

Examiners' Report/ Principal Examiner Feedback

Summer 2010

GCE

GCE Applied Business (6921) Paper 01

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PE report on examination paper 6921/01

General Comments

The feedback given below is based on comments from all examiners involved in marking this unit.

This paper had the usual two main scenarios. The first was based on the promotions used by the furniture manufacturer *Robert Thompson's Craftsmen Ltd*. The second was based on the promotions use by a voluntary chain of local food stores. These were not typical businesses that candidates would have experienced themselves, but the promotional contexts were familiar and candidates had no problems relating to these.

Questions 8 to 10 required an understanding of how specific real businesses actually carry out their promotions. These questions were not as well answered by candidates as they have been in previous papers. Questions 8 caused a particular problem because many candidates did not know what a public address system was. This does suggest that centres are not ensuring that students have a good understanding of all the common methods of promotion, particularly in major retailing outlets such as supermarkets.

Questions 9 and 10 were generally answered reasonable well by most candidates, but there was some worrying lack of detail - see the comments on the individual questions below.

In addition to the perennial weaknesses, listed below, one very worrying concern was the inability of many candidates to deal with even the simplest of arithmetic data. This meant, for Questions 6 and 7(a), many candidates were making choices that were, basically, nonsense. Cost is an element of promotion specifically mentioned in three separate sections of the syllabus and students need to have a clear grasp of what basic numerical data indicates.

Unfortunately the usual perennial weaknesses remain, despite them being flagged up after every series. They are:

- Not reading the questions carefully enough
- Not considering the context of the question in sufficient depth
- Not understanding some very basic terminologies
- Not considering the number of marks being awarded for a question
- Writing to the space provided, especially for candidates with large handwriting.
- Not developing answers.

Comments on Individual Questions

1(a)

Very few candidates knew what a 'registered trademark' was in the context the scenario - where a specific name was being used by the business for the purpose of promotion. Most candidates were able to identify the benefit of having a trademark in terms of branding or recognition, but only a small minority understood the purpose of registering the trademark. There were also candidates who appreciated that the trademark was being registered but then misunderstood what that meant. Some confused this with registering to be a company, and hence having the ability to trade. Others assumed that this was the same as having a patent, hence making it illegal to copy the product, rather than the name.

1(b)

Only the candidates who read the question carefully gave answers that dealt with the appropriateness of the trademark for this particular business. Some candidates answered generally about the benefit of having a trademark and gained 0 marks. Some thought that the trademark was the mouse, not 'Mouseman', even though that was clearly stated in Figure 1.

Candidates who answered the actual question set gave good answers, many scoring full marks.

1(c)

This was another question where some candidates did not read the question carefully enough, and did not appreciate that it was about methods of promotion that would show that the 'quality' was not being exaggerated. These candidates tended to answer a completely different question - "Which would be the best promotion method to promote the furniture to customers?"

Where candidates did focus on the quality, there were well reasoned answers for the selection of the showroom or the articles in the press.

2(a)

Too many candidates approached this question by selecting any feature of ambient advertising and trying to justify watching the craftsmen from the viewing gallery against that. For example, some candidates, knowing that advertising on the side of a van driving around a town would be ambient advertising, argued that, because the craftsmen would be moving about, the viewing gallery situation would also be ambient advertising. Candidates must give their answers in the actual context of the question and the scenario in the paper.

2(b)

This was generally well answered with candidates thinking about the specific situation and setting the limitations, and their explanations, in that context. There were, however, some candidates who ignored the situation completely, not responding to the word 'this' in the question, and giving general reasons as to why ambient promotion might not work.

3

Most candidates could give a general target market and argue why one or other of the methods of promotion would be more effective, hence achieving Level 2. For higher marks it was necessary to recognise that the main target market for the business was, as indicated in Figure 1, customers looking to buy the furniture. It was then important to select the appropriate details given in Figure 1 in order to justify why one, or other, of the methods would be more efficient in terms of promoting to the main target market.

Some candidates did not refer to the information given in Figure 1 at all, writing in general terms about leaflets and websites as method of communication. Many candidates used only part of the description of the main target market - that there were also people abroad - but did not consider the fact that they would be wanting to buy furniture. Some candidates ignored the specific details they had been given about the two method of promotion and, for example, assumed that leaflets were also being distributed outside of the area, and even abroad.

