Centre No.			Paper Reference				Surname	Initial(s)			
Candidate No.			6	9	2	5	/	0	1	Signature	

Paper Reference(s)

# 6925/01

# **Edexcel GCE**

# **Applied Business**

Unit 10: Marketing Decisions Monday 19 January 2009 – Morning

Time: 1 hour 30 minutes

Materials required for examination	Items included with question papers
Nil	Nil

# **Instructions to Candidates**

In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature.

The paper reference is shown above.

Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper. Additional answer sheets may be used.

### **Information for Candidates**

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 8 questions in this question paper. The total mark for this paper is 90.

There are 16 pages in this question paper. Any blank pages are indicated.

# **Advice to Candidates**

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling.

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Turn over

Total

Examiner's use only

Team Leader's use only

Question Number

1

2

3

4

5

6

7

8



Leave blank

# Questions 1 to 6 are based on marketing decisions that relate to Purity Ltd.

### Figure 1

Purity Ltd manufactures ecologically friendly cosmetic and beauty products for all age groups and for both women and men. These are sold direct to local convenience stores in towns and villages in the Midlands and to specialist high street retailers in towns and cities in the Midlands. The company has been in business for three years and has built up a committed number of trade customers, over 50 in all, with growing sales and regular repeat orders.

The owners were inspired by the approach taken to production and marketing by Anita Roddick through the *Body Shop*. *Purity* uses no products that are tested on animals and only uses raw materials where the suppliers are paid a fair price for their products.

The long term aims of the business are to open up its own high street shops, expand to become a UK national company and to compete effectively with major established retailers, such as the *Body Shop* and *Boots*.

*Purity* has a very dedicated workforce, which shares the same beliefs as the owners about corporate responsibility in terms of no animal testing, fair payment to suppliers, fair prices to consumers, fair wages for employees and minimal damage to the environment.



a) Expla above		PESTLE are being affected	by the changes shown
 b) (i) Id	dentify with the letter 'I	<b>?</b> ' on the Roston Matrix hel	(5)
b		on the Boston Matrix below the UK market for cosmeting the Problem Child	ow, where <i>Purity</i> should
b	e positioned in terms of nimals.	the UK market for cosmeti	ow, where <i>Purity</i> should
b	e positioned in terms of nimals.	the UK market for cosmeti	ow, where <i>Purity</i> should
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b	e positioned in terms of nimals.  Star	Problem Child	ow, where <i>Purity</i> should c products not tested on
b	e positioned in terms of nimals.  Star	Problem Child	ow, where <i>Purity</i> should

	(ii) Justify why you have selected this position.	
		(4)
(c)	Assess how <i>Purity</i> should use promotion to meet the concerns of consumers.	
		•••••
		(4)
	(Total 14 m	arks)

ate the suitability of this pricing strategy for <i>Purity</i> 's products.	
,	

•)	Explain why <i>Purity</i> promotes direct to consumers even though it only sells to trade
	customers.
	(6)
	(6)
ne	e of <i>Purity</i> 's aims is to open its own high street shops.
	e of <i>Purity</i> 's aims is to open its own high street shops.
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5. As part of its research into possible new markets for its products *Purity* has accessed the latest population trends from the Office for National Statistics (ONS). *Purity* appreciates that its most effective method of expansion will be to move into new regions of the UK one by one. It also appreciates that certain demographic features could be particularly important for the kind of products that it produces. It has decided that these are likely to be gender, age and geographical location. **Table 1** shows data that relates to these three features.

Table 1 – Selected demographic data for England (2005)

Region	Total Population	Populat	tion by ag	Percentage by gender in Englar				
	'000	0–4	5–15	16–44	44-Ret <sup>2</sup>	Ret +3	Male	Female
North East	2,558	5.3	13.3	39.2	22.8	19.8		
North West	6,846	5.6	13.9	39.5	22.1	18.8		
Y & H <sup>1</sup>	5,064	5.7	13.8	39.7	22.0	18.9		
East	5,542	5.7	13.7	38.5	22.4	19.5	49.1	50.9
London	7,518	6.6	12.7	48.9	18.1	13.8		
South East	8,164	5.6	13.7	39.0	22.4	19.3		
South West	5,068	5.1	13.2	36.9	23.0	21.8		

#### Notes:

- 1. Y & H is Yorkshire and Humberside
- 2. 'Ret' is short for retirement, which is 60 for females and 65 for males.
- 3. 'Ret +' means men and women who are older than their respective retirement age.

# Source: Adapted from ONS "Population Trends"

(1)	If <i>Purity</i> was simply interested in the largest regional market, state which region this would be.
	(1)
(ii)	Explain why simply going for the largest regional market could be a drawback for <i>Purity</i> .
	(3)



(5) (Total 9 marks)	 
	 (5)
(Total 7 marks)	
	(Total 7 marks)

sample fo	ow useful the data on <b>Table 1</b> would be for creating an accurate stratistic for the Yorkshire and Humberside region, based on age and gender.	1150
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		<b>(9</b> )

Leave blank

		ons 7 and 8 are based upon your own investigations of real marketing gns that you have studied during your course.
7.		th reference to a real UK or multinational business which uses product development as t of its marketing strategy, answer the following questions.
	(a)	Name of the business
		Brief description of the product that has been developed.
		(1)
	(b)	Explain, giving examples, why particular changes were made to the product.
		(5)

(c)	How did the business monitor the success of these changes to the product?	Leave blank
( )		
	(4)	Q7
	(Total 10 marks)	

(a)	Name of business	
	What electronic method of research was used?	
	(1)	
(b)	Describe how this method works so that it can identify customers' buying habits.	
	(3)	
(c)	How was the correct target market identified before this research method was used?	
(c)	How was the correct target market identified before this research method was used?	
(c)		
c)		

( <b>u</b> ) 1	Explain <b>one</b> constraint this method of collecting data will have for identifying customers' buying habits.
	(3)
	(Total 10 marks)
	TOTAL FOR PAPER: 90 MARKS
	END



