



A-level
BUSINESS
7132/2

Paper 2 Business 2

Mark scheme

Sample assessment material

Version 1.0

Mark schemes are prepared by the Lead Assessment Writer 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 associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' 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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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Marking guidance

- Be clear on the focus of the question.
- Read the response as a whole; follow the flow of the argument as a whole.
- Remember that the indicative content provides possible lines of argument but there may be others that are equally valid. Be willing to credit other lines of argument.
- Annotate the script as you read in accordance with the instructions given at standardisation.
- Consider what it all adds up to, eg is this a good response? A reasonable one? A limited one? Refer back to the standardisation scripts and guidance to help you benchmark. You are marking to the standard agreed at standardisation. Be careful of the standard you are marking at drifting when you have a big centre; refer back to standardisation scripts.
- Summarise your findings briefly at the end of the response. This will help you decide on the overall level and is helpful for others to understand the mark given, eg for an extended response 'well-argued' but does not focus fully on the issue of 'long-term' feels as if it might be good rather than excellent. Make sure the comments fit with the level awarded: 'unbalanced and not comparing with alternative solutions' does not sound as if it is 'good'.
- Next to your comment put the level awarded, eg L4.
- If in doubt about an approach contact your Team Leader, do not make up your own rules because we must have a standardised approach across all marking. Be positive in your marking. Look to reward what is there.

Annotation key

Annotation	Definition
T	Free text box – use this for making comments at end of sections/answers
Bal	Balance
BOD	Benefit of Doubt
Cross	Incorrect
Dep	Depth
EVAL	Evaluation
K	Knowledge
NAQ	Not answered question
OFR	Own figure rule
Rng	Range
SEEN	Indicates that the point has been noted, but no credit has been given
Tick	Correct point

The following should be used at the end of the response:

L1	Level 1
L2	Level 2
L3	Level 3
L4	Level 4

0 1 . 1 Describe the trend in sales of luxury goods in Country X as shown by the data in **Figure 1**.

[3 marks]

Marks for this question: AO1 = 1, AO2 = 2

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as sales and sales growth.
- to apply this to the context of the data provided.

Relevant points could include:

- the rate of sales growth never falls below 15% **(1 mark)** (note: sales do not fall)
- sales growth is always positive **(1 mark)**
- sales growth peaks in 2020 **(1 mark)**
- sales are always rising. **(1 mark)**

(Maximum of **3 marks**)

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 1 . 2 Using the information in **Table 1**, calculate the price paid in pounds for a shirt that has a price of \$250 in Country X purchased on 6 June 2022 from a Country X manufacturer. Show your workings.

[3 marks]

Marks for this question: AO1 = 1, AO2 = 2

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as exchange rates
- to apply this to the context of the data provided

Indicative content:

Answer = £25.40 or £25.41 (3 marks)

Broken down as follows:

Select correct exchange rate: £1 = \$9.84 **(1 mark)**

\$250 / 9.84 \$/£ **(1 mark)** = £25.41 **(1 mark)**

0 1 . 3 Using the data in **Figures 1** and **2** and **Table 1**, analyse why UK exports to Country X may have increased between 2019 and 2022.

[9 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question demonstrates analysis which is well-developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question demonstrates analysis which is developed and is applied to the context. 	4–6
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development and with mainly descriptive application to the context. 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as GDP and exchange rates
- apply this to the context of the data provided
- to analyse the possible impact of data in figures and tables provided on UK exports to Country X

Indicative content:

- Country X's GDP is growing rapidly (minimum of 7.5% p.a.) throughout the period. This indicates increased demand within the country, some of which may be for imports from the UK.
- The £ is weakening against the \$ (8.9% fall over the period), making UK exports seem cheaper to Country X consumers, thus volumes sold might increase.
- UK may well be exporting luxury goods – Figure 2 shows sales of these are rising even more quickly than overall Country X's GDP, suggesting they are income elastic.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 1 . 4 **Figures 1 and 2 and Tables 1, 2 and 3** provide data about Country X and the UK.

