



Examiners' Report/
Lead Examiner Feedback

January 2017

NQF BTEC Level 1/Level 2 Firsts in
Business

Unit 9: Principles of Marketing
(21325E)

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Grade	Unclassified	Level 1 Pass	Level 2		
			Pass	Merit	Distinction
Boundary Mark	0	8	16	26	36

General Comments

This examiner report should be read in conjunction with the question paper and the published mark scheme. In it, we attempt to provide insight and examples of good and not so good responses. Centres could use this with candidates to ensure they understand how marks are awarded.

Many learners have now sat the Unit 9 Marketing test, and whilst it is pleasing to see most are well prepared for this paper, a number of other learners would have benefitted from further exam preparation before being entered for the test. The improvement in performance in the two extended writing questions did not continue in this series and this has prevented learners from achieving at the higher levels. The use of the contextual information provided in the paper should be encouraged and the best responses make clear links between this data and relevant theory. There are however, still a large number of candidates who do not have a sound understanding of some of the key terms and concepts and they continue to perform poorly. The best candidates demonstrate their wider knowledge of marketing across the whole of the paper.

Surprisingly, quite a few candidates failed to describe the meaning of the terms 'benchmarking' and 'profitability'. These two questions are covered in more detail later in this report. Many learners also misread question 4 and provided a definition of the term 'market value' rather than identify a way in which market value can be measured.

In this series, the two extended writing questions Q6(e) and Q10(c) did not perform well with few candidates achieving over 4 marks. Marks were awarded for two or more well developed points relating to the question. Where candidates scored lower, the responses were often lists, bullet points, unconnected statements, or in the case of question 10(c), candidates selected some other factor rather than the political factor required by the question.

In preparation for future series, candidates should focus on fully developing their understanding of the key terms, but should also focus on how to apply the basic understanding to the context of the question. They should also be exposed to a number of different types of businesses and understand how the target market of these businesses can impact on the choice of marketing mix.

For the 8 mark questions candidates should read the questions carefully, including the introductory stem which contains relevant contextual information. Candidates then need to present a balance argument when asked to discuss, evaluate or assess a point – it is essential that they consider more than one side of an argument, otherwise they will limit their ability to achieve a higher mark.

Feedback on specific questions

Section A

Q01

Many candidates were able to identify a source of secondary data but a number misread the question and provided a definition of the term. Others gave sources of primary data or simply stated "the internet", which was excluded in the mark scheme for being too vague a response.

Q02

This question proved to be accessible to many candidates. The desired response was "a group of customers at whom products are aimed". Some candidates however simply rephrased the question in effect saying a target market is "the market the business targets". It is important that candidates show sound understanding of the term and not simply give an example of a specific target group such as males/females, younger/older customers etc.

Q03

This question performed as expected. Candidates were asked to 'give example of an external threat to a business'. The most common responses were competitors and economic factors. A number of candidates gave bankruptcy or poor customer service as a response. These response were awarded zero marks as they are internal not external threats.

Q04

On the face of it, this was a straight forward question. Candidates needed to identify how the value of a market could be measured. Many candidates failed to do this. The most common correct response was sales revenue or market share. A number of candidates gave a definition of the term "market" rather than a way of measuring the "value of a market".

The following response does not demonstrate clear understanding. The value of a market cannot be measured by the number of businesses in that market, without knowing the value of the market each business wins.

4 State **one** way of measuring the value of a market.

0 Q04

You can see how many businesses are in that market to work out the value.

The following example also fails to show sound understanding of how to measure the value of a market.

4 State **one** way of measuring the value of a market.

0 Q04

Level of competition

Q05

Candidates were asked to outline the meaning of the term 'benchmarking'. The mark scheme was looking for a comparison between two organisations. Many candidates failed to do this.

Whilst not well written, this response gained the mark available as it demonstrates sound understanding of the term.

5 Outline the meaning of the term 'benchmarking'.

1 Q05

is when you check how well the business is doing and checking with other businesses

The following response was awarded zero marks.

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

(2)

mass market means is that it caters for everyone and not a specific customer.

The response below shows very good understanding of the term.

5 Outline the meaning of the term 'benchmarking'.

1 Q05

Benchmarking means looking at own activity of the business and comparing it to the activity of the competitors

Q06

The last question in section A of the test was about a business to business organisation 'Fielding and Sons Ltd' which offer a shop fitting service to other businesses. This context proved quite challenging for a number of candidates.

