

# **L2 Lead Examiner Report 1901**

January 2019

**L2 Qualification in NQF BTEC  
Level 1/2 Firsts in Business**

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January 2019

**Publications Code** 21325E\_1901\_ER

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### What is a grade boundary?

A grade boundary is where we set the level of achievement required to obtain a certain grade for the externally assessed unit. We set grade boundaries for each grade, at Distinction, Merit and Pass.

### Setting grade boundaries

When we set grade boundaries, we look at the performance of every learner who took the external assessment. When we can see the full picture of performance, our experts are then able to decide where best to place the grade boundaries – this means that they decide what the lowest possible mark is for a particular grade.

When our experts set the grade boundaries, they make sure that learners receive grades which reflect their ability. Awarding grade boundaries is conducted to ensure learners achieve the grade they deserve to achieve, irrespective of variation in the external assessment.

### Variations in external assessments

Each external assessment we set asks different questions and may assess different parts of the unit content outlined in the specification. It would be unfair to learners if we set the same grade boundaries for each assessment, because then it would not take accessibility into account.

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### Principles of Marketing – 21325E

Grade	Unclassified	Level 1 Pass	Level 2		
			Pass	Merit	Distinction
Boundary Mark	0	8	18	28	39

## Introduction

This lead examiner report should be read in conjunction with the question paper and the published mark scheme. We attempt to provide insight and examples of good and not so good responses. Centres could use this with learners to ensure they understand how marks are awarded. This was the 10<sup>th</sup> time learners have sat the Unit 9 Marketing test, and it is pleasing to see an continuation of the improved pass rate from the 1801 series.

## Introduction to the Overall Performance of the Unit

This paper proved to be a little more challenging than the 1801 paper. There continued to be relatively weak performance in the extended writing questions and learners need to read the question and scenario in detail if they are to achieve the highest marks. This lack of ability to apply marketing concepts to the context given in the question prevents learners achieving at higher levels. The best responses make clear links between the data provided in the scenario or stem of the question and relevant theory.

At the pass level. There continue to be a large number of learners who do not have a sound understanding of some of the key terms and concepts in the specification. Above the line promotion caused learners difficulty as do some of less familiar terms such as product augmentation. The best responses demonstrated learners' ability to recall and apply a wide range of marketing concepts from across the whole specification.

In preparation for future series, learners should continue to focus on fully developing their understanding of the key terms. They should also understand how to apply their basic understanding of these concepts to the context given in the question. They should be exposed to a number of different types of businesses such as B2B and B2C, and those that provide of goods and services, and understand how businesses such as these win customers, carry out research, and benchmark themselves against competitors.

For the 8 mark questions, learners should read the questions carefully, including the introductory stem which can contain additional contextual information. Learners then need to present a balanced argument when asked to discuss, evaluate or assess a point – it is essential learners consider more than one point of view if there is to be balance, otherwise they will limit their ability to achieve a higher mark.

## Individual Questions

### Section A

#### Q01

Learners were given one type of data, Qualitative and asked to identify the other type, Quantitative data. Many learners were able to identify this type of data, but some left the question unanswered.

#### Q02

The question on the way businesses use marketing was well answered. Most learners were able to identify marketing was used to promote, help sell products and raise brand awareness. Where learners did not achieve a mark is when the response was vaguely referred to "doing research". Had the learner stated to understand or identify customer needs, the mark could have been awarded.

#### Q03

This question performed a little worse than expected. Identifying the elements of PESTLE or SWOT analysis should be an easy task, but some learners managed to mix up the concept of SMART targets with SWOT analysis and gave the incorrect responses that the 'S' in SWOT stood for specific.

#### Q04

This question also brought some unexpected responses. Learners were given one method of situational analysis, SWOT and were asked to identify another, namely PESTEL. Many learners correctly answered the question but a number gave other incorrect responses such as SMART or PLC.

#### Q05

Learners were asked to state two methods of collecting primary data. Appropriate responses included questionnaire, surveys, interviews, focus groups etc. Some learners however identified secondary methods such as looking at government statistics.

#### Q06

The question proved challenging for borderline pass level learners. The question tested understanding of the methods of above the line promotion. Clearly many learners did not know the term or gave below the line examples as their response. The most common correct responses were television adverts, radio adverts, or advertisements in newspapers.

