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Mark Scheme (Results)

Summer 2018

BTEC Level 1/Level 2 Firsts in Business

Unit 9: Principles of Marketing (21325E)

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## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- All marks on the mark scheme should be used appropriately.
- All marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if a candidate's response is not worthy of credit according to the mark scheme.
- Where some judgment is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt about applying the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed-out work should be marked UNLESS the candidate has replaced it with an alternative response.
- Phonetic spelling should be accepted.

## BTEC Next Generation Mark Scheme

### Business Unit 9 - 1801

Question Number	Answer	Mark
1	<ul style="list-style-type: none"><li>- Mature</li><li>- Maturity</li></ul> <p>Accept spelling mistakes.</p> <p>Clerical</p>	1

Question Number	Answer	Mark
2	<ul style="list-style-type: none"><li>- Retail</li><li>- Retailer(s)</li></ul> <p>Accept spelling mistakes.</p> <p>Clerical</p>	1

Question Number	Answer	Mark
3	<ul style="list-style-type: none"><li>- Gain market share</li><li>- Develop brand awareness</li><li>- Encourage customer loyalty</li><li>- Understand customer needs</li><li>- Keep ahead of competition</li><li>- Communicate/advertise with public</li><li>- Increase sales/profits/profitability</li></ul> <p>Accept any other appropriate response.</p> <p>Graduate</p>	1

Question Number	Answer	Mark
4	<ul style="list-style-type: none"> <li>- PEST</li> <li>- PESTLE</li> <li>- PESTEL</li> <li>- SWOT</li> <li>- Market mapping</li> </ul> <p>Accept any other appropriate response.</p> <p>Graduate</p>	1

Question Number	Answer	Mark
5	<ul style="list-style-type: none"> <li>- Sales (figures)</li> <li>- Census (data)</li> <li>- Footfall</li> <li>- Population trends/data/figures/statistics</li> </ul> <p>Accept any other appropriate response.</p> <p>Graduate</p>	1

Question Number	Answer	Mark
6a	<ul style="list-style-type: none"> <li>- Service(s)</li> <li>- Service(s) market</li> <li>- B2C</li> <li>- B to C</li> <li>- Business to Consumer/Customer</li> <li>- Business2Consumer/Customer</li> <li>- Niche market</li> </ul> <p>Graduate</p>	1

Question Number	Answer	Mark
6b	<p>Award 1 mark for any two from the following:</p> <ul style="list-style-type: none"> <li>- Radio/TV</li> <li>- Local press</li> <li>- Leaflet drop</li> <li>- Posters</li> <li>- Social media</li> <li>- Business website</li> <li>- Guerrilla marketing</li> </ul> <p>Do not accept “word of mouth promotion”, “internet/online”.</p> <p>Accept any other appropriate response.</p>	2

	Graduate	
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Question Number	Answer	Mark
6c	<p>Award 1 mark for naming an appropriate pricing strategy and a further mark for developing how this would work.</p> <ul style="list-style-type: none"> <li>- Competitive-based pricing (1) set a similar price as the many competitors are all chasing the same customers (1)</li> <li>- Penetration pricing (1) setting a low initial price to enter this market and win business quickly (1)</li> <li>- Cost plus (1) to ensure all materials used and the travel costs are paid and the business still makes a profit (1)</li> <li>- Market pricing (1) setting prices at a level that customers are prepared to pay (1)</li> </ul> <p>Accept any other appropriate strategies such as:</p> <ul style="list-style-type: none"> <li>- price skimming</li> <li>- psychological pricing</li> <li>- premium pricing</li> <li>- promotional pricing</li> <li>- destroyer/predatory</li> </ul> <p>Expert</p>	4

Question Number	Indicative content	Mark
6d	<p><b>Positives of research</b></p> <ul style="list-style-type: none"> <li>- Able to undertake research for the new area and so help improve chances of success</li> <li>- Company would know the market size and if the location was a good place to open the new branch</li> <li>- May prevent overestimating the number of customers it could win (market share), or underestimating the strength of the competition.</li> <li>- Help identify pricing levels that would enable it to complete</li> <li>- May highlight other products/services that may not already be provided in that area</li> </ul>	8

