



**General Certificate of Education**

**Applied Business 8616/8619**

**BS11      The Marketing Environment**

**Report on the Examination**

*2010 examination - January series*

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## General Comments

In general, students' responses indicated that they had covered most of the unit's content. There was very little evidence of students misunderstanding marketing environment concepts.

The real difference between the performances of students was the degree to which they used the data items. Successful students understood the marketing environment issues being assessed and used the data items to answer the questions in context. Less successful students struggled to move beyond descriptive responses, often just repeating text they had highlighted in the data items.

## Question One

- (a) Students who described two marketing environment factors from **Item A** gained full marks. A number of students described the same change in the marketing environment twice, eg falling income levels. This approach gained a maximum of two marks.
- (b) The vast majority of students gained at least three out of the five marks available by providing an explanation in context, eg falling income levels making it difficult for people to consider committing themselves to a major purchase such as a car.
- (c) Students presented a variety of answers to this question. This was acceptable as either marketing activities or strategies could have been used as a way of increasing car sales. The key to achieving high marks was to use **Item A** to analyse the factors affecting car sales in the UK. For example, by focusing on the issue of high petrol prices or on the need to reduce pollution, students could propose a marketing activity capable of appealing to consumers, eg promoting fuel efficient cars.
- (d) Many students produced good responses to this question and it was pleasing to see them using **Item A** to support logical arguments. Students could argue that competition might have increased or decreased. The question was assessing each student's understanding of how changes in the marketing environment could affect the degree of competition in a market. The best students used the evidence in **Item A** to present a logical and considered argument, eg by arguing that, as demand was falling, each business would be attempting to attract the interest of a dwindling number of consumers and this would result in increasing levels of price competition.

## Question Two

- (a) The vast majority of students understood the general benefit to a business of owning several brands. However, few could place this within the context of the data item. Students who explained that the range of brands allowed VW to target several different market segments, consequently reducing risks, gained high marks.
- (b) Pleasingly, a large proportion of students managed to analyse the data by comparing the performance of each regional market and identified, from this analysis, the importance of the Asian market. This approach gained the higher marks. Students who explained the meaning of the data, for example, by using the data to explain that the size of the Asian market was increasing, gained between three and five marks. Thankfully, only a minority of students restricted themselves to just describing the data. These students received one or two marks.

- (c) This proved to be a challenging question and appeared to act as a good differentiator. The best students used the range of data in **Item B** to reflect on the performance of VW in each regional market and consider the extent to which product development, or the lack of it, might have contributed to this. These students used the data when analysing the need to carry out product development to improve, or protect, future sales. Less successful students restricted themselves to describing the data or based their arguments on unsupported, and possibly incorrect, assumptions, eg the poor condition of roads in Asia will require a different type of car to that sold in European markets.

### Question Three

- (a) A minority of students carried out a full SWOT analysis, even though the question requested just opportunities and threats. The time it took students to methodically work through each section of their SWOT analysis meant that they tended to produce descriptive responses only. However, the majority of students could explain the implication of a marketing opportunity or threat facing *Pininfarina*. The highest marks were reserved for students who analysed the importance of the data in **Item C**, eg by recognising that a potential market niche existed and that, with the battery technology, *Pininfarina* were in a position to exploit this.
- (b) Students could answer the question by proposing a marketing strategy or by outlining some marketing activities. In fact, several students gained high marks in this question by providing a practical set of marketing activities, eg a promotion campaign communicating the USPs of the vehicle. Where students gained low marks it was often the case that they described several marketing strategies without ever linking them to the context or using the data in the item. To reiterate the opening paragraph of this report, students will be successful if they use their knowledge to make sense of the data in the items and provide logical answers to the questions being asked.

### Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.