



Examiners' Report/ Lead Examiner Feedback

January 2014

NQF BTEC Level 1/Level 2 Firsts in
Business

Unit 9: Principles of Marketing
(21325E)

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Introduction

This report has been written by the lead examiner for the BTEC Principles of Marketing unit. It is designed to help you understand how learners performed overall in the exam. For each question there is a brief analysis of learner responses. You will also find example learner responses from Level 2 Pass and Distinction learners. We hope this will help you to prepare your learners for future examination series.

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Grade	Unclassified	Level 1 Pass	Level 2		
			Pass	Merit	Distinction
Boundary Mark	0	12	22	32	43

General Comments

This was the first time that this paper has been sat. Learners did not appear well prepared for the paper overall. While most questions were attempted, a weak understanding of key terms was demonstrated. The use of contextual information to develop responses was weak or absent altogether in many cases.

Where learners did well, they were able to make use of the case study material to develop answers that were contextualised and analytical. The best candidates were able to demonstrate some understanding of how the scenarios in the paper related to cotemporary marketing practice.

Learners appeared to find this paper challenging, particularly those questions requiring the development of a longer response. In many cases, learners simply provided responses which repeated information from the stimulus material without applying marketing theories appropriately. In a number of cases, candidates gave answers that appeared to reflect general knowledge rather than any specialised understanding of marketing activities.

In preparation for future series, centres should focus on the analysis of case study material as the basis for identifying and applying relevant marketing theories. Learners should be familiar with the full range of content from the specification and ought to be able to examine the application of these concepts in different scenarios.

The ability to recognise the demands of a question is also important. Candidates should understand the different responses required for different command words, for example, give, explain or evaluate.

Q1

This question proved quite accessible to candidates, with a majority being able to correctly add the missing word.

1 Good objectives are SMART. Fill in the missing word in the list below.

(i) Specific

(ii) Measurable

(iii) Achievable



(iv) Realistic

(v) Time-based

(Total for Question 1 = 1 mark)

Q2

Most candidates were able to correctly give an example of a consumer good. Popular examples included types of mobile phone or food products. In a few cases, candidates misinterpreted the question and provided a definition of the term consumer good instead and, although they understood the concept, did not achieve a mark as they had not interpreted the question correctly. When preparing candidates for this test, they should be reminded that they need to read questions carefully and provide an appropriate response.

2 Give **one** example of a consumer good.

1 Q02

A phone e.g. Apple iPhone

(Total for Question 2 = 1 mark) **1**

Q3a

This question was answered reasonably well with candidates able to suggest at least one reason for carrying out market research. In some cases, candidates correctly gave one purpose of market research which they then repeated in different terms in an attempt to make a second point. Most candidates provided a response which made reference to trends in the market, the behaviour of customers and the behaviour of competitors.

Businesses carry out market research.

3 (a) Give **two** purposes of market research.

(2) 2 Q03a

1. Businesses use market research to understand trends and make predictions.

2. Business use market research to know what customers demand.

Q3b

This question was generally not well answered. In many cases, candidates suggested forms of primary research, gave a definition of secondary research or made reference to the internet. Responses which simply stated 'the internet' were not accepted due to the wide range of different primary research methods that use the internet, such as online surveys or soliciting comments on social media. Where candidates qualified their response, for example, by pointing out that a business can find material that has been published on a website, they were awarded a mark.

(b) Name **one** source of secondary data.

(1) 1 Q03b

One source of secondary data can be a ~~report~~ press report on the new ~~emerging~~ emerging markets.

Q3c

This question was generally not well answered. While some candidates were able to correctly state one or more examples of quantitative data, other candidates made a number of common errors. A significant number of responses made reference to qualitative data, suggesting that they do not fully understand the difference. Other candidates did not understand that they had to give examples and, instead, wrote a definition of either quantitative or qualitative data.

Some candidates did not achieve a mark as they misinterpreted the question and gave examples of the *presentation* of quantitative data, for example, responses such as 'pie chart' were not awarded a mark – this is not an example of quantitative data, rather it is an example of how the data could be displayed in a report or presentation.

(c) Give **two** examples of quantitative data.

(2) 2 Q03c

1. ~~flat~~ foot fall of a store

2. ~~sales~~ Revenue from sales

(Total for Question 3 = 5 marks) **5**

Q4a

Overall, this question was not well answered. A number of candidates were able to achieve one mark for making reference to the characteristics of a niche market, for example its size or its focus on specific customer needs. Better responses included a valid example of a niche market.

(a) Outline what is meant by the term 'niche market'.

(2) 2 Q04a

~~Small~~ Small market aiming its product/s to a specific target audience
eg Mobility Shop - aimed at elderly people who find it hard to get around or are disabled

Weaker responses lacked a clear understanding of the difference between niche marketing and market segmentation, with some candidates treating these concepts as if they were interchangeable. In some cases candidates made assumptions, such as there being no competition in a niche market or that the niche being small indicated that a business will not make large profits.

Q4b

This question was not well answered. A significant number of candidates gave responses that developed a single explanation of why a business might seek to develop a USP. A second response was either not well developed, repeated the first or made a point that was not relevant.