The question specifically instructed candidates to consider the main target market and comment on the efficiency of the leaflet and website, described in Figure 1, as they made their assessment. Far too many candidates did not follow that instruction.

4(a)

Candidates were required to name a type of promotion tool. It was expected that these would be taken from those listed in the syllabus. In many cases candidates could not identify the two most appropriate promotional tools, public relations and sales promotion. Sponsorship was a fairly common incorrect answer, but most incorrect answers seem to have been attempts at inventing suitable names, for example, ethical promotion, donation advertising and community support. Other candidates described what the promotion was doing rather than stating what type of promotional tool it was.

4(b)

The majority of candidates gave valid promotional objectives with supporting justifications. Answers did tend to be fairly general and only a minority of candidates considered why particular products might have been singled out rather than simply giving general donations based on all purchases made.

5(a)

The temptation for many candidates faced with questions about expansion into European countries is to consider all aspects of promoting in a foreign country. Inevitably that includes consideration of different languages and cultures but, that is not what this question was asking for. This question limited the considerations to the fact that France and Germany use the Euro rather than the Pound, and the effects that would have on the way the business would have to plan its promotions.

Most candidates did recognise that there would be an effect from using the Euro, but this tended to be basic, e.g. changes to pricing. Only the best candidates considered the planning of promotions, for example the changes that would need to be made to all promotional literature or the cost of having different promotions in the UK and the two foreign countries because of the adjustments that would need to be made.

5(b)

There was some confusion for many candidates as to what this question had asked. Some candidates did not recognise that this was about the benefit to *Volco* rather than the benefit to the independent retailers. The word 'its' was not picked up in these cases. Some candidates tried to relate this question back to donations highlighted for Q4 and through that, either repeating answers already given for Q4(b) or trying to assess the benefit to the independent retailers of having donations made to the local community by *Volco*.

Candidates who appreciated that this was a question about why one business would carry out the promotions for another business gave well reasoned answers and scored high marks.

6

The majority of candidates were unable to understand what the data on the table actually meant. Both column headings and the consequential significance of the numbers given in the data were generally ignored. The result was that very many candidates gave totally unsubstantiated reasoning for their final conclusions. The major concern here is that students do not appear to be able to cope with basic (and even very simplistic) statistical tables. Promotional campaigns cannot be assessed without this and nor can selection of the most appropriate media.

Very typical errors included the following:

- Making judgements simply on the cost per unit - posters were the most expensive so should be scrapped.
- Only 4 posters were used, so this would not be effective - or doubling or trebling the number of posters would bring in two and three times as many customers.
- Only 60 people saw the leaflets delivered to home but 1,200 were delivered (no apparent understanding of percentages).

Only the candidates who had a good understand of what the data on the table actually meant were able to give reasoned conclusions that allowed them to get into Level 3 or 4.

7(a)

This was another question where a staggering majority of candidates demonstrated a lack of understanding of the most basic mathematics that is likely to be involved in any real promotion. In addition, they showed that they did not know what these very standard promotional techniques actually meant.

Most candidates could not recognise that BOGOF and half price were essentially the same thing, and often tried to argue that they were different. Many candidates argued that three for the price of two must be best because you finished up with more products - ignoring, or not understanding, the 'value for money' aspect.

Once candidates had recognised that BOGOF and half price were the same there were some good arguments as to why half price would be the best value for money.

7(b)

Candidates were asked to deal with the ethical considerations of the 19 items indicated in the stem to Q7. Candidates who focused on the fact that these were alcoholic products, tended to give good answers with relevant ethical points related to drinking and the promotion of drinking. Some candidates did not refer to the nature of the 19 items and gave general answers about ethical consideration, such as ensuring pricing was fair or that quantities were what was stated on the packaging. These answers had no application and failed to score marks.

There were also candidates who clearly did not know what the term ethical meant. Some candidates confused this with environmental and others simply guessed. Ethical considerations are specifically listed as one of the constraints in section 6.3 of the syllabus and need to be understood by students.

Questions based on own study of examples during the course

The correct choice of business, product or promotional campaign remains absolutely vital for providing good answers to these three final questions. Basic rules for preparing for and answering these questions were given in the summer 2008 report to centres and those should be checked. There were some poor choices in this series and also some easy marks lost because candidates did not answer the actual question asked.

