

# Examiners' Report/ Lead Examiner Feedback

January 2016

NQF BTEC Level 1/Level 2 Firsts in  
Business

Unit 9: Principles of Marketing  
(21325E)

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## **General Comments**

This was the fifth time that this paper has been sat. Learners did not appear well prepared for the paper. Most questions were attempted, but a number of responses suggested weak subject knowledge, especially where questions required learners to relate material to a given context.

Where learners performed well on this paper, they were able to demonstrate an understanding of a range of concepts, making clear links between theory and the data provided. A number of the best responses demonstrated the ability of students to support their answers using relevant examples. Especially popular were examples relating to smartphones and clothing retailers.

Many students seemed to be better prepared for the types of question set in this paper. For example, where a four mark question requires learners to make two points, many more students are now attempting to do so. Learners appeared to find this paper challenging, particularly those questions relating to a context, given that both scenarios were based on firms in industries with which learners are likely to have less prior knowledge. Centres are advised to prepare students for future series by supporting them in understanding how to apply their understanding of unit content to unfamiliar contexts.

In preparation for future sittings of this exam, 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. Students should understand, for example, the difference between giving an explanation and an evaluation.

### Q1

This question proved less accessible to students, with a number being unable to correctly recognise the description of a brand extension. This type of question, where students have to recognise a marketing technique from a description, is a common part of the assessment of this unit and something for which students could be prepared through starter and plenary activities where they are given similar descriptions from which to identify relevant marketing activities.

- 1 What is the name given to the strategy used by a business when it sells a new product using an existing brand name?

brand extension

(Total for Question 1 = 1 mark)

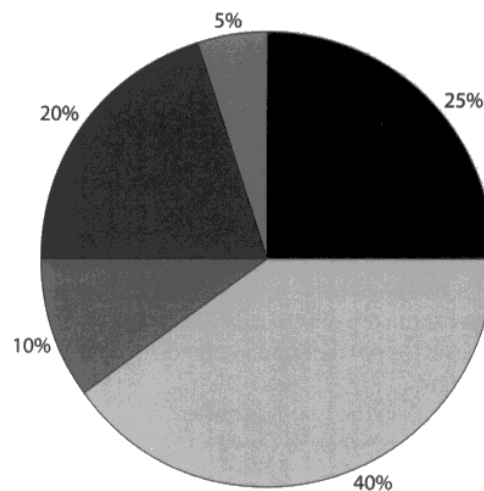
### Q2

Most students were able to correctly identify the data provided as being market share.

One common misconception when answering this question was to give the term "shareholder". Students need to be aware of the differences between different technical terms from this and other units. Again, when preparing students for this unit, a useful starter or plenary activity might be to ask to identify examples/descriptions of different types of data from flash cards.

- 2 This pie chart shows the percentage (%) of a food market held by different companies.

Sales of companies in the food market



What name is given to the percentage of the market held by each business?

Market share

(Total for Question 2 = 1 mark)

### Q3(a)

Many students were able to correctly identify that bulldozers are an example of capital goods. One common mistake made on this question was to give the market in which these goods are sold (e.g. B2B) rather than the name of the type of goods.

3 JCB manufactures goods such as bulldozers. It sells these goods to building companies.

(a) State the name given to goods such as bulldozers.

(1)

Bulldozers are known as ~~equipment~~ ~~machines~~  
capital goods.

### Q3(b)

This question divided students, with a number suggesting that bulldozers are sold in a business to consumer market. It is important that students are able to recognise the difference between B2B and B2C markets.

(b) JCB sells goods to building companies.

Identify this type of market.

(1)

This is business to business, this is when one  
business sells goods to another business.

(Total for Question 3 = 2 marks)

### Q4(a)

This question was generally well answered. Most students were able to identify some form of promotion.

4 Cash for Clothes is a company that buys old clothes from people and recycles them into other products. The company promotes its services to attract customers.

(a) State **one** example of a type of promotion.

(1)

Advertisement such as billboards.

#### Q4(b)(i)

Overall, this question produced a wide range of responses. Many candidates were able to talk about issues that might need to take into account when selecting a location. Many related to the presence of a target market in the local area or proximity to competitors.

(b) There are many factors that *Cash for Clothes* needs to consider when opening in a new location. Access to parking is one important factor.

(i) Identify **one** factor, other than access to parking, which should be considered when choosing a location for a business.

Target market<sup>\*</sup> is important and the local community. to have the local community in mind. (1)

#### Q4(b)(ii)

This question was generally not well answered with a number of students struggling to explain why a business such as *Cash for Clothes* might need to give their customers access to parking. Relatively few responses made use of the context of the question and many simply gave generic answers such as "in order to get customers" which was not sufficient to be given any marks.

It is also worth noting that a number of students found that they could not write a response in the space available. should be encouraged to ask for additional sheets of paper if they feel that they need more space to answer questions. This will ensure that appropriate attention is given to their extended response when it is processed for online marking.

(ii) Explain **one** reason why access to parking is important.

