

Write your name here

Surname					Other names				
Centre Number					Learner Registration Number				
Pearson BTEC Level 1/Level 2 First Certificate									

Business

Unit 9: Principles of Marketing

Friday 9 January 2015 – Morning Time: 1 hour 30 minutes	Paper Reference 21325E
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You do not need any other materials.	Total Marks
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Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and learner registration 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 50.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

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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PEARSON

SECTION A

Answer ALL questions.

- 1** Products such as comic books are often bought by parents and used by their children.

What is the name given to people who use a product that was bought by someone else?

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(Total for Question 1 = 1 mark)

- 2** Give **one** reason why businesses use marketing.

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(Total for Question 2 = 1 mark)

- 3** (a) What is the name given to symbols that are used to make a brand recognisable?

(1)

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- (b) When a company develops a successful brand it often uses it to sell new products.

What is the name given to this strategy?

(1)

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(Total for Question 3 = 2 marks)



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QUESTION 4 IS ON THE NEXT PAGE



4 Entertainment World sells DVDs and CDs.
The sales of these products have been falling over the last three years.

(a) Which stage of the product life cycle have DVDs and CDs reached?

(1)

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(b) Entertainment World has introduced a new product.

Describe what is meant by the term 'introduction stage' of the product life cycle.

(2)

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(c) Entertainment World wants to increase the number of products in its portfolio.

Explain **two** reasons why Entertainment World might want to do this.

(4)

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(d) The managers of Entertainment World have started using social media to promote the business and provide information about the latest album releases.

Customers are offered a 10% discount if they click a button to show that they 'like' an Entertainment World product.

Discuss whether social media is an appropriate promotional method for Entertainment World.

(8)

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(Total for Question 4 = 15 marks)

TOTAL FOR SECTION A = 19 MARKS



SECTION B

Answer ALL questions.

Kelvin Cuttler Ltd

Kelvin has worked as an engineer for ten years. He sells products to businesses in the construction industry. He specialises in machinery used to demolish buildings. Kelvin designs the products himself and manufactures them in his factory. He makes products according to the exact needs of his customers.

Kelvin's business is located in the north of England and most of his customers are within a 50 mile radius of his manufacturing base.

Kelvin wants to expand his business. He thinks that his products have the potential to reach a wider audience. Kelvin has researched his market very carefully. He has carried out telephone interviews with the owners of building companies and has read research reports about the construction industry.

One thing that Kelvin is particularly concerned about is the lack of a strong image for his business. He has not created any branding for his company but he has been impressed by the brand image of competitors.



5 Kelvin sells products to other businesses to use in a production process.
What type of goods are these?

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(Total for Question 5 = 1 mark)

6 Kelvin has carried out different types of market research.

(a) (i) Identify **one** type of primary research that Kelvin has used.

(1)

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(ii) Give **one** other type of primary research that Kelvin could use.

(1)

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(b) Outline **one** disadvantage to Kelvin of using primary research.

(2)

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(Total for Question 6 = 4 marks)



7 Kelvin is planning to carry out a PESTLE analysis.

(a) What does the P in PESTLE stand for?

(1)

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(b) One E in PESTLE stands for economic.

State **one** economic factor that might have an impact on Kelvin's business.

(1)

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(c) The L in PESTLE stands for legal.

Describe **one** legal factor that might have an impact on Kelvin's business.

(2)

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(Total for Question 7 = 4 marks)



8 Kelvin sells products that have price elastic demand.

(a) Outline what is meant by price elastic demand.

(2)

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(b) Kelvin manufactures machinery used to demolish buildings, which he sells to other businesses. Kelvin uses mark-up pricing when setting the price he will charge.

Explain **one** advantage to Kelvin's business of using mark-up pricing.

(2)

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(c) Kelvin wants to expand his business. He has set SMART objectives in his marketing plan.

Explain **two** ways in which SMART objectives will help Kelvin manage the expansion of his business.

(4)

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(Total for Question 8 = 8 marks)



9 Kelvin sells his products in a Business to Business market.

(a) State **two** methods of promotion that would be appropriate for a Business to Business market.

(2)

1

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2

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(b) Kelvin currently has a low share of the market for construction machinery.

Explain **two** implications, other than profit, for Kelvin's business of having a low market share.

(4)

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