Do you think that this data suggests that Country X would have been a good market for UK exporters who were aiming to grow rapidly between 2019 and 2022?

Justify your answer.

[20 marks]

Marks for this question: AO1 = 4, AO2 = 3, AO3 = 5, AO4 = 8

Level	The student will typically demonstrate	Marks
5	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout. 	17–20
4	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question demonstrates analysis which is well-developed, is applied effectively to the context and considers a range of the issues in the question makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout. 	13–16
3	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question demonstrates analysis which is developed, applied to the context and considers some of issues in the question makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole. 	9–12
2	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question makes judgements or provides solutions which have limited links to analysis or limited focus on the question as a whole. 	5–8
1	<p>A weak response overall lacking focus on the demands of the question</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates isolated or imprecise knowledge and understanding of issues in the question 	1–4

	<ul style="list-style-type: none"> • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions. 	
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The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as target markets and factors influencing their appeal
- to apply this to the context of UK exporters who want rapid growth targeting Country X
- to analyse the possible impact of targeting Country X on a business
- to evaluate qualitative and quantitative information to provide a solution to the question of whether Country X is a good market. For example it may use the data to evaluate its appeal or consider some of the difficulties exporting to a market such as Country X

The Country X market is attractive because:

- GDP data suggests the Country X market will grow relatively fast in the future (although slower than in recent years)
- the exchange rate has been moving in favour of UK exporters and forecasted to continue
- the population size is large providing a large potential market.

However:

- Country X GDP growth was slowing and businesses would need to estimate future growth; targeting Country X may be a long-term investment and businesses might be interested in the future growth of the Country X economy
- growth in sales of luxury goods and exports to Country X have been slowing; if this continued, it may not be a good target market long term for some exporters (not necessarily all)
- Country X is seen as a difficult place to do business, in which:
 - perceived corruption levels are high; UK exporters may not want to be involved in a country where corruption may be taking place because of the possible impact on its image
 - average income per person is lower than in the UK; this will affect demand for some high-price items.

The response might consider some of the potential problems of exporting to Country X and potential barriers to this as a strategy. Whether it is a good market to target will depend on many factors such as:

- cultural differences
- differences in legislation
- the level of investment required
- the risk.

Evaluative themes include:

- a number of indicators relating to the Country X market are attractive
- depends on the firm's internal strengths or weaknesses
- depends on reliability of the forecasts and the time horizon, eg building a presence in Country X may be a longer project going beyond 2026
- depends on alternative markets.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 2 . 1 Explain the factors that might influence the price at which Astum sells its cars.

[6 marks]

Marks for this question: AO1 = 3 and AO2 = 3

Level	The student will typically	Marks
3	Provide a good explanation of relevant factors using knowledge and understanding applied to the context.	5–6
2	Provide a reasonable explanation of relevant factors using knowledge and understanding with some application to context.	3–4
1	Demonstrate some knowledge and understanding and identifies relevant factors with little application to context.	1–2

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as factors influencing price
- to apply this to the context of Astum.

Factors influencing the price may include:

- the perceived benefits of the cars to customers relative to competitors' cars, eg the impact of the way they are made, the styling, the power of the brand may affect the price elasticity of demand
- the need to cover the costs of this particular style of production; given the method of production the unit costs may be relatively high and this may require a relatively high price
- the production capacity relative to demand; if sales for this type of car are high then a high price and profit margin may be required
- income levels of the target market may affect the ability to pay
- the price of rivals and substitutes.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 2 . 2 Analyse the possible influences on the level of investment in research and development at Astum.

