environment, eg brand awareness through establishing a national presence, cost savings through gaining marketing economies of scale and the potential to become a market challenger by creating the compact stores.

(b)   It was pleasing to see many candidates making good use of the data in the item when discussing the possible reasons for a decline in *Morrisons'* market share. To gain high marks, candidates needed to address the command word 'discuss' which requires them to judge the relative importance of the reasons they have identified. It was very pleasing to see a large proportion of candidates attempting to do this and this approach gained them mid-range evaluation marks. The very best candidates went on to judge the relative importance of the factors, gaining them high evaluation marks.

Unfortunately, a significant minority of candidates restricted themselves to paraphrasing the data in the item and, in addition, made little attempt to judge the significance of the data. This approach resulted in low marks. Centres could assist their candidates by practising the skill of data evaluation in a variety of different context. Candidates would benefit from being asked to use a data item to make a case for a particular viewpoint, eg given data from a teacher, support an argument that business XYZ is not responding effectively to change ABC in the marketing environment.

Question Three

(a)   A minority of candidates achieved high marks in this question. These candidates judged the extent to which the recovery plan addressed *Morrisons'* strengths, weaknesses and competitive position. The majority of candidates could explain the links between elements of the recovery plan and *Morrisons'* position in the market place. They would often achieve Level 2 evaluation marks by judging the significance of these recovery plan elements. As such, the responses to this data interpretation question were, on the whole, promising and did show signs that candidates were better prepared than in previous examination series.

However, it is still the case that a significant minority of candidates do little more than copy out sections of the data or explain the general principles, in this particular case, behind SWOT analysis. This type of approach can not gain much more than two or three marks.

(b)   Candidates who analysed what additional information, in the context of the data item, might assist *Morrisons* in confirming the details of the recovery plan gained high marks. Unfortunately, these were a significant minority and the majority of candidates restricted themselves to outlining some methods of research and explaining the purpose of the research, eg primary research to find out what types of products customers might want *Morrisons* to stock. Level 1 candidates, gaining the lowest marks, restricted their answers to describing methods of research.

(c)   This is the highest level question on the paper and it is to be expected that only the most fully prepared candidates will gain high marks. Pleasingly, more candidates than in previous examination series gained Level 2 marks and above. Unfortunately, a significant minority of candidates continue to repeat every aspect of, for example, Ansoff's Matrix rather than selecting a focussed marketing strategy and justifying its suitability given the data contained in the item. In addition, some candidates continue to recommend a marketing activity rather than a marketing strategy, eg advertising as opposed to product development.

Centres should encourage their candidates to concentrate on justifying the suitability of a 'single' marketing strategy 'using' the data contained in the item. This approach, if successful, is likely to gain at least half marks.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the **Results statistics** page of the AQA Website.