8

There were very many candidates who did not know what an in-store public address system was and therefore failed to score marks for parts (a) and (c). This is a very common form of audio promotion in many high street stores, supermarkets and large out of town retail establishments. Students should be aware of these common forms of promotion. For those candidates who did not know what a public address system was a significant number focused on the word address and wrote about a range of systems that included having the address of customers and then approaching them with some form of promotion.

(a)

This was generally well answered by candidates who knew what a public address system was, providing good details of how the PA system was used for promotion.

(b)

Most candidates were able to score reasonable marks for this section. Marks were awarded even if the candidates had selected a method that was not a PA system. However, only the better candidates went on to explain why the checks would be effective.

(c)

Again there were good answers from those candidates who knew what an in-store PA system was.

The majority of candidates had no difficulty in selecting suitable examples, but only the better candidates gave full answers with the required development. A few candidates did not attempt this question at all, even though they answered Q10. Considering the general exposure that sponsorship is given in the study of promotion, and its frequent use for questions in past examination papers, this is surprising.

(a)

Candidates had no problem in giving basic details of what was provided, but there was frequently a lack of additional significant details. For the sponsor this was often simply supplying funds, but no details of how much, for how long, what was being paid for, etc. For the sponsored business there was again very basic detail, such as wearing the logo, allowing advertisements on hoardings, etc. Significant additional detail was often not provided. Some candidates only considered one side of the agreement and usually only what the sponsored business provided. There were also some inaccurate details, usually based on the sponsored business giving the sponsor part of its profits.

(b)

Generally candidates stated the benefits for each party but did not then go on to compare them, nor to justify why one of the businesses might benefit from the agreement more than the other. Only the best candidates did this, and therefore responded to the actual question that had been asked.

10

This question was generally fairly well answered as candidates used their own experience of the pop-ups that occur on sites they use themselves. The only significant problem was when candidates selected businesses that were placing their own pop-ups on their own sites, ignoring the requirement in the stem for these to be on 'other business's websites'.

(a)

Generally no problems.

(b)

Usually candidates could give a sound connection between the website and the product being promoted by the other business. For some sites the number of people accessing it became the major feature and the nature of the product, and hence the potential nature of the target population became rather lost. Often there are significant costs involved with this form of promotion and candidates need to appreciate that the decision to place a pop-up on one specific site, rather than another, is only taken after carefully research and consideration of the potential benefits.

(c)

Again the basic benefit was given by most candidates - that of payment. A significant number of candidates then went on to consider other potential benefits such as having useful links to sites that people accessing their website might want. There were, however, benefits that candidates were giving that were purely speculative, such as having reciprocal agreements for placing pop-ups on the other business's website (which is rarely the case). It is important, with all of these questions based on students' study of real promotional campaigns that the candidates have actual facts about what the real promotional campaigns involved.

Issues for future series

The specific assessment for Quality of Written Communication (QWC) that was introduced in this summer series will now form an imbedded appraisal of candidates work. The general requirements shown in the new specifications for the course are given below.

QWC was always being assessed, because the way candidates expressed themselves had a major impact on the clarity of what they were saying. That will continue to be the case for all questions they answer and candidates should use good QWC throughout. For the purpose of specific assessment QWC will be considered primarily with reference to the extended answer questions. For this paper that will be the two questions with 11 marks. This will be indicated, for the benefit of candidates with an * against the question. Note, however, that candidates must not assume that this is the only part of the paper where QWC is being assessed and good written communication is vital for all questions.

The points listed below repeat comments made on previous reports, but they are ones that are still **not** being addressed by many candidates - hence unnecessarily losing marks.

1. **The applied approach** - All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should, therefore, include as much study of the promotional techniques used by real businesses as possible.
2. **Terminologies** - Candidates need to know all of the terms given in the syllabus and common terms that relate to the real world of promotion.
3. **Reading the question/following instructions** - Many marks are still being unnecessarily lost, simply because candidates have not read the question carefully enough or taken the context into consideration.
4. **Questions requiring extended answers** - There will continue to be two questions with 11 marks in the future series. Students should be shown how to develop their answers so that they can provide in-depth and detailed answers for these questions.
5. **Questions based on own study** - Students must be able to use knowledge and understanding of a wide range of real promotional situations in order to answer questions on any part of the syllabus. This must be in sufficient depth to show the details of promotional campaigns.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself.

Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet. Preferably, they also indicate where the rest of the answer is.

Grade Boundaries - June 2010

6921	Total	A	B	C	D	E
Raw Mark	90	51	45	39	33	27
UMS	100	80	70	60	50	40

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