



**General Certificate of Education (A-level) Applied
January 2012**

Applied Business

BS11

**(Specification
8611/8613/8616/8617/8619)**

**Unit 11: The Marketing Environment (External
Test)**

Mark Scheme

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all examiners participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for standardisation each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, examiners encounter unusual answers which have not been raised they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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	Assessment Objectives
	The Assessment Objectives represent those qualities which can be demonstrated in candidates' work and which can be measured for the purposes of assessment.
AO1 Knowledge, skills and understanding	Candidates demonstrate knowledge and understanding of the specified content and relevant business skills.
AO2 Application of knowledge, skills and understanding	Candidates apply knowledge and understanding of the specified content and relevant business skills.
AO3 Research and analysis	Candidates use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.
AO4 Evaluation	Candidates evaluate evidence to reach reasoned judgements.
Quality of Written Communication	<p>The quality of written communication is assessed in all assessment units where candidates are required to produce extended written material. Candidates will be assessed according to their ability to:</p> <ul style="list-style-type: none"> • select and use a form and style of writing appropriate to purpose and complex subject matter • organise relevant information clearly and coherently, using specialist vocabulary when appropriate • ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear. <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1

Total for this question: 29 marks

1 (a) Using **Item A**, describe **one** change in the economic environment of the UK hotel sector in 2009. (2 marks)

1 mark for identifying an element of the economic environment (eg, recession / change in exchange rates). (AO1)

1 mark for describing the effect of the change (eg, reduced demand by business travellers / increase in holidays in the UK). (AO2)

1 (b) Using **Item A**, explain why the average price of a UK hotel room fell in 2009. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A when explaining a factor causing a decline in average room prices.	5–3	AO2
1	Demonstrates understanding of why sales or prices fall for any business.	2–1	AO1

Relevant answers might include the following:

- fall in demand due to the recession, especially for business customers
- switch from higher paying business travellers to lower paying leisure travellers
- increased competition, due to falling demand, resulting in price competition.

1 (c) Using **Item A**, analyse why mid-market UK hotels lost more sales than other UK hotels in 2009. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse how competition in the UK hotel market impacts on the middle market.	8–6	AO3
2	Uses Item A when explaining how hotels in the UK compete.	5–3	AO2
1	Demonstrates understanding of competition.	2–1	AO1

Relevant answers might include the following:

- market might be segmented but the difference between ‘neighbouring’ segments might not always be apparent
- increased competition, ie fighting over a smaller market
- mid-market hotels caught in the ‘middle’ and getting squeezed by both the budget and up-market hotels.

1 (d) Do you think that mid-market UK hotels can improve their competitive position?
Use **Item A** to justify your answer. (14 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse factors affecting the competitive position.	7–6	AO3
2	Uses Item A when describing competition in the UK hotel market.	5–3	AO2
1	Demonstrates understanding of competition.	2–1	AO1

Relevant answers might include the following:

- given the recession, it would seem that the mid-market hotels are finding it difficult to meet the needs of customers, eg business customers' need for lower prices
- need to differentiate themselves from competing segments – try to improve offer to differentiate from budget hotels, eg by focusing on improved services
- if recession ends, this might be enough for sales to increase and to ensure survival
- however, not clear when recession might end and also not clear whether customers would be willing to switch back to mid-market hotels
- depends on what the up-market and budget hotels do in response to an economic recovery – they might continue to target mid-market customers, especially up-market hotels
- survive only if they can meet the needs of customers – if they cannot differentiate themselves sufficiently and if customers no longer see a need for this segment of the market, then survival is unlikely.

See next page for Evaluation.

For AO4, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Judgement is being made on whether mid-market hotels can improve their competitive position.

Level	Descriptor	Marks	Assessment Objective
3	Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in conventions of written communication.	7–6	AO4 and Quality of written communication
2	Offers judgement with supported justification. Ideas are communicated in a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

2

Total for this question: 27 marks

2 (a) Using **Item B**, explain **one** reason why *Travelodge* carries out customer research.
(5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item B to explain the purpose to <i>Travelodge</i> of customer research.	5–3	AO2
1	Demonstrates an understanding of customer research.	2–1	AO1

Relevant answers might include the following:

- customer research allows the business to gather information about what customers need and the extent to which the business is meeting these needs
- provides more relevant information than secondary research/market observation
- *Travelodge* has used both focus groups and customer surveys – these have provided information that has possibly improved decision making
- market challenger and the research can help the business to improve its position.

