



**General Certificate of Education (A-level) Applied
January 2011**

Applied Business

BS11

**(Specification
8611/8613/8616/8617/8619)**

**Unit 11: The Marketing Environment (External
Test)**

Report on the Examination

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General Comments

It was pleasing to see that many candidates had sufficient knowledge of the specification together with the ability to apply this to the questions using the items. When either of these was lacking, candidates struggled to perform and their answers lacked sufficient focus or were generic.

Question One

- (a) Successful candidates understood that the marketing environment refers to forces, outside the direct control of business, which affect buyer behaviour and competition. These candidates recognised that the key changes described by the item were economic, eg increases in milk production costs and a recession in the UK economy. Candidates gaining full marks identified two distinct changes and went on to explain how each could increase the losses made by UK dairy farmers. Less successful candidates failed to apply their understanding to the context or, in more extreme cases, did not understand what the marketing environment meant.
- (b) Successful candidates made good use of their understanding of competition when answering this question. They recognised the disparity in price setting power between farmers and supermarkets, and understood the structure of the industry. Less successful candidates failed to see the overall picture and focused on each part of the industry in isolation, eg that farmers received a very low price compared to their costs. Those candidates who focused on economies of scale often gained high marks if they used the concept to analyse why farmers find it difficult to control their costs.
- (c) Successful candidates selected one or two benefits listed in the item and used these to develop an analytical response to the question. These candidates argued, for example, that long-term contracts would offer some revenue stability for the farmers which, coupled with economies of scale, could significantly improve their profit margins. Less successful candidates showed some understanding of the benefits associated with integration and/or niche marketing but failed to apply this to the context. It was frustrating to see arguments that started to explain, only to be abruptly ended by a full stop. Candidates are encouraged to focus on one or two issues and to develop their explanations. Too often they restrict themselves by listing several issues without ever building an argument.

Question Two

- (a) Successful candidates explained how the introduction of ‘Little Yeo’s’ or organic frozen yoghurts helped *Yeo Valley* to continue to meet customer needs and strengthen brand loyalty. Less successful candidates revealed that they did not understand the idea of brand loyalty or of product development. In extreme cases, they just copied out data from the item and gained no marks.
- (b) The specification requires candidates to understand how businesses use market research findings. Successful candidates understood this part of the specification and went on to develop cogent arguments related to segmentation or buyer behaviour. The very best candidates recognised that quality and taste were key factors. Less successful candidates listed the findings and could not compare them. However, they could still access marks by providing logical explanations of how each finding might be used by *Yeo Valley*. Weaker candidates revealed some understanding of how businesses in general use findings from market research.

- (c) This question on marketing strategy covers a key part of the specification. As previously mentioned, it is better for a candidate to focus on one issue and develop it rather than list, for example, the entire range of Ansoff's competitive strategies.

Successful candidates analysed the item to identify the purpose of their marketing strategies, eg to persuade consumers of the benefits gained from buying organic products. They then went on to justify the key features of their proposal, eg how the proposal would persuade 'dabblers' to regularly purchase *Yeo Valley* products. Less successful candidates described a plausible strategy in context, but failed to home in on why this would be suitable. The weakest candidates provided generic responses, eg definitions of segmentation strategies.

Question Three

- (a) Successful candidates kept their responses to assessing the significance to *SNOG* of the marketing opportunities and threats covered by the item. Less successful candidates produced a description of *SNOG*'s strengths, weaknesses, opportunities and threats. These candidates penalised themselves by providing a list of points that lacked focus and development. The best responses analysed the significance of two or three key opportunities and threats, eg the importance to *SNOG* of using 100% organic ingredients and the extent to which *YuForia* represented significant competition. They went on to justify the significance of the threat and/or opportunity.
- (b) Successful candidates demonstrated an ability to analyse the purpose of the research *SNOG* might carry out. They then went on to discuss the importance of the research by justifying how the results could help *SNOG* to decide whether or not it should open additional retail outlets in the UK. Less successful responses offered generic descriptions of research methods that did not consider either purpose or context.

Mark Ranges and Award of Grades

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