(2) 2 Q04bi

Access to parking is important because ~~if people have~~ if the business has a car park near their store, customers would tend to go shopping there because their cars would be close to the shop so they would not have to carry Cash for Clothes also collects from customers' homes. Other similar recycling the bags a long way companies do not offer this service and so the owners of the business consider it a USP. to their cars and it makes the shop more accessible.

#### Q4(c)

This question was not well answered. A number of students were able to give a reason as to why a business might want to create a USP, but relatively few were able to develop their suggestions or to provide a second reason.

In many cases, students attempted to give a second reason for creating a USP but the second part of their answer simply repeated the first half using different words. A key part of preparation for this exam should be to help students understand how they might make separate and distinct points for questions such as this. They should also be given advice on how to expand on their initial answer in response to the "explain" command verb. Many students tended to give a meandering answer that offered little meaningful elaboration on their reasons for creating a USP – eg a detailed comment about how a USP might make a firm different from competitors was often given, but this was rarely qualified with any comment about why a firm might want to be different from competitors.

(c) Explain **two** reasons why having a USP might be a benefit to *Cash for Clothes*.

(4) 3 Q04c

- 1 Having a USP might be a benefit to Cash for Clothes because their business would offer a service that other businesses do not offer and it might attract more customers since nowadays everyone is in a time rush, collecting from customers' homes may save people a lot of time.
- 2 This could also be a benefit to Cash for Clothes because they could stand out from competitors since their business has a USP that makes them different from competitors and this may help them to grow, increase sales and getting more customers.

#### Q4(d)

This question proved to be accessible to a wide range of students. Weaker students were able to demonstrate knowledge of the elements of the marketing mix often gaining up to three marks for references to product, price, place and/or promotion. Better responses showed a clear link between ethical issues and the specific marketing issues that the firm might need to address. Few learners managed to achieve more than 3 marks for this question. Answers achieving more than 4 marks were very rare. When preparing students for this examination, it is important to ensure that they

understand that in order to achieve more than 4 marks on these 8 mark questions, they must consider different sides of an issue. Too many responses were limited to four marks because students focused solely on negative arguments.

(d) Discuss the potential influence of ethical factors on Cash for Clothes' marketing mix.

(8) Q04d

Ethical factors on Cash for Clothes' marketing mix can have a good impact if people find their business morally right. For example, if they speak the truth about their products and services and offer their employees good working conditions, then this they would be seen as morally right by people and this would give them a good reputation which will help them to grow.

Secondly, ethical factors can also have a good impact on Cash for Clothes' marketing mix because the business would have to consider all the factors in order to sell their products successfully so they would try to have a good image on the market and be ethically right in order to attract customers.

However, ethical factors can have a negative impact on Cash for Clothes if customers do not find their business morally right, such as buying clothes from unemployed people. This may damage the business' image and their reputation and they may lose customers and not get new ones at all.

Ethical factors can also have a negative impact because nowadays people are more concentrated on doing the right things from a morally point of view, such as speaking the truth and respect the environment. If Cash for Clothes would try to make a fake image to the customers of their business or lie to the audience, then ~~customers~~ customers may lose their trust in them and not buy ~~the~~ products from their shop anymore, which will affect the business revenue.

(Total for Question 4 = 16 marks) 12

TOTAL FOR SECTION A = 20 MARKS



### Q5(a)

Responses to this question tended to demonstrate a good understanding of secondary research. The majority of students were able to identify a relevant example from the preceding case study.

5 The theatre manager of the *Mayfort Players Theatre Company* collects a range of different types of market research.

(a) Identify **one** form of secondary research used by the theatre manager.

(1)

~~Specialist Journals.~~ Specialist Journals

### Q5(b)

This question was also well answered, with a majority of students being able to correctly identify a relevant example from the case study.

(b) Identify **one** form of primary research used by the theatre manager.

(1)

A short survey for every 10<sup>th</sup> visitor to the website

### Q6(a)

This question performed relatively well with a number of students able to give an accurate definition. The best responses to this question tended to be given in context, with many students making reference to the theatre manager seeking information about shows to run in future.

6 The *Mayfort Players Theatre Company* is a market orientated business.

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

(2)

The term "market orientated" means that *Mayfort Players Theatre Company* does their research first to see what customers may like or dislike and what they would want to see. ~~then~~ This information is obtained from customers before they decide which plays will be booked for the next season.

## Q6(b)

While most students attempted this question, relatively few were able to accurately answer it. Students should be aware that they may need to demonstrate an awareness of both the positive and negative aspects of the marketing activity in the specification and that this might relate to implications for a firm or for its customers.

(b) Describe **one** disadvantage to the company of being market orientated.

(2)

By being market orientated the company has to count on the customer's opinion which is bad sometimes because some shows have low sales, which makes the business not make profit sometimes.

## 7(a)

This question seemed to be quite challenging for some students, with a number being unable to explain why a limited promotion budget might be problematic for a business. The best responses tended to relate to problems such as a limited range of promotional activities or not being able to produce high quality promotional material.

7 The Mayfort Players Theatre Company sets a marketing budget.

(a) Outline **two** problems of having a limited promotions budget.