2 (b) Why is the internet important for the success of *Travelodge's* marketing activities?
Use **Item B** to support your answer.
(8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse how the internet allows <i>Travelodge</i> to develop/deliver effective marketing activities.	8–6	AO3
2	Uses Item B to explain the marketing benefit(s) gained by <i>Travelodge</i> through its use of the internet.	5–3	AO2
1	Demonstrates understanding of marketing activities or the technological environment.	2–1	AO1

Relevant answers might include the following:

- helps to support both promotional activities and sales
- with *Travelodge* selling nearly 90% of its rooms online, the internet is clearly key
- budget hotels sell at a low price so would probably have to keep costs down – cost of online sales may well be lower than other sales methods
- could use website to advertise various offers – as most customers book through the internet, this would be effective
- importance also comes from the new forms of promotion it makes available to the businesses.

2 (c) To what extent would the information provided by 'Google Analytics' help *Travelodge* to increase its market share? Use **Item B** to justify your answer.
(14 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse how the information provided by 'Google Analytics' could help <i>Travelodge</i> increase its market share.	7–6	AO3
2	Uses Item B when describing how <i>Travelodge</i> might use the information provided by 'Google Analytics' to inform its marketing activities.	5–3	AO2
1	Demonstrates an understanding of market share.	2–1	AO1

Relevant answers might include the following:

- helps to identify the extent to which promotions campaigns, carried out over the internet, have been successful
- provides *Travelodge* with up-to-date information and drawn from a wide sample, ie timely and valid
- would allow *Travelodge* to improve its promotional activities and, if competitors do not use Google Analytics, contribute to improving market share
- however, does not substitute for traditional forms of research which would allow *Travelodge* to understand what its customers want in terms of product and price
- could be a way in which market share is improved, but does not replace other ways of gaining market environment information, eg surveys, observation of market activities and business publications.

See next page for Evaluation.

For AO4, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Judgement is made on the extent to which 'Google Analytics' could help *Travelodge* improve its market share.

Level	Descriptor	Marks	Assessment Objective
3	Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	7–6	AO4 and Quality of written communication
2	Offers judgement with supported justification. Ideas are communicated in a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

3

Total for this question: 24 marks

3 (a) Using **Item C**, analyse the strengths and weaknesses of *Accor's* global market position in 2009. (9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to analyse the significance of <i>Accor's</i> strengths or weaknesses.	9–7	AO3
2	Uses Item C when explaining the meaning of <i>Accor's</i> strengths or weaknesses.	6–4	AO2
1	Identifies strengths or weaknesses likely to affect the market position of a business.	3–1	AO1

Relevant answers include the following:

- leader within the EMEA, perhaps having a very strong position in the budget segment – well known brand and possibly has significant competitive advantages
- has experience of operating within the Chinese market – 20 years – and this could help it to grow within this economy
- is already 3rd in terms of number of hotels within China – so has a reasonably strong market position
- however, it has a weak position within the North American market – this seems to be a very large market and is losing *Accor* potential sales
- *Accor* seems to be strong in the budget segment, but this is the most contested segment in China – could be a strength or weakness given additional information.

3 (b) Do you think that Accor should continue to expand its operations in China?
Use **Item C** to justify your answer. (15 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to analyse the possible impact on Accor of market or product development in China.	8–6	AO3
2	Uses Item C when explaining a benefit or cost of market or product development.	5–3	AO2
1	Demonstrates understanding of market or product development.	2–1	AO1

Relevant answers might include the following:

- North America seems to be a difficult market to develop – perhaps Accor was late to enter the market?
- China would seem to offer plenty of scope for expansion – the economy is growing rapidly and Accor has some competitive advantages
- increasing disposable income could indicate rising demand for mid to up-market hotels and Accor has experience of operating in these segments
- established in China for 20 years and new entrants might find it difficult to carry out business within China
- only 17% of the market is branded, offering a real opportunity to establish the business but, perhaps, not in the budget sector due to oversupply.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Judgement is being made on whether Accor should expand its operations in China.

Level	Descriptor	Marks	Assessment Objective
3	Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	7–6	AO4 and Quality of written communication
2	Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	