Surname	Other names
Pearson BTEC Level 1/Level 2 First Certificate	Learner Registration Number
Business	
Unit 9: Principles of Market	ing
Unit 9: Principles of Market Wednesday 16 May 2018 – Afternoon Time: 1 hour 30 minutes	

Instructions

- Use **black** ink or ballpoint 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.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶



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SECTION A

	Answer ALL questions.		
1	1 Name the first stage of the product lifecycle.		
	(Total for Question	1 = 1 mark)	
2	2 State one location factor for a physical business.		
_	(Total for Question	2 = 1 mark)	
3	3 Give two methods of collecting qualitative data.		
1	1		
2	2		
_	(Total for Question 3	B = 2 marks)	
4	4 Give one type of business model.		
_	(Total for Question	4 = 1 mark)	

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5	State what the "O" stands for in the term 'SWOT analysis'.
	(Total for Question 5 = 1 mark)
5	Give one example of a capital good.
	(Total for Question 6 = 1 mark)
	(a) Give two benefits to a business of building a distinctive brand.
	(2)
	(b) Explain two reasons why a business would use market research.
	(4)
	(Total for Question 7 = 6 marks)



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8	Dunston's is a small shop selling products, such as gift cards as well as a range of fragile items including novelty candles, small pottery and glass ornaments. Dunston's has, in the past, advertised in the local area newsletter and used window displays to promote its products. The owners have decided that they should now develop an e-commerce website in addition to selling goods in the shop.	
	Discuss the advantages and disadvantages to <i>Dunston's</i> of using e-commerce.	

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(T-1-16-10 11 0 0 1 1)
(Total for Question 8 = 8 marks)
TOTAL FOR SECTION A = 21 MARKS



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SECTION B

Answer ALL questions.

Little Poppets

Little Poppets is an indoor soft play business catering for children under the age of eight, with a café for adults to relax in while the 'little poppets' enjoy the facilities.

The business has slides, ball pools, zip wires, a car track and climbing ropes. There is also a 'make-a-bear' activity, a laser maze for tag games and a large room for hire for children's parties. There are specific times when the business runs toddler activities for the under-fours.

To help win repeat custom, the focus of the business is on both the adults and the children. The business has a kitchen team who prepare a range of hot and cold food, which the adults can eat in comfort while the children play in safety. Staff are trained and CCTV is also used to ensure children are protected.

There are a number of competitors in the local area. Some of these are part of national chains. The market is quite competitive, which is why *Little Poppets* has a competitive pricing strategy. For a two-hour session on weekdays, the business charges £3.50 before 3pm and £5.00 after 3pm. Weekend sessions are £6.00 for two hours. It opens seven days a week from 10 am to 6.30 pm.

Some competitors charge a lower price but increase this during school holidays when demand for places is higher. To help them compete, *Little Poppets* is considering offering a discount pass, where children can visit and play as many times as they like throughout the summer holidays for a one-off payment of £50.

Little Poppets is planning on:

- renovating the toddlers' play area
- providing a sports court with artificial grass for children over the age of eight years
- expanding the range of activities to include dance classes, baby mornings, 'messy play' and baking for toddlers.

The business advertises through the local press, leaflet drops in advance of seasonal events and through its own and others' websites. *Little Poppets* is planning to increase its advertising budget and do more online promotion to help develop its brand personality.



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	(Total for Question 9 = 2 mark
Identify three metho	ods of promotion a business could use.
	·
	(Total fact Occasion 10 - 2 mark
	(Total for Question 10 = 3 mark
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12 Little Poppets operates in the services market.	
(a) Identify one other type of market.	
	(1)
(b) Little Poppets is a market orientated business.	
Identify the other type of orientation.	(1)
	(1)
(То	otal for Question 12 = 2 marks)
13 (a) State one dimension of a brand.	
	(1)
(b) State two ways <i>Little Poppets</i> could benchmark thems	elves against
their competitors.	(2)
1	
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2	
(То	otal for Question 13 = 3 marks)

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14 One of <i>Little Poppets</i> corporate objectives is to increase its market share.	
(a) Explain how two of the planned marketing activities, other than setting competitive prices, could help <i>Little Poppets</i> to achieve this corporate objective.	(4)
1	
2	
Little Poppets aims to offer competitive prices.	
(b) Explain how setting prices below those of its competitors could lead to an	
increase in Little Poppets' revenue.	(2)
(c) Explain one potential disadvantage of <i>Little Poppets</i> setting prices below that of its competitors.	
its competitors.	(2)

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The services offered by <i>Little Poppets</i> are price elastic.	
(d) State the meaning of the term 'elasticity of demand'.	
	(1)
The services offered by <i>Little Poppets</i> have an elasticity of demand greater than 1.	
(e) State one way that this could impact on <i>Little Poppets</i> .	
	(1)
(Total for Question 14 = 10 m	arks)



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15 The owners of <i>Little Poppets</i> want to carry out a situational analysis before deciding whether to continue with their plans for growth.		
Discuss the advantages and disadvantages to <i>Little Poppets</i> of using PESTLE analysis to help it make marketing decisions.		

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(Total for Question 15 = 8 marks)
TOTAL FOR SECTION B = 29 MARKS
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