



**General Certificate of Education (A-level) Applied
January 2013**

Applied Business

BS11

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

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

Mark Scheme

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all examiners participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for standardisation each examiner analyses a number of students' scripts: alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, examiners encounter unusual answers which have not been raised they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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	Assessment Objectives
	The Assessment Objectives represent those qualities which can be demonstrated in students' work and which can be measured for the purposes of assessment.
AO1 Knowledge, skills and understanding	Students demonstrate knowledge and understanding of the specified content and relevant business skills.
AO2 Application of knowledge, skills and understanding	Students apply knowledge and understanding of the specified content and relevant business skills.
AO3 Research and analysis	Students use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.
AO4 Evaluation	Students evaluate evidence to reach reasoned judgements.
Quality of Written Communication	<p>The quality of written communication is assessed in all assessment units where students are required to produce extended written material. Students will be assessed according to their ability to:</p> <ul style="list-style-type: none"> • select and use a form and style of writing appropriate to purpose and complex subject matter • organise relevant information clearly and coherently, using specialist vocabulary when appropriate • ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear. <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1

Total for this question: 29 marks

1 (a) Using **Item A**, explain **one** reason why manufacturing a wide range of products helps digital camera businesses to compete. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A when explaining how a wide product range is appropriate in a competitive market.	5–3	AO2
1	Demonstrates understanding of competitive markets.	2–1	AO1

Relevant answers might include the following:

- given the variety of needs of consumers, a wide range of products is required to target most consumers
- given the competitive nature of the market, need to be able to match what competitors are offering
- offering a range of products might ensure future sales, eg customers trading up to more complex cameras.

1 (b) Using **Item A**, analyse why Kodak failed to establish a competitive advantage in the market for digital cameras. (9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse how <i>Kodak's</i> and other businesses' marketing activities resulted in <i>Kodak</i> failing to gain a competitive advantage.	9–8	AO3
2	Uses Item A when explaining <i>Kodak's</i> lack of competitive advantage and/or other businesses' competitive advantage.	7–4	AO2
1	Demonstrates understanding of competitive advantage.	3–1	AO1

Relevant answers might include the following:

- *Kodak*, whilst producing one of the earliest digital cameras, failed to spot the possible popularity of them
- high price charged, so making it difficult to establish a competitive advantage
- *Casio* produced a product which held greater appeal due to price, size and making it easier to take photographs
- *Canon* and *Nikon* focused on improving the capabilities of digital cameras
- *Kodak* seems to have failed to establish a competitive market for either 'point and shoot' cameras or more complex cameras, possibly because it was reluctant or slow to respond to competitors and/or consumers.

1 (c) Do you agree that emerging markets, such as China, represented the most significant market opportunity for Canon? Use **Item A** to justify your answer.
(15 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses the possible impact on <i>Canon</i> of the trends shown in Item A .	8–6	AO3
2	Explains the meaning of the market trends shown in Item A .	5–3	AO2
1	Demonstrates understanding of marketing environment data.	2–1	AO1

Relevant answers might include the following:

- popularity of camera phones might reduce demand for basic digital cameras in developed economies, however, this could be an opportunity for *Canon* to promote more complex digital cameras
- ability to instantly share photographs another key advantage of camera phones, so, in developed economies, *Canon* might need to offer products that have connectivity built in
- at the same time, opportunity to sell existing products at a lower price to emerging markets
- trends are very significant, especially first two trends as these could reduce revenues substantially – would this be made up by sales to emerging economies?
- both product and market development would seem to be required, but getting the ‘mix’ right might prove difficult for *Canon* and allow competitors to gain overall market share.

See next page for Evaluation grid.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses students' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the student orders and communicates his/her ideas.

Judgement is being made on how significant emerging markets are to *Canon*. To access Level 3, judgement must be made on the relative significance of emerging markets.

Level	Descriptor	Marks	Assessment Objective
E3	Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in conventions of written communication.	7–6	AO4 and Quality of written communication
E2	Offers judgement with supported justification. Ideas are communicated in a logical structure with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

2

Total for this question: 28 marks

2 (a) Explain **one** possible reason why Jessops originally targeted the 'keen amateur photographer' market segment. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains a marketing benefit of targeting a specific market.	5–3	AO2
1	Demonstrates an understanding of market segmentation.	2–1	AO1

Relevant answers might include the following:

- perhaps market not developed so only viable market would be 'keen amateur photographers'
- segment likely to provide higher revenues – able to sell higher margin items
- more likely to develop customer loyalty and repeat purchases.