[9 marks]

Marks for this question: AO1 = 2, AO2 = 3 and AO3 = 4

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question. demonstrates analysis which is well developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question. demonstrates analysis which is developed and is applied to the context 	4–6
1	<p>A limited response that focuses on few demands of the questions.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development and with mainly descriptive application to the context. 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as the investment and research and development
- to apply this to the context Astum
- to analyse the possible impact of factors influencing investment in research and development

Indicative content/answers may include:

- reference to the costs of investment
- reference to Astum’s desire to broaden its product mix
- its niche market success is based on meeting customer needs exactly; as customer needs change, R&D may be required to change the product in line
- to survive in a niche market with low volumes, producers must be able to charge a premium price; R&D may be crucial in sustaining such a price point, eg by differentiating its product
- Astum operate in a market that sees a high rate of technological development, so a failure to keep up with competitors may leave them with obsolete products
- R&D may lead to innovations that offer niche producers a valuable USP, effectively a barrier to others looking to enter the niche
- process R&D may bring down costs, giving price flexibility in the event of new competitors entering the niche.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 2 . 3 The Managing Director of Astum aims to make the business even more innovative. Do you think that for a business to become more innovative a consultative management style is inevitable? Justify your answer.

[16 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4 and AO4 = 7

Level	The student will typically demonstrate:	Marks
4	<p>An excellent response overall that is fully focused on the key demands of the question</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to the issues in the question. demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question. makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question a whole throughout. 	13–16
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question demonstrates analysis which is well-developed and is applied effectively to the context and considers a range of issues in the question. makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole. 	9–12
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question demonstrates analysis which is developed, applied to the context and considers some of the issues in the question. makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole. 	5–8
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development, with mainly descriptive application to the context and considers a limited number of issues in the question. makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole. 	1–4

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as innovation and consultative management
- to apply this to the context of a business wanting to become more innovative
- to analyse the possible impact on innovation within an organisation of different management styles
- to evaluate qualitative and quantitative information to provide a solution to whether a consultative management style is inevitable in this situation. For example it may propose an alternative weighing up the case for and against consultation in some circumstances

The best management style may depend on factors such as:

- the relationship with employees; in this case the employees are used to being consulted; they may, therefore, resist innovation where they are not involved
- the skills and experience of the employees, eg their ability to contribute to the decision-making process; with highly skilled employees at Astum their ability to add value in discussions may be quite high
- the degree of acceptance of the manager by the employees; in this case the Managing Director has worked her way up the business which may mean she is accepted
- the position of the business, eg how quickly is change needed? Is there a sense of urgency?

Evidence suggests a consultative style is most likely, although it may depend on:

- the experience and style of the manager him/herself
- the speed with which change has to be introduced
- the extent to which the change is welcomed or resisted.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 3 . 1 Analyse why Daunters may have been slow to adapt to change in the online environment.

[9 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question demonstrates analysis which is well-developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question demonstrates analysis which is developed and is applied to the context. 	5–8
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development and with mainly descriptive application to the context. 	1–4

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as the resistance to change and online technology
- this to be applied to the context of Daunters
- to analyse the possible impact of factors leading Daunters to be slow to adapt to change in the online environment.

Possible reasons could include:

- it may have a traditional culture and be reluctant to change
- the firm's strategy had been based on bricks and mortar, so moving online was a major change for them; it may have feared the change or felt it did not have the skills to make the changes successfully
- managers may have underestimated the benefits of adopting digital technology
- it may have been seen as too expensive and too risky
- there may have been resistance to change, eg fear from some staff of store closures.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0 3 . 2 In 2022 Axia’s market capitalisation was as high as £1.85bn.

Analyse the possible reasons why the market capitalisation of Axia was so high in 2022.

[9 marks]

Marks for this question: AO1 = 2, AO2 = 3 and AO3 = 4

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question demonstrates analysis which is well-developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question demonstrates analysis which is developed and is applied to the context. 	4–6
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development and with mainly descriptive application to the context. 	1–3

The demands of the question are:

- demonstrate knowledge and understanding of relevant issues such as the market capitalisation
- this to be applied to the context of a Axia
- analyse the possible impact of factors that influence market capitalisation.

Answers may include:

- market capitalisation is the current market value of the business (market share price x number of shares)
- the market capitalisation of Axia may be high now because of the high share price and/or the number of shares.