Q06 (a)

This question required candidates to state that the organisation operated in a B2B or niche market, and proved accessible to many.

Q06 (b)

This was another definition question where candidates had to show understanding of the term 'profitability'. In contrast to the previous question, many candidates failed to score a mark on this question. The mark scheme gave two acceptable examples. The first, quite a complex response, and the second a relatively straight forward response "the ability of a business to earn a profit", which shows a potential to earn profit.

The responses below are typical of many where candidates believe the term to mean the same as profit.

(b) Outline what is meant by the term 'profitability'. (1) 0 Q06b

Profitability means ^{selling something and gaining a profit out} increasing the sales and then the revenue so the business has more profit.

(b) Outline what is meant by the term 'profitability'. (1) 0 Q06b

profitability mean that the business is making profit

The following response gained 1 mark for identifying the potential to make profit.

(b) Outline what is meant by the term 'profitability'. (1) 1 Q06b

~~how much~~ the business ^{could potentially} gain in profit

Other acceptable responses were the "rate of profit that can be made" or "the amount of profit they could make", both of which imply potential not actual amounts.

Q06 (c)

This question required candidates to identify a method of communication the business could use when communicating with its market. It required candidates to select an appropriate method, taking note of the fact that this was a B2B/Niche product business. Therefore communicating via TV advertising was specifically excluded from the mark scheme. The question performed well and many candidates scored the one mark available.

In the following two examples, the candidates have shown clear understanding of the need for the business to communicate direct to other organisations

(c) Outline **one** way that a business such as Fielding and Sons Ltd could communicate effectively with the public.

they could do seminars to ~~the public~~ ^{other businesses} to inform them of what they do. (1) 1 Q06c

The public of this business are other business so it can communicate through Trade Fairs. (1) 1 Q06c

This third example is not as good but the mark scheme did allow for a number of communications methods that would be appropriate to both B2B and B2C organisations.

Social media advertisements (1) 1 Q06c

Q06 (d)

This question performed well with candidates scoring the full range of marks from 0 through to 4. The question required candidates to explain two reasons the business would use market research to understand the needs of its customers. The way to approach this type of question is to make a point and then develop this in an appropriate way before doing the same for a second point. The following response scored all four marks showing very good understanding of both the reason a business would use market research, but also of how to answer this type of question. In both responses the candidate has put forward a reason for wanting to understand the needs of customers and then developed this by explaining how this could help the business either by attracting new customers or increasing revenues/profits.

(d) Explain **two** reasons why Fielding and Sons Ltd might want to understand the needs of its customers.

(4) 4 Q06d
1 By understanding their customer needs they can improve their services and even ~~of~~ introduce a new service. This could improve their sales and ~~to~~ get higher ~~to~~ revenue.
2 Also by understanding customer needs, they are able to fill any gaps in the market. This could also result in attracting new customers.

In contrast, the following response scored only one mark for stating that the research could enable the business to find a gap in the market. This is in the second part of the response but this has not been developed by explaining how this would help the business or how the business would use this information. The first response scored zero marks.

(4) 1 Q06d

1. They would use in some customers might want the same thing so they will research if the target market is big.

2. a gap in the market, a customer might want something that other companies don't do so there would be a gap in the market.

A small number of candidates failed to score a mark on this question because they simply used the stem and question and reworded this for example saying "research will let them know about what customers need".

Q06 (e)

This was the first extended writing question on this test paper.

Candidates needed to discuss how the choice of appropriate marketing activities is limited by the target market of the business; in this case a B2B/Niche product provider. Many candidates failed to make this link to the target market and simply discussed a range of marketing activities. Some candidates missed the point of the question and suggested that the target market was too small so the business should change and sell to a wider range of customers.

This approach is demonstrated in the response below. The candidate has scored one mark for identifying that as they sell direct to other businesses they need to identify new businesses that are opening. This implies the need to do research which is a marketing activity.

(e) Discuss how the choice of marketing activities used by Fielding and Sons Ltd is affected by its target market.

(8) Q06e

Fielding and Sons Ltd does business to business which has ~~re~~ restricted customers, because only sell to other business, many businesses are closing, not so many are opening, the company needs to find target customers that may be thinking in opening business. Fielding and Sons Ltd may need to find a new target ~~customer~~ market, the business could be affected because level of competition, price and quality. In a fast growing market there are high chances of high sales/profit, the price is important, business may be affect for the price. In a slow growing market, there are a few threats but quality is important.