2 (b) Using **Item B**, analyse how Jessops found itself in a weak market position by 2007. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse the causes of <i>Jessops'</i> weak market position.	8–6	AO3
2	Uses Item B when explaining the weaknesses of <i>Jessops'</i> market position in 2007.	5–3	AO2
1	Demonstrates an understanding of a weak market position.	2–1	AO1

Relevant answers might include the following:

- internal resources possibly highly stretched given the loss made and the rapid rate of expansion in just over 10 years
- significant problem regarding customers – decline in the digital camera market and no indication that consumer confidence has returned from problems faced in 2005
- business has not developed its website so could have found it difficult to attract/keep customers
- competition from supermarkets and discount stores making it difficult for the business to meet the needs of existing customers
- closure of stores could have an impact on remaining staff's sales motivation
- overall, a poor market position brought about by too rapid an expansion and a failure to respond to changes in the marketing environment.

2 (c) Do you think that improving its website was the most significant way in which Jessops regained customers by 2011? Use **Item B** to justify your answer.
(15 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse the effects of the marketing activity(ies) on demand.	8–6	AO3
2	Uses Item B to explain the purpose of the marketing activity(ies).	5–3	AO2
1	Demonstrates understanding of why businesses use marketing activity(ies).	2–1	AO1

Relevant answers might include the following:

- focus of recovery plan, however, seems to be entirely based on improving the customer experience and this could regain demand from previous customers and/or establish demand from new customers
- mystery shopper and link to staff bonuses would seem to be a good way of ensuring a positive customer experience which might be helped by staff training to improve product knowledge
- locating major brands within their own area could help to increase demand, ie associating *Jessops* with successful camera brands
- improving the website does seem to have had a significant effect – customers choosing to collect in store allows *Jessops*, perhaps, to increase sales from more customers
- the website would have allowed *Jessops* to compete with retailers such as *Argos* and supermarkets, yet the experience customers have when shopping in the high street stores or feedback from mystery shoppers might have been more significant.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses students' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the student orders and communicates his/her ideas.

Judgement is being made on the ability of the marketing activities to regain customers. To access Level 3, judgement must be made on the relative significance of the marketing activities.

Level	Descriptor	Marks	Assessment Objective
E3	Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in conventions of written communication.	7–6	AO4 and Quality of written communication
E2	Offers judgement with supported justification. Ideas are communicated in a logical structure with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

3

Total for this question: 23 marks

3 (a) Using **Item C**, explain how customer research could help *PhotoBox* to analyse the **strengths** of its market position. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to explain how the results from customer research can be analysed.	8–7	AO3
2	Uses Item C when explaining the purpose of customer research.	6–4	AO2
1	Demonstrates understanding of how businesses use market research results.	3–1	AO1

Relevant answers might include the following:

- current methods used by *PhotoBox* provide information about customer loyalty and the extent to which the business was building up customers willing to recommend the business
- all of these can be quantified and recorded – *PhotoBox* will have past data and it could compare the results with data collected after the merger
- perhaps *Moonpig* has similar measurements and these could also be used
- future surveys might focus on number of customers coming from *Moonpig* to *PhotoBox* and vice versa
- overall impact of merger could be assessed and action taken if any negative results found, eg ‘rumours’ about *Moonpig* being taken over and will the business still continue.

3 (b) Do you think that Photobox could be in a better market position **after** merging with Moonpig? Use **Item C** to justify your answer. (15 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to analyse the impact of the merger on <i>Photobox's</i> market position.	8–6	AO3
2	Uses Item C when explaining the possible marketing benefits/disadvantages of a merger.	5–3	AO2
1	Demonstrates understanding of market benefits to be gained from mergers.	2–1	AO1

Relevant answers might include the following:

- businesses are closely aligned in terms of how they trade (online) and also complement each other
- geographic markets also complement each other – *Moonpig* has no presence in mainland Europe but does have a presence in Australia (but not successfully in the USA)
- *Moonpig* also has systems in place for personalised gifts which might augment *Photobox's* existing offers
- modern facility in Guernsey might be underused and merger could increase efficiency and allow price reductions
- main benefit would seem to be increased sales and potential profits
- long term, perhaps the *Moonpig* brand will get a makeover to improve its position in USA market.

See next page for Evaluation grid.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses students' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the student orders and communicates his/her ideas.

Judgement is being made on the ability of the merger to improve market position. To access Level 3, judgement must be made on the relative significance of the merger.

Level	Descriptor	Marks	Assessment Objective
E3	Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in conventions of written communication.	7–6	AO4 and Quality of written communication
E2	Offers judgement with supported justification. Ideas are communicated in a logical structure with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	