	<ul style="list-style-type: none"> <li>- Could help gather information that identifies external threats or opportunities such as low disposal income of people in the area</li> <li>- A lot of research can be done quickly online or by posing as potential customers making enquiries of competitor businesses in the new area.</li> </ul> <p><b>Negatives of research</b></p> <ul style="list-style-type: none"> <li>- May need to increase the marketing budget to cover the cost of research/pay 'others' to do the research</li> <li>- A cheap leaflet drop may be more useful in the proposed area to test for demand rather than undertake extensive research</li> <li>- The business has been running for two years and has already built up market knowledge and a loyal customer base in its existing area. It could use this as a base for making decisions for the new area.</li> <li>- It could do some simple research and offer a service in the nearby town for a short period without undertaking extensive market research.</li> </ul> <p>Expert</p>	
Level	Descriptor	
0 marks	No rewardable material.	
1-3	<ul style="list-style-type: none"> <li>- A few key points identified, or one point described in some detail.</li> <li>- The answer is likely to be in the form of a list. Only one viewpoint considered.</li> <li>- Points made will be superficial/generic and not applied/directly linked to the situation in the question.</li> </ul>	
4-6	<ul style="list-style-type: none"> <li>- Some key points are described.</li> <li>- Consideration of more than one viewpoint but there will be more emphasis on one of them. The answer is unbalanced.</li> <li>- Most points made will be relevant to the situation in the question, but the link will not always be clear.</li> </ul>	
7-8	<ul style="list-style-type: none"> <li>- Range of points described, or a few key points explained in depth.</li> <li>- All sides of the case are considered and the answer is well-balanced, giving weight to all viewpoints.</li> </ul>	

	- The majority of points made will be relevant and there will be a clear link to the situation in the question.
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Question Number	Answer	Mark
7	<p>Award 1 mark for any two from the following:</p> <ul style="list-style-type: none"> <li>- Colour</li> <li>- Symbols</li> <li>- Images</li> <li>- Celebrity endorsement</li> <li>- Strapline</li> </ul> <p>Accept any other appropriate response.</p> <p>Do not accept Logo.</p> <p>Graduate</p>	2

Question Number	Answer	Mark
8a	<ul style="list-style-type: none"> <li>- Showroom for products (1)</li> <li>- Website (1)</li> <li>- Testimonials/recommendations (1)</li> </ul> <p>Graduate</p>	2

Question Number	Answer	Mark
8b	<ul style="list-style-type: none"> <li>- Social media site (1)</li> <li>- Advertising (1)</li> <li>- Leaflet drop (1)</li> <li>- Guerrilla marketing (1)</li> </ul> <p>Accept any other appropriate response.</p> <p>Graduate</p>	2

Question Number	Answer	Mark
8c	<p>Award 1 mark for any two from the following:</p> <ul style="list-style-type: none"> <li>- To keep ahead of competitors(1)</li> </ul>	2



	<ul style="list-style-type: none"> <li>- To communicate effectively with the public(1)</li> <li>- To increase sales (1)</li> </ul> <p>Accept any other appropriate method.</p> <p>Do not accept 'understand customer needs' and/or 'increase profits'.</p> <p>Graduate</p>	
Question Number	Answer	Mark
9a	<ul style="list-style-type: none"> <li>- The range of items sold by a business</li> </ul> <p>Accept any appropriate response. Only accept responses that relate to breadth of items rather than volume.</p> <p>Graduate</p>	1

Question Number	Answer	Mark
9b	<p>Award one mark for identifying a disadvantage and a second mark for stating the consequence/impact for the business.</p> <p>Do not allow the consequence/impact mark without the disadvantage being stated.</p> <ul style="list-style-type: none"> <li>- Customers may not like the new range (1) and therefore business could lose customers (1)</li> <li>- Will need to buy more stock (1) the business may not have enough capital to do so (1)</li> <li>- May need to increase display space to show off the extra products (1) and this may mean the showroom looks cluttered/the business may need to look for bigger premises (1)</li> <li>- May need to employ more staff (1) who have the different skills/experience to sell/make these products (1)</li> </ul> <p>Accept any other appropriate response</p> <p>Graduate</p>	2

Question Number	Answer	Mark
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9c	<p>Award one mark each for any two from the following:</p> <ul style="list-style-type: none"> <li>- Can obtain information about the product range/prices of competitors (1)</li> <li>- Allow owner to offer similar products/prices (1)</li> <li>- Can compare own testimonials with/to those of competitors (1)</li> <li>- Owner can assess the features/characteristics of the standard of service being offered (1)</li> <li>- Check quality of product against that of competitors (1)</li> </ul> <p>Accept any appropriate response.</p> <p>Graduate</p>	2
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Question Number	Answer	Mark
10	<p>Award one mark for identifying consumer and a second mark for identifying a difference/outlining what a customer is.</p> <ul style="list-style-type: none"> <li>- The customer is the person who buys/pays for the product (1) whereas the consumer is the person who uses the product (1).</li> </ul> <p>Accept any other appropriate response.</p> <p>Graduate</p>	2
Question Number	Answer	Mark
11a	<p>Award <b>one</b> mark for identification of a way to increase profit and <b>one</b> additional mark for appropriate development, up to two marks - twice.</p> <ul style="list-style-type: none"> <li>- Low-priced range of products will attract customers with less disposable income (1) so increasing demand/size of target market and potentially increasing profits (1).</li> <li>- New range of products could be suitable for b2b market / home improvement market (1) so increasing sales potential (1).</li> <li>- uPVC windows are likely to be mass market product (1) so increase demand</li> </ul>	4