The following response also achieves one mark for identifying the business should promote online

(8) Q06e

They target its products at other businesses, the reason why they ~~are losing customer~~ have an affected market is because they are in the niche market when they should be advertising online.

The following response scored 5 marks, mid-band 2. This response makes three appropriate points, two of which are sufficiently developed. Had the third point been developed in more detail this would have scored 7 marks because the response has balance, considering what methods would and would not be appropriate.

Every Business has to conduct its marketing activities according to its target market because his aim is to attract his market so it has to make sure its ~~all~~ marketing activities do so.

The target market of Fielding and Sons Ltd ~~is~~ are other business.

To attract ~~this~~ other Business the company ^{has} to prepare presentations and send sales ~~representatives~~ to go to ~~the~~ ^{new opened} business and ~~at~~ raise awareness about ~~the~~ ~~business~~ Fielding and Sons Ltd.

The business should also participate to trade fairs so its business will be ~~to~~ promoted and shops will know the existing of the business. Promoting on TV will not be so effective for this business, it will be so expensive and it won't target its market. ~~as this type of~~ ~~advertising activity will only attract the~~.

Networking is another activity of this type of Business. ~~The~~

~~at~~ Every time to decide any activity the business have to think about how ~~success~~ successful.

it will be by considering its ~~at~~ target Market.

Section B

Questions in this section were about a coffee shop called Amiable Donkey.

Q07

A significant number of candidates failed to show understanding of situational analysis tools of PEST and SWOT. Many suggested methods of collecting research such as questionnaires or surveys. Other incorrect responses included foot count and identifying market trends, or looking at what competitors are doing.

Q08 (a)

This question required candidates to identify, from the stimulus material, how the business had collected qualitative information. The correct response was 'interviewing customers of other coffee shops'. A surprising number of candidates failed to correctly answer this question.

An incorrect response is shown below.

(a) Identify the method used by the owners to collect qualitative data. (1) 0 Q08a

~~Primary data.~~ ~~Foot counts~~ Food counts

A correct response is shown below.

(a) Identify the method used by the owners to collect qualitative data. (1) 1 Q08a

They have interviewed customers of other coffee shops

In the following response, the candidate has given two responses, the first is correct and the second incorrect. This approach is not to be encouraged. Once the correct response has been seen, the mark is awarded and to prevent negative marking, the second response is ignored. Had the first response been incorrect, this candidate would not have been awarded the mark as they have not shown clear understanding of the term 'qualitative data', as foot counts provide quantitative not qualitative data.

(a) Identify the method used by the owners to collect qualitative data. (1) 1 Q08a

Interviewed a number of customers
carried from other coffee shops.
out foot counts on different streets.

Q08 (b)

This question was very similar to 6d, but required candidates to explain why the business would want to know about competitor activity rather than customer needs. Some candidates failed to read the question correctly and provided responses linked to customers not competitors. However the question did prove straightforward and many candidates were able to gain at least one mark for identifying why the business wants to know about competitors. For the second mark this point needed to be developed in context of the coffee shop and how they might use this knowledge of competitors.

In the example below, the candidate has achieved one mark for “finding out what is popular”. To gain the second mark the response needed to have a specific focus and be linked to the business i.e. so they can offer similar products, or so they can try to offer better prices and win more business.

(b) Explain **one** reason why the owners would want to know about competitor activity. (2) 1 Q08b

The owners would want to know about competitor activity because analysing competitor activity allows them to find out what is popular in the market, what tendance customers are up to follow or respond

A very good response scoring both marks is given below.

(2) 2 Q08b

Looking at competitors activity means looking at their prices, location, product range and a lot of other things. The owner may want to know ~~if~~ their prices and see the difference with own prices. so if their prices are too low the owner may decide to low also own prices.

Q08 (c)

Candidates needed to outline the meaning of the term ‘consumer behaviour’. Once again most candidates were able to achieve at least one mark. The second mark could be achieved either by developing the first point made, or by giving an example of a consumer behaviour.

The response below is a good example of how to score full marks on this type of question.

(c) Outline what is meant by the term 'consumer behaviour'.