The share price may be high because:

- of its focus on online sales; this may mean it is ideally placed to gain new online shoppers and well suited to the current shopping environment (In 2022, 75% of UK adults made a purchase online and 90% of UK households had Internet access’); this may make the shares more attractive
- it was online ahead of businesses such as Daunters and so may have established loyalty; investors may value this loyalty as it could help further growth
- 64% of sales are from outside the UK, so Axia already has strong sales presence overseas; this may spread risk and make the shares a safer investment.
- Axia may have issued more shares over this period.

Explanations may centre on:

- future potential, probably in terms of Axia's ability to grow and/or ability to generate a higher return on investment for investors
- the present share price will depend on expectations of dividends and future share price movements.

The number of shares may have increased because:

- Axia may have issued more shares over this period.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

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Do you think that retailers such as Daunters and Axia now need to focus more on 'place' rather than other elements of the marketing mix to increase their market share? Justify your answer.

[4 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate	Marks
4	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout. 	13–16
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a depth and range of knowledge and understanding of issues in the question demonstrates analysis which is well-developed, applied effectively to the context and considers a range of issues in the question makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout. 	9–12
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question demonstrates analysis which is developed, applied to the context and considers some of the issues in the question makes judgements or provides solutions which are built on analysis, but lack balance and not fully focused on the question as a whole. 	5–8
1	<p>A limited response overall with little focus on the demands of the question</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> demonstrates a limited range and depth of knowledge and understanding of issues in the question demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole. 	1–4

The demands of the question are:

- to demonstrate knowledge and understanding of relevant issues such as the marketing mix and market share
- this to be applied to the context of a retail business wanting to increase market share at this moment
- to analyse the possible impact of place and other elements of the marketing mix on the market share of an organisation
- to evaluate qualitative and quantitative information to propose a solution as to whether retailers should focus on the marketing mix now. For example it may consider place relative to other elements of the marketing mix and consider the relevance of “now” in terms of an appropriate marketing mix.

Answer yes, because:

- Axia has proven that online retailing is a recipe for success, growing sales to £769m in 13 years. It could be argued that its key differentiator is its place (solely online) and therefore it has been the most important element of the mix for this business. Much retailing relies on convenience – if the customer can access the products they can buy. So with increasing channels available, there is greater chance to purchase, thus boosting the relative importance of place in terms of gaining market share.
- Online retailing gives the company huge control over the way the products are presented to consumers, so ‘place’ will have a key role in creating the overall image provided by the mix and therefore affect sales and market share.

Answer no, because:

- For a traditional ‘bricks and mortar’ retailer, the ‘people’ element may be the primary reason for going to the store in the first place, no matter where it is located, whilst the physical environment will also be a key factor in consumers’ purchasing decisions and sales.
- In e-commerce transactions, even if the place (online) is attracting consumers, if the process is unwieldy this may put them off purchasing, affecting sales and market share.
- Poor products will be hard to sell however they are distributed; thus product remains more important.
- New distribution channels are often suggested to lower costs for retailers, allowing them to reduce price. If this occurs, it could imply that price is more significant.
- Promotion will be required to make consumers aware of where/how to buy their products.

Evaluative themes:

- The most important thing about a marketing mix is that it is appropriately integrated, with all Ps producing a coherent message for consumers; this will determine sales and market share.
- It may be that place is more important for retailers, who must supply direct to consumers, than it is for manufacturers.
- Place may have grown in importance in ‘the digital age’ but that does not imply it has necessarily become the most important element of the mix.
- It may be important to focus on place to maintain market share, let alone increase it.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

Assessment Objectives

Question	AO1	AO2	AO3	AO4	TOTAL
1.1	1	2			3
1.2	1	2			3
1.3	2	3	4		9
1.4	4	3	5	8	20
2.1	3	3			6
2.2	2	3	4		9
2.3	2	3	4	7	16
3.1	2	3	4		9
3.2	2	3	4		9
3.3	2	3	4	7	16
Paper total	21	28	29	22	100