(2)

- 1 The advertisements are limited and might not be interesting to catch customer's attention.
- 2 There are limited advertisements or other sort of promotions and not many people might know about this business.

The theatre manager wants to use a new method of promotion

### 7(b)

This question was generally well answered, with a number of students being able to recognise that a small, regional business would need specific types of promotion. A few students gave generic and inappropriate answers such as television advertising, but this tended to be relatively rare.

The theatre manager wants to use a new method of promotion.

(REPORT THE POSITIVE)

(b) State **two** new methods of promotion that would be appropriate for the company.

(2)

Television

Social Media.

### 8(a)

This question tended to perform relatively well, with many students able to give a simple definition of the key term.

8 The theatre manager is planning to create a brand for the company.

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

A brand is a logo, symbol which makes the company stand out and making awareness

(1)

### 8(b)

This question also proved accessible to a range of students, with a number noting that steps such as creating a logo or gaining a celebrity endorsement would help to develop a brand. Some of the best responses seen linked the idea of a celebrity endorsement with the context of the case study, suggesting that the theatre could use famous actors and actresses to promote their shows.

(b) State **two** ways that the theatre manager could develop a distinctive brand for the Mayfort Players Theatre Company.

- 1 create a original logo that would make the business recognisable
- 2 using celebrity endorsement

(2)

### 8(c)

While a number of students were able to achieve two marks on this question by giving two benefits of developing a brand, relatively few were able to achieve 3 or 4 marks because their answers were not developed and they did not provide any elaboration as to why the points that they have given are a benefit of developing a brand. The example below demonstrates this well where the candidate has gained one mark for noting that a brand allows customers to recognise your business, but they have not gone on to indicate why this might be useful.

(c) Explain **two** benefits to a business such as the *Mayfort Players Theatre Company* of developing a brand.

(4)

1. One benefit is that it would be easier for a <sup>customer</sup> ~~company~~ to recognise you.

2. Another benefit is that you would stand out against competitors who ~~has~~ have not created a brand for themselves yet.

(Total for Question 8 = 7 marks)

### 9(a)

This question proved to be accessible to a number of students, with most being able to give a definition of ecommerce. The best responses used the context of the theatre business to point out that customers could book tickets online, but a number of other students also pointed out that ecommerce relates to buying and/or selling online. Some students were able to give examples of Ecommerce businesses such as Amazon or Ebay.

9 The *Mayfort Players Theatre Company* has set up an ecommerce website.

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

"Ecommerce" means that the customers can also <sup>(1) book</sup> buy tickets on the website (online).

### 9(b)

As with other four mark questions on this paper, many students tended to be able to make one to two valid points, but were often not able to develop their ideas. This is an area that learners would benefit from practising. This is a key exam skills that could be practised in a relatively enjoyable way. For example by organising plenaries where learners create four mark answers to this type of question by combining statements on cards.

(b) Explain **two** ways she could use market research to help make the *Mayfort Players Theatre Company* successful.

(4)

1. By reading this reviews she could see what the customers like and dislike and use it by the benefits of Mayfort Players theatre company.

2. They can also ~~also~~ compare what the competitors do and do it better than them, for example: have lower prices; make discounts etc.

### 9(c)

This question tended to be relatively challenging for students, with many failing to get more than three marks. While most students seemed to be able to demonstrate knowledge of the issues relating to competing in a growing market, too few were able to link these points to the theatre business from the case study.

The best responses to this question tended to focus on the opportunities for growth and expansion of the business and some learners were able to balance this with the threat of new businesses entering the market.

A key area for practising with learners in the run up to future examinations is the writing of an effective conclusion. Where a question asks students to give an evaluation, they must make a judgement that is supported by the evidence that they have analysed in their essay. Too many students simply wrote a list of theoretical points with no link to context. Some students attempted to make use of case study material, but they simply copied large

quotes without making any comments or criticisms. This is an area that it appears many students need to practice.

(c) Evaluate the significance for the *Mayfort Players Theatre Company* of competing in a fast growing market.

(8)7 Q09c

Mayfort Players Theatre Company competing in a fast growing market could be a benefit because much more people tend to use theatres' services, which means it could get more potential customers which means more revenue that could help the theatre to grow. This could also be a benefit because it will have more chances to get well known in the market so they could ~~develop~~ develop the brand faster which means adding value to the services, customer loyalty and constant growing and improvement.

However, competing in a fast growing market can be dangerous because trends change all the time, something greater than theatres could be brought in the market ~~and~~ and this would lead theatres to go down very fast and make them unsuccessful. This could also have a negative impact because if the business would not know how to manage its budget, cash flow and activities, ~~and~~ a lot of competitors could get above them, ~~the~~ Mayfort Players Theatre Company losing its loyalty and trust from customers.

As a conclusion, I do think competing (Total for Question 9 = 13 marks) **12**

in a fast growing market can be ~~trick~~ **TOTAL FOR SECTION B = 30 MARKS**  
tricky and hard if the business doesn't know ~~how~~ how to manage **TOTAL FOR PAPER = 50 MARKS**  
its activities and revenue.

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