#### Q07 (a)

This question together with Q7(b) was poorly answered. Learners were provided with a type of goods market i.e. consumer goods, and they needed to identify the other type of goods market using recall from the specification. The correct

response was capital goods market, and many learners failed to identify this. Many gave the incorrect response of "customer goods market", or niche market.

**Q07 (b)**

Having failed to identify the correct market in Q7(a), it was not a surprise that many learners failed to score a mark from this 2 mark question.

Two responses that gained both marks are given below:

*"The consumer goods market sells to consumers whereas capital goods are goods made to make other goods"*

*"Capital goods is when a business buys machinery or tools to help make their products whereas consumer goods is when a product is bought either in a shop or online for a customer to use"*

**Q08 (a)**

Many learners were able to provide a simple definition of the term 'niche market', by identifying it was a small specific part of a larger market, or it was a market that met specific needs of the customer.

**Q08 (b)**

In this question learners were asked to explain one benefit of selling into a niche market. To achieve both marks available, learners had to identify a benefit and then say why this was a benefit.

Two responses that gained both marks are shown below:

*"The business is able to sell at a premium price because they have less competition from other larger businesses"*

*"One benefit is that the items are specialised so the business can sell the products for more money than other products so the business makes more profit"*

A response that scored only one mark is shown below:

*"You can charge a higher price because not a lot of people want the product"*

**Q08 (ci)**

This question asked for the meaning of the term 'augmented product', and was not well answered. Many incorrect responses focused on the case study business and stated that augmentation meant the product was recycled.

Two correct response are shown below:

*"These are the extra's that come with the product for example free delivery"*

*"Extra features that are added to the core product"*

### **Q08 (cii)**

Learners needed to identify from the stimulus provided, that 'Upcycle' augmented its product by offering a free gift-wrapping service. Many found this question difficult because they did not understand the term augmented product. Centres need to ensure learners have a sound understanding of the key terms used in the specification.

### **Q08 (d)**

Again, the lack of understanding of augmentation meant that many learners could not answer this question on other ways the business may augment its product. Correct responses included the provision of free delivery or free insurance or free servicing. Incorrect responses focused on using alternative material which would change the core product, not augment it.

### **Q08 (e)**

This was the first extended writing question on the paper and surprisingly did not perform as well as expected.

Some learners did not read the question well enough and having seen both 'cost-plus' and 'skimming' in the stem, wrote about the advantages and disadvantages of both rather than just skimming as required by the question. This obviously wasted the time of those learners. More surprisingly, many confused price skimming with penetration pricing and discussed the advantage of setting low initial prices rather than high initial prices. Other learners discussed other methods of pricing such as premium pricing or answered their own question and suggested why they would not use skimming as a pricing strategy.

To achieve band one, learners had to identify a few key points and the response could be in the form of a list. To achieve band two, key points had to be described and both view points needed to be present. To achieve the top band, learners had to explain points in depth and the response needed to be in context.

The example below scored 6 marks, top of band two. The learner identifies a number of advantages and disadvantages of using price skimming and develops these points. The response is quite well balanced. To achieve band three, the learner should have provided a clearer link to the case study. For example, given the business sells bespoke products so there will never be a large market, and given they are made specifically for the customer, they will always be costlier.

The advantages of using a price skimming strategy for its 'custom-made' products are that it will increase revenue and profit because people are willing to pay more for quality products and it will create a good brand image.

Point developed

Selling custom-made products and using a price skimming strategy reinforces the idea that the quality is higher than what other companies offer and people will want to pay higher prices for their preferred brand. This builds customer loyalty and loyal customers bring more money to a business than new customers.

Point developed

Further development

A price skimming strategy is likely to generate a lot of revenue although sales may not be as high and as a result Upcycle will make a lot of profit. This will allow the business

Point developed

to allocate a higher budget for advertising and promotion to attract more customers and boost sales, and it could even expand and open new branches.

Further development



On the other hand, using <sup>price</sup> skimming strategy could lead to ~~be~~ the company having a small target market because not everyone is willing to pay high <sup>prices</sup> products or some people may not have a high income therefore they will focus on purchasing essential and convenience goods. This could limit the number of customers and sales and Upcycle may ~~lose~~ lose customers and money.

Alternative point developed

Further development

As a result of using price skimming, Upcycle may not have enough sales and make enough money to cover its costs and may make a loss.

