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Other names

Pearson
Edexcel GCE

Centre Number

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Candidate Number

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Applied Business

Unit 10: Marketing Decisions

Tuesday 14th June 2016 – Afternoon
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 on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

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

Turn over ►

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Questions 1 to 6 relate to marketing decisions being considered by Jane Deane, a trained and qualified hairstylist and beautician.

Figure 1

The Hairdressing and Beauty industry is made up of hairdressing and beauty services. The former includes cutting, styling and colouring and the latter includes skin care, waxing, manicures, pedicures and massages. It is an industry dominated by small independent salons with many self-employed owners. There are few barriers to new businesses entering the industry. Hairstylists work from home, provide mobile services or hire spaces in salons. There are also a number of salons that are part of chains or franchises.

Growth in both parts of the industry has been weak in recent years due to falling disposable income and worries about employment in the economy as a whole. Demand for hairdressing services has been fairly stable, as people typically have regular haircuts irrespective of poor economic conditions. More expensive services, especially the beauty section of the industry, have suffered.

Jane Deane worked in both hairdressing and beauty salons for one year before taking a BTEC Higher National Diploma in Hair and Beauty Management. Payment of the course fees and accommodation was possible with a student grant, but this will need to be paid back. The course gave Jane a thorough grounding in the key concepts and practical skills required in the hair and beauty sector as well as a range of management skills such as Health, Safety and Security in the Salon, Salon Management, Sales Management and Quality Management of Client Care.

On leaving college, Jane moved back to her home town and was thinking about setting up her own hair or beauty salon.

- 1 (a) Discuss if setting up her own salon would be a tactical or a strategic marketing objective.

(5)

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*2 With reference to the information given in **Figure 1**, advise Jane if she should open a hair **or** a beauty salon.

Area with horizontal dotted lines for writing the answer.

(Total for Question 2 = 11 marks)

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3 (a) Show why Jane's business would be in the Dog segment of the Boston Matrix if she decided to set up a salon in the beauty section of the industry.

(6)

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(b) Explain the 'dynamics of the market' Jane would need to consider before deciding to open a beauty salon.

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(Total for Question 3 = 11 marks)



Jane has found out that advertising in the local cinema is relatively cheap. She has also found a table that shows the frequency of people visiting cinemas by age.

Table 1 Frequency of cinema visits in the last 12 months by age UK 2012/13

Percentage of total by age in each category						
Age	At least once/week	Once per month	3 to 4 times/year	Twice per year	Once per year	Total
16 to 24	7	43	35	11	4	100
25 to 44	3	24	49	17	7	100
45 to 64	2	17	47	23	11	100
65 to 74	2	16	41	25	16	100
75+	2	10	42	31	15	100

(Source: adapted from Government statistics)

4 (a) State why the data in **Table 1** is secondary data.

(2)

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(b) With reference to **Table 1**, advise Jane on which would be the best age group to target.

(6)

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(c) Explain why Jane should be careful about making a decision based on the data shown on **Table 1**.

(6)

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(Total for Question 4 = 14 marks)

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Jane knows that she should carry out her own primary research with people who use hair and beauty salons before deciding which type of salon she should open. She has decided that she needs to carry out a survey in her chosen town based on a stratified sample that would include males, females, adults, children and which of the four main parts of town they come from.

6 (a) What would be the sample frame of her research? (2)

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(b) Explain what additional information Jane would need before she could construct the stratified sample. (5)

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(c) Analyse how useful a footfall count of people visiting the other salons in the town would be in deciding how to construct the stratified sample.

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(Total for Question 6 = 12 marks)

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

7 Many businesses which provide a service directly to consumers use below-the-line promotion inside their shops, restaurants, and other outlets, and then monitor the effectiveness of these promotions.

With reference to a business that uses this kind of promotion and monitoring, answer the following questions.

Name of the business

The service being provided

(a) Explain how the below-the-line promotion used by the business was effective. (4)

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8 With reference to a UK or multinational business that has effectively introduced an extension strategy for its product range, answer the following questions.

Name of the business

Product range

(a) State at which stage of the product life cycle the business introduced the extension strategy.

(1)

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(b) Explain why the extension strategy was effective.

(4)

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(c) Examine how the competitors of the business reacted to this extension strategy.

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(Total for Question 8 = 10 marks)

TOTAL FOR PAPER = 90 MARKS



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