(2) 2 Q08c

Looking at customer behavior means looking at their preferences and what product they tend to buy the most. Looking at their spending habits.

In this second response, the candidate has provided a simple point, 'shopping habits', but failed to develop it or give an example and therefore scores only one mark.

(2) 1 Q08c

What the customer is like, shopping habits, hobbies.

Q9 (a)

This question required candidates to identify two culture issues that might affect the target market. A number confused culture with ethics and gave Fairtrade, organic products and allergies as a response. The most common correct responses dealt with religion or eating habits. Many candidates failed to achieve a mark on this question, indicating that they were unaware of either what culture means or how it can affect a business.

Q9 (b)

A number of candidates were able to identify either a method of research or a way the business might use research to identify 'types' of customer. Few linked the two elements. There were a number of vague responses such as 'ask the customer', which were not considered acceptable.

In this first example, both marks have been awarded for collecting data from customers and using this to identify needs/gaps in the market that could then be targeted.

(b) Describe **one** way that market research can be used to identify a target market.

(2) 2 Q09b

By collecting data from customers and other external sources, a business will have an idea of what the needs of customers are and what segment of the market present a gap so they can target them.

In this second example one mark has been awarded for the method of research - using interviews or questionnaires. The development has not been awarded a mark as this simply rewords the question.

(b) Describe **one** way that market research can be used to identify a target market. (2) Q09b

The business can research through interviews ~~with~~ or questionnaires ~~if the~~ about the age range of the customer coming in the shop so they can target a specific segment of the market.

Q9 (c)

In this question candidates needed to explain one benefit of using internal data to identify a target market. One suggested response in the mark scheme was that as the data is already available there is little additional cost to collect it. An alternative development was that this data would not be available to competitors. Few candidates were able to develop their initial point to gain the development mark available. Some candidates described what internal data was rather than the benefit of using it. Others described the benefit of using data in general, not specifically internal data. The most common response was that internal information is reliable as it is specific to the business.

In this example one mark has been awarded for "quick to access"

(c) Outline **one** benefit of using internal data to identify a target market. (2) Q09c

one benefit of internal data is that it is quick to access and can be accessed from anywhere.

The following response gained no credit. Whilst well written, the response is about market research data in general rather than internal data, and is about how data is used, not why it is a benefit.

(c) Outline **one** benefit of using internal data to identify a target market.

(2)0 Q09c

Using internal data to identify a target market allows a business to understand ~~customer~~ customer's behaviours and to predict the needs and wants which ~~is~~ will help business to attract attention to their products and therefore increase sales

In the following response, the candidate has been awarded both marks, one for the point about it being "easy to obtain" and the second for the development that this will "save a lot of time".

(c) Outline **one** benefit of using internal data to identify a target market.

(2) Q09c

The data is easy to get as its internal so you can save a lot of time when using/getting internal data.

Q9 (d)

Most candidates were able to score at least one mark in this question. Many mentioned the benefits of technology using the example of social media allowing the business to market itself easier. Others however simply referred to 'technology' without being explicit as to what technology they were discussing. A number of candidates failed to link the specific technology to its impact on the marketing mix, or they identified problems of using technology. It is important that candidates read the question in full if they are to achieve at the higher grades.

There were some well-developed responses, with more recent developments such as apps and review sites being discussed. Two such examples are shown below.

(d) Explain **two** ways that technology might affect Amiable Donkey's marketing mix.

(4) 3 Q09d

- 1 They may have to lower their price as with new technology people can make the coffee with the push of a button which is more effective and cheaper for them.
- 2 They may have to introduce an app for their customer as every business has one and due to the advancement in technology, the should be really premium and one that only customers can download as the customers want to be different from the others.

(Total for Question 9 = 10 marks)

6

(d) Explain **two** ways that technology might affect Amiable Donkey's marketing mix.

(4) 4 Q09d

- 1 technology may affect the way of promotion of the business. As now a days there are more and more people having a mobile, these people will be on social media so the business can think to promote the product through social media.
- 2 technology may affect the place. The business can start to sell online in local area. So allowing the people to order a coffee online and receive it home. Obviously this should be done just in the local area there is no point selling a coffee overseas.

(Total for Question 9 = 10 marks)

6

Q10 (a)

This question required candidates to outline how one ethical influence might influence the marketing activities of the business. Many candidates were able to gain at least one mark for identifying an ethical influence such as Fairtrade. The second mark was awarded for developing this influence and linking it to the influence.

