

Write your name here

Surname

Other names

Centre Number

Candidate Number

**Edexcel GCE**

# Applied Business

## Unit 10: Marketing Decisions

Friday 20 January 2012 – Morning  
**Time: 1 hour 30 minutes**

Paper Reference

**6925/01**

**You do not need any other materials.**

Total Marks

### Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided  
– *there may be more space than you need.*

### Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets  
– *use this as a guide as to how much time to spend on each question.*
- Questions labelled with an **asterisk** (\*) are ones where the quality of your written communication will be assessed  
– *you should take particular care with your spelling, punctuation and grammar, as well as the clarity of expression, on these questions.*

### Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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**PEARSON**

Questions 1 to 6 relate to marketing decisions about Gavin Marshall's new business venture.

**Figure 1**

Gavin Marshall is based in New Quay, a town in Cardigan Bay. He owns a 27 ft fishing boat, which he has used for the last seventeen years for commercial fishing. He has now decided to stop the commercial fishing and use his boat for fishing trips for tourists. He also plans to buy another boat to be used for sightseeing trips for tourists to see dolphins, porpoises and birdlife in the Bay.

Cardigan Bay is a popular tourist area and part of the Bay is designated as a Special Area of Conservation (SAC). This means that there are laws in place to protect the animals in the sea, including limits on the number and type of fish that can be caught and the speed that boats can travel. The main fishing seasons are during spring, summer and autumn. Winter months and bad weather severely limit fishing and boating trips.

Currently he has one employee, who does have a Boatmasters Licence, but he realises that he will need at least two qualified boatmen if he is to run the two boats at the same time. As he will be carrying passengers on both boats he knows he will need to train for a Boatmasters Licence himself.

The boat he already owns is fully equipped for fishing, although he will need additional rods and lines. The new boat is likely to need some modifications and both boats will need full safety facilities such as life jackets.

- 1 (a) Why would the fact that part of Cardigan Bay is classified as a Special Area of Conservation (SAC) be both an opportunity and a threat for Gavin's new business venture?

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(b) Examine how elements of PESTLE shown on **Figure 1** could affect Gavin's new business venture.

(6)

Dotted lines for writing.

**(Total for Question 1 = 10 marks)**



**\*2** With reference to the information given in **Figure 1**, explain why the strengths for Gavin’s new business venture might be more important than the weaknesses.

(11)

Ruled area for writing the answer, consisting of multiple horizontal dotted lines.

**(Total for Question 2 = 11 marks)**



- 3 The change from commercial fishing to running sightseeing and fishing trips for tourists will mean different positions on the Ansoff Matrix.

**Figure 2 – Ansoff Matrix**

Market Penetration	Product Development
Market Development	Diversification

- (a) (i) On **Figure 2** identify with the letter **F** where the fishing trips for tourists should be placed, and with the letter **S** where the sightseeing trips should be placed. (2)
- (ii) Justify why you have placed each of these new ventures in the section(s) of the Ansoff Matrix in part (i). (6)

Fishing trips for tourists

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Sightseeing trips for tourists

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There are many harbours around Cardigan Bay, each with businesses that offer sightseeing and fishing trips, making this a very competitive industry.

(b) Analyse if it would be sensible for Gavin to use penetration pricing when he starts his new ventures.

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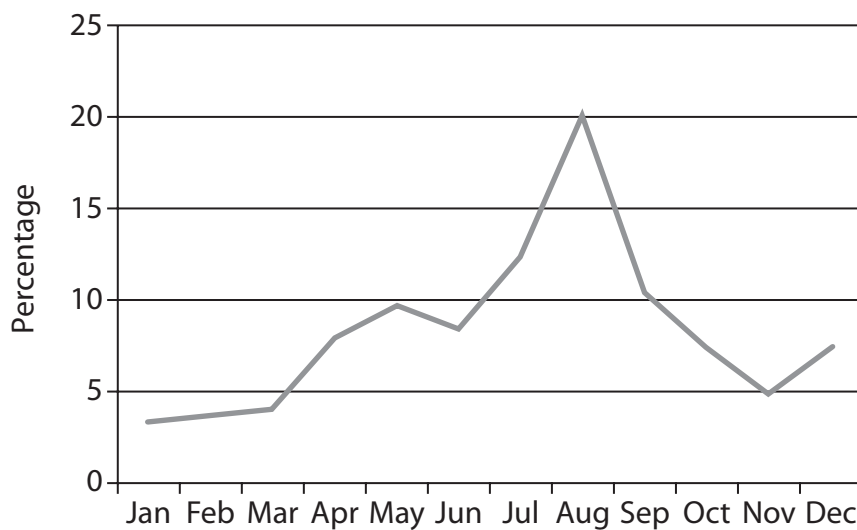
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**(Total for Question 3 = 15 marks)**