	<p>over the existing niche market product (1).</p> <ul style="list-style-type: none"> <li>- New range will be cheaper and quicker to produce (1) leading to lower cost a higher profits if prices do not fall too much (1).</li> </ul> <p style="text-align: right;">2x2</p> <p>Accept any other appropriate response that links marketing activity (4Ps) to the achievement of corporate goals.</p> <p>Do not accept market research responses.</p> <p>Expert</p>	
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Question Number	Answer	Mark
11b	<p>Award <b>one</b> mark for identification and <b>one</b> additional mark for appropriate development, up to two marks - once for qualitative and once for quantitative.</p> <p>Qualitative</p> <ul style="list-style-type: none"> <li>- Enable a business to understand customer taste / preferences / areas of interest / gaps in market (1) to decide what products to offer (1)</li> </ul> <p>Quantitative</p> <ul style="list-style-type: none"> <li>- Obtain information about size and structure of the market (1) to find out if there is sufficient demand / cost effective (1)</li> <li>- To identify current trends (1) so you can offer similar or better products to meet customer requirements (1)</li> </ul> <p style="text-align: right;">2x2</p> <p>Accept any other appropriate response.</p> <p>Expert</p>	4

Question Number	Answer	Mark
11c	<p><b>Possible changes to marketing mix due to economic environment</b></p> <ul style="list-style-type: none"> <li>- If economy is not growing, the demand for luxury goods might be lower so a new cheaper range of uPVC windows would maintain sales / company profits.</li> <li>- Consumers may put off purchasing large ticket priced goods in time of economic uncertainty/rising unemployment so more promotional offers may be needed or the new lower-priced product range may become more attractive.</li> <li>- Opportunities to enter the b2b market such as home improvement companies or selling windows to installers with the lower-priced goods.</li> <li>- If wages are rising, prices may need to rise so customers may postpone buying goods. The business will then need to find ways to modify the marketing mix to attract these customers back.</li> </ul> <p><b>Effects on the marketing mix due to the economic changes</b></p> <ul style="list-style-type: none"> <li>- May need to offer discounts or special offers to entice purchases - this will/could impact profits.</li> <li>- May require additional advertising to stimulate demand with increase in costs.</li> <li>- May need cheaper product range for when economy is not as buoyant so cost for R&amp;D and lower profit margins.</li> <li>- May need to develop the social media side of promotion, which will be an extra cost but could reduce other advertising spend.</li> <li>- May need increased marketing budget so costs up/profits down.</li> <li>- Will need bigger/more varied product range to cater for wider market audience/different demographic needs, with the effect on R&amp;D, marketing and possible distribution costs.</li> </ul> <p>Expert</p>	8

Level	Descriptor
0 0 marks	No rewardable material.
1 1-3 marks	<ul style="list-style-type: none"> <li>- Basic arguments on both sides identified, or only one side considered.</li> <li>- The answer is likely to be in the form of a list.</li> <li>- Points made will be superficial/generic and not applied/directly linked to the situation in the question.</li> <li>- No conclusion produced or the conclusion a consequence of only one side of the argument being considered.</li> </ul>
2 4-6 marks	<ul style="list-style-type: none"> <li>- Arguments for and against are described, but there will be more emphasis on one side than the other. The answer will be unbalanced.</li> <li>- A conclusion is present, but this is either implicit or as a result of unbalanced consideration of the arguments.</li> <li>- There is little or unfocused justification of the conclusion.</li> <li>- Most points made will be relevant to the situation in the question, but the link will not always be clear.</li> </ul>
3 7-8 marks	<ul style="list-style-type: none"> <li>- Balanced explanation of both sides for and against.</li> <li>- A conclusion is produced which is justified clearly linked to the consideration of arguments for and against, and their relative importance to the situation.</li> <li>- The majority of points made will be relevant and there will be a clear link to the situation in the question.</li> </ul>

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Welsh Assembly Government