Correct answers tended to make points relating to differentiation. A number of candidates made common mistakes, such as asserting that a USP would create awareness of a brand or that it would lead to higher profits. This is an area that didn't seem to be well understood by candidates.

Mandarin has developed a unique selling point (USP) for its products.

(b) Explain **two** reasons why Mandarin might have developed a USP.

(4) Q04b

Mandarin ~~has~~ might have developed a unique selling point because it is an ~~an~~ effective way to supply to its target customers ~~and~~ because there might be good transport links and the price of land might be cheap, which is beneficial for Mandarin's fixed costs ~~and~~

Q4c

This question proved to be accessible to a wide range of candidates. Weaker learners were able to demonstrate knowledge of one or more elements of the marketing mix and/or the factors that can influence these elements. Learners approaching the Pass grade were able to demonstrate an understanding of the links between the elements of the marketing mix and factors that might influence it.

Mandarin's market research has indicated that its competitors are developing products using similar technology. The data also shows that the recent recession has influenced people's decisions about how to spend their money.

(c) Discuss the factors that may influence Mandarin's marketing mix for the smart watch.

(8) 5 Q04c

Mandarin's marketing mix can be ~~influened~~ influenced in many ways considering its market research.

It is an innovative way of extending their product portfolio by coming out with a wrist watch ^{with a built in computer}. People might find it new, ~~and~~ interesting and actually buy it and give profits to Mandarin. However considering their market research which indicated that there are some competitors developing ~~the~~ a similar technology, Mandarin might face some difficulties on ~~selling~~ ^{surviving} or selling its ^{new} products, as customers will have more options to choose from. As the ~~most~~ recent recession has influenced people's decisions on how to spend their money, Mandarin's new wrist watch might not be as tempting to be bought as people are more money conscious.

Mandarin as to ~~also~~ take on count all these factors and ~~set~~ set a reasonable ^{yet} competitive price, and promote it effectively in order to make people aware of it by using cheap and effective ways of promoting it, such as social media.

The best responses to this question developed strong links between elements of the marketing mix and their influences. In a minority of cases, candidates made good use of their wider knowledge of the market for high-tech consumer goods in order to illustrate their response. For example, one candidate noted that, as part of the augmented product for the smartwatch, Mandarin should bundle items such as headphones and memory cards in order to add value. This was

then linked to the likelihood of greater competition and the need to justify a high price.

In order to prepare candidates for this type of question, it is important to emphasise the need to thoroughly develop answers in the context of the question. Many responses simply demonstrated the candidates' knowledge of the topic without any development.

Q5

Responses to this question tended to demonstrate a good understanding of the importance of marketing. The majority of incorrect responses showed candidates confusing marketing with market research.

5 Identify **one** reason why Mario thinks marketing is important. 0 Q05

~~Because~~ Because ^{marketing} ~~he~~ has helped Mario to know more about his competition and where there is a gap in the market.

(Total for Question 5 = 1 mark) 0

Q6

This question was not well answered. A majority of candidates failed to correctly recognise that Pizza Perfection sells products to other businesses, and that they are therefore targeting a Business to Business Market.

Many candidates focussed on the fact that the business sells pizzas and that this type of product is likely to have a wide appeal.

6 Pizza Perfection sells its pizzas to supermarket chains. 0 Q06

Identify the type of market that Pizza Perfection is targeting.

The market which Pizza Perfection is targeting is a mass market, or simply the general public (customers).

(Total for Question 6 = 1 mark) 0

Q7

This question was not well answered on the whole with many learners misunderstanding or misinterpreting the information in the question stem. A significant number of candidates thought that Pizza Perfection was a customer orientated business.

7 Mario is planning to launch a new range of pizzas. He has chosen toppings that he thinks customers will like. 0 Q07
customer

Identify the type of orientation which describes Mario's approach to developing the new range of pizzas.

Consumer orientation

(Total for Question 7 = 1 mark) 0

The ability to develop a response based on the interpretation of stimulus material is a key part of succeeding in this assessment. Candidates should be prepared to respond to questions of this type for future exam series.

Q8a

A significant majority of candidates were able to access this question, with company logos proving by far the most popular response to this question.

8 Mario is planning to develop an original brand for Pizza Perfection's new range of pizzas.

(a) Give **one** dimension of a brand. (1) Q08a

The logo

Q8b

Overall, this question was reasonably well answered with a number of candidates able to demonstrate some understanding of the benefits of branding. Questions such as this, that allowed learners to demonstrate their knowledge of abstract theory, tended to perform well. In preparation for future series, learners should ensure that they are able to link their theoretical knowledge to examples in stimulus material, such as case studies.

(b) Give **two** benefits of branding to Pizza Perfection.

(2) 2 Q08b

- 1 ~~Customers~~ The brand will slowly become more recognisable to customers
- 2 The brand will have it's own image and personality to customers

9a

A number of candidates did not perform well on this question. As with other questions of this type, candidates were not able to make good use of the stimulus material.