**Figure 3** shows the percentage of tourists visiting the Cardigan Bay region by month and **Table 1** shows the numbers of tourists by where they stayed or visited.

**Figure 3 – Percentage of tourists visiting region by month in 2008**



**Table 1 – Tourist Numbers ('000) visiting region in 2008 and 2009**

Section	Where stayed or day visitors	2009	2008
1	Hotels, guest houses, B&Bs, farms/inns giving breakfast	218	250
2	Self catering cottages/apartments, caravans, camping	1,000	1,075
3	With friends and relatives	120	120
4	Day visitors	1,433	1,421
	<b>TOTAL</b>	<b>2,771</b>	<b>2,866</b>

Gavin is concerned that the data he has is at least two years old. He therefore wants to carry out his own research. For his research he plans to give a questionnaire to 277 people, based on the numbers in each section of **Table 1**, ie

- 22 to Section 1
- 100 to Section 2
- 12 to Section 3
- 143 to Section 4

He will conduct his survey in New Quay in March 2012.



\*4 Discuss any problems that Gavin is likely to face in terms of the validity of the survey because of the way in which he plans to carry it out.

(11)

Dotted lines for student response.

**(Total for Question 4 = 11 marks)**





5 (a) Describe why the survey Gavin is planning to carry out would be primary research. (2)

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(b) Show what the sample frame would be for this survey. (2)

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(c) Considering the way in which the survey will be carried out, discuss if it will be simple random sampling, cluster sampling or quota sampling. (7)

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When Gavin conducts his survey he will have responses from both first time and repeat visitors, in roughly the same number.

(d) Analyse which of these two sets of responses is likely to be most useful to Gavin.

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**(Total for Question 5 = 17 marks)**



Gavin wants to advertise his new business to people who visit New Quay and he has decided that the best way to do this would be to advertise to tourists when they are looking for places to stay. **Table 2** shows how tourists found their accommodation in and near New Quay in 2011.

**Table 2 – Number of visitors using specific sources of information to find accommodation, New Quay 2011**

<b>Source of Information</b>	<b>First time visitors</b>	<b>Repeat visitors</b>
Tourist Information Centre	8,200	6,700
Internet	19,100	15,500
Holiday Brochure	18,400	16,200
Newspaper Advertisement	3,800	4,000
Recommendation	9,700	6,300
Previous Experience	2,100	19,700
<b>Total</b>	<b>61,300</b>	<b>68,400</b>

Gavin will choose only one of these sources of information in which to place his advertisements. He wants to target both first time and repeat visitors.

- 6** With reference to **Table 2**, assess which source of information Gavin should choose for placing his advertisements. (6)

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**(Total for Question 6 = 6 marks)**



**Questions 7 and 8 are based upon your own investigations of real marketing campaigns that you have studied during your course.**

**7** When faced with stiff competition businesses often need to make tactical and strategic marketing decisions.

With reference to a UK or multinational business that has made tactical and strategic marketing decisions in order to compete effectively, answer the following questions.

Name of the business .....

Market in which it operates .....

(a) State **two** major differences between a tactical and a strategic marketing decision. (2)

1 .....

2 .....

(b) Explain how **one** tactical decision the business has taken has helped it to compete. (4)

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(c) Explain how **one** strategic decision the business has taken has helped it to compete.

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**(Total for Question 7 = 10 marks)**

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**8** Many businesses achieve product development by improving their existing products.

With reference to a business that has successfully achieved product development in this way, answer the following questions.

Name of business .....

Product that was improved .....

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(a) Describe the improvements made to the product.

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(b) Examine the importance of the product life cycle in the decision to make improvements to the product.

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(c) Identify how the improvements might have had a negative effect on some of the target market.

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**(Total for Question 8 = 10 marks)**

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**TOTAL FOR PAPER = 90 MARKS**



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