An example of a full mark response is given below.

10 (a) Outline one ethical influence on Amiable Donkey's marketing activities.

(2) Q10a

Doing for example charity events will help me.
business to be create a good image in front of
the customers.
The business has to think about the customers opinions.
~~The business has to think about the~~

Q10 (b)

Once again SMART objectives proved to be difficult for candidates. This question did not perform well, with many candidates failing to achieve even one mark. A number of candidates were able to show they knew what SMART stood for. Some candidates tried to explain the benefits of setting SMART targets rather than how they could be used to evaluate the effectiveness of such activities. Most failed to link SMART targets to marketing activities or say how such targets could be used in an evaluative way. There are three acceptable responses shown in the mark scheme that could be used when preparing candidates for future series tests.

Another common fault is where candidates use one element of the acronym SMART for each example i.e. they may mention a measureable target and then for the second response mention a target that needs to be specific. Most fail to realise that a SMART target has all of the elements at the same time.

An example of one such response is shown below.

(b) Explain **two** ways that SMART objectives might be used to evaluate the effectiveness of Amiable Donkey's marketing.

(4) Q10b

- 1 They can be timed-based so that they know how much progress should be made by a certain time for example they could want 15 more regular customers in 2 months
- 2 ~~the~~ They have to be measurable so that we can see exactly how effective the marketing is and ~~what~~ where we have progressed from.

Q10 (c)

This was the second extended writing question and required candidates to identify a political factor that could affect the business, and then explain and evaluate how this influence might impact on the marketing mix of the business. There were a number of factors identified in the stimulus material that candidates could have used. One such factor was the levels of tax paid by different businesses. Another factor that could have been discussed was the decision taken at local government level not to allow a music licence to the business. Brexit appeared in a number of responses and this was allowed as this was a political decision to leave the EU. However, some candidates confused political factors with ethical or economic factors, and so scored no marks.

It is important that candidates know how marks are allocated in this type of question. As with question 6e, a levels based mark scheme is used. To achieve level 2, candidates have to make at least two valid points and then develop each in an appropriate way. The command word used in this question was 'evaluate' and therefore to achieve higher marks, candidates needed to consider both positive and negative influences on the marketing mix in some detail. This would ensure the answer was balanced. Furthermore, most points made should be relevant and there needed to be a fully justified conclusion.

The following response shows a typical mid-level 2 response where a number of valid points are made and linked to an element of the marketing mix. There is a superficial judgement made.

(c) Evaluate the impact of political factors on the marketing mix of Amiable Donkey.

(8) 5 Q10c

One political factor on the marketing mix of "Amiable Donkey" is when they would like to have bands and performances regularly in their coffee shop, in order to attract new customers. But the business needs have a licence in order for this action to take place. But unfortunately, the application for a licence was rejected. This affects the marketing mix, as by having performances in the coffee shop is a form of promotion and advertising. By being rejected, this type of advertising will not be allowed to be carried out. This could indicate and lead to not increasing the amount of customers.

Price - Another political factor on the marketing mix of 'Amiable Donkey' is that, ~~people~~ competitors are paying very little tax, and ~~is~~ not paying the ~~same~~ price as "Amiable Donkey". This then means that the business is paying out more money than they need, this is not including ingredient or machinery costs. This then affects the price which they will have to set their coffee at, as they may have to charge a higher price in order to cover costs. Due to this occurring then customers may not want to go to 'Amiable Donkey' anymore, due to ~~be~~ being too expensive.

Place - Due to being located near local houses, certain rules and laws may be applied. For example, the amount of noise coming out from the shop. Previously, "Amiable Donkey" wanted to ~~open~~ have ~~performances~~ performances in the shop for advertising. But that was declined and was not allowed. So, the location of the business may not be in the best area, in order to make their shop as good as it can be.

The response below is a typical level one answer scoring one mark for identifying a political factor – tax, but without any appropriate development which could be awarded a further mark.

(c) Evaluate the impact of political factors on the marketing mix of Amiable Donkey.

(8) 1 Q10c

Political factors are one of the most important influences on the business' marketing mix. A business will therefore have to pay government tax. If they don't pay tax the consequences will be very bad because their business will have a very bad image. This may ~~less~~ lower the profit of a business or even have a big loss in sales.