The Pizza Perfection case study presented methods of promotion that the business is both planning to use and currently uses. The question asked candidates to identify the methods of promotion that the business is planning to use. The methods given in the case study, such as a website or guerrilla marketing, were provided by a number of candidates, but a larger number gave current methods of promotion, such as TV advertising. This suggests that learners were not reading the question correctly, or that they were not using their reading time effectively to scrutinise the case study material.

9 Mario wants to increase Pizza Perfection's sales and for it to be more successful than its competitors.

(a) Identify **one** method that Mario is thinking about using to communicate with his customers.

(1) 1 Q09a

By selling directly to his customers through a website

Q10a

This question was generally quite well answered by candidates, with many responses providing details of how a specific method of market research could be used in order to identify target customers. Candidates failed to achieve full marks where they had simply identified or described methods of market research.

10 Mario needs to understand the market for pizzas. He has produced a market map for pizzas.

(a) Describe **one** other method that Mario could use to find a target market for Pizza Perfection's new pizzas.

(2)

Focus groups and public trials can be a good way of understanding from feedback who likes the item and who doesn't, you'll gain knowledge on the age, tastes and what's not already on the market.

Q10b

This question was generally well answered and proved to be accessible to a wide range of candidates. Learners tended to make good use of the stimulus material and were able to recognise the lack of competition in that part of the market. More able candidates were also able to question the reason for this lack of competition. Some candidates were able to achieve two marks for developing an advantage, while others identified an advantage and a disadvantage. A smaller number of candidates were able to develop both an advantage and a disadvantage in order to achieve full marks.

The ability to recognise the demands of a question with the 'explain' command word is an important part of a candidate's ability to succeed on this paper. Being able to give a point and provide a detailed development of that point is something that candidates should be encouraged to practice.

Similar stimulus material is likely to be used in future examination series and candidates should be prepared to analyse diagrams related to the marketing theories in the specification.

(b) Explain **one** advantage and **one** disadvantage to Pizza Perfection of targeting this gap in the market. (4)

Advantage

This is an open area, very few competitors or rivals like a niche market needing to be filled, being the only provider in this market will be an advantage. No competition, room for innovation and individuality. Sole concentration on the business, not competition effects.

Disadvantage

Shown in the bottom left box, pizzas with ordinary ingredients are popular non-organic also. This is due to cost, customers perceive unique and organic as expensive and could be put off buying in the market he intends to.

Q10ci

This question was generally answered well by a range of different learners. Many were able to correctly identify the distribution channels that were identified in the case study.

(c) (i) Identify **two** distribution channels, other than supermarket chains, that Mario is thinking about using.

(2) Q10ci

1 Selling directly to the public through a website.
Online, becoming a popular food.
2 Restaurant - Selling products to them,
for them to sell to customers.

Q10cii

This question elicited a range of different responses, with many candidates able to state possible reasons for the importance of distribution channels. There were two common reasons why learners failed to achieve marks on this question. Some candidates provided a very detailed explanation of a single reason, without giving a second, limiting their score to two marks. In other cases, learners gave a reason for the importance of selecting an appropriate distribution channel but did not provide any development of this point.

When preparing candidates for this examination, it is important to remind them to read the question carefully so that they know how many points they should provide in their response.

(ii) Explain **two** reasons why it is important to choose an appropriate distribution channel for Pizza Perfection's new range.

(4) Q10cii

It is vital to choose an appropriate distribution channel, in order to fully take advantage of the market. If chosen the wrong channel, the ~~wrong~~ intended target market may not be fully informed or contacted. The target market must be taken into consideration when choosing a distribution channel. Questions such as does your target market respond to online, rather than in shop or restaurants, what ~~price~~ distribution channels emphasises your image and prices and do these fit with your intended target market/audience.

Q10d

This question elicited a number of disappointing responses. Many candidates were unable to demonstrate any understanding of guerrilla advertising. In many cases, candidates were able to infer from the case study that the costs of guerrilla advertising are less than those of television advertising, but were able to provide no further development on this point.

Better prepared candidates were able to develop a discussion relating to the appropriateness of this method of promotion, specifically the likelihood of it 'going viral' and thus reaching a meaningful audience. However, a majority of candidates performed poorly on this question, owing to their lack of knowledge of guerrilla advertising. Developing knowledge of the different forms of promotion that might be used by businesses should form part of candidates' preparation for this examination, as should consideration of the appropriateness of these forms of promotion for different types of business.

Mario wants Pizza Perfection's new brand to stand out from those offered by its competitors.

(d) Evaluate whether guerrilla advertising would be appropriate for the new brand.

(8) 4 Q10d

For the brand Guerrilla advertising would be appropriate. Pizza Perfection wants to target a wider audience and this is an innovative way to do so. In terms of cost rather than the high prices associated with television advertising this is a more economical way of advertising. By using this method, it shows originality and innovation, this guarantees to achieve its full advertising potential with budget. In the end advertising ~~and~~ campaigns. The guerrilla method differs from competitors' campaigns this will give pizza perfection an advantage, with price and the amount of people they can advertise to. For a new brand this is appropriate, if television advertising is too expensive, it covers a wide range of methods and covers a wide audience, with is the outcome wanted from advertising.

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