Moreover, in order for a customer to be willing to pay a high price for a product, the company must offer high quality product. This could be expensive for Upcycle. If their prices are very high yet the products are ~~for~~ <sup>poor</sup> quality, customers will be confused by the marketing inconsistency and may go to different businesses to satisfy their needs. A decrease in customers will lead to a decrease in sales, profit and a bad reputation for the business due to the lack of consistency.

Further developed point

Overall, using a skimming strategy could be very rewarding for Upcycle because it will build a strong brand image and personality, build customer loyalty and generate a lot of revenue and high profit.

In contrast, the following is an example of a band 1 response for identifying that prices will be high and this may infer a quality product. No marks are awarded after this initial developed point, and many of the points made do not relate directly to price skimming as a pricing strategy.

A advantage is because it used to be a higher price people will assume quality and luxury come along with it, so people that ~~let~~ want custom Jewellery but cant afford the higher price will want to purchase one. Another advantage is if people are buying it and it has a lot of possitive feedback then they're gaining brand awareness. A disadvantage is it's custom made so it's going to be time consoming and if the prod isn't correct then they must start again. Another disadvantage is making custom quality Jewellery can be costly so they may not be making descent profit from each sale.

## Section B

### Q09 (a)

A significant number of learners were not able to state that 'Place' was the 'P' in the marketing mix that relates to the distribution channel. Incorrect responses included Product, Promotion and Price.

### Q09 (b)

Many learners were able to identify that Producers or Manufacturers were the stage in the distribution channel that come before the wholesaler. Incorrect responses included Businesses and Consumers.

### Q10

This was thought to be an easier question but a number of learners could not state two stages of the product life cycle, with some gaining only one mark and others none at all.

Questions from this point onwards are related to the scenario on M&R Research.

### Q11 (a)

Learners had to identify, from the scenario, one source of data used by M&R Research. A number of learners incorrectly stated primary or secondary, or quantitative or qualitative data. These are all types not sources of data. The three sources identified in the scenario were social media sites, competitor web sites and competitor campaigns. No other response was rewardable.

### Q11 (b)

In this question, learners had to identify from the scenario the purpose of two pieces of data. Correct responses included identifying the number of views a site received, to see how long people stayed on the site, to see if sales volumes increased after a campaign, to measure the success of a campaign, and to avoid making future mistakes. Learners could also have been rewarded for identifying target markets, identifying trends and identifying market value. Where learners failed to score on this question, they either left the response space blank, or provided the answers required of the previous question for this one

### Q12 (a)

In this recall question, learners needed to identify the 'U' in USP stood for Unique

### Q12 (b)

Here learners needed to give the meaning of the term 'market size'. Where learners failed to score a mark, it was because they simply reworded the question and stated 'Market size means the size of the market', thus demonstrating no understanding. Other incorrect response included 'how many businesses are in the market', or 'how big or small the market is'. To achieve the mark in this question learners had to show that market size is determined by the value of the market or the number of customers/buyers in the market.

**Q12 (c)**

Here learners needed to give the meaning of the term 'market share'. To achieve the mark, learners needed to provide a response about the percentage sales of a business or the amount of a market controlled by one business. Where learners failed to score it was because of lack of clarity in the response. The response 'your segment of a market' did not demonstrate sufficient understanding to be awarded a mark.

**Q13a**

Learners needed to state the meaning of the term 'viral marketing'. To score the mark, learners had to show understanding that it is a form of marketing where consumers share information about the business/product mostly using social media.

Three incorrect response are shown below:

*"Going global with your business idea"*

*"A campaign designed to attract many people to the business"*

*"Successful promotion of a product or service"*

**Q13b**

The question required learners to give two ways that the businesses clients could use viral marketing. Responses such as 'endorsements' or 'advertise' did not score a mark.

The response below is a good example

*"1 They can use Facebook so people are able to follow the business and know what is happening I the business"*

*"2 Can create a YouTube channel to update customers when new products are launched"*

**Q13 (C)**

This question required learners to explain two benefits of using situational analysis when making marketing decisions.

Responses should have identified that knowing strengths or weaknesses allow the business to make changes. Marks could also be awarded for identifying that understanding legal or economic changes to the external environment means the business can respond quickly to such changes.

Good examples included:

*“SWOT allows a business to evaluate its current position in the market. \this is useful because it can reduce the risks of making a loss and a business can use it to come up with solutions to problems.”*

*“A benefit is being able to know social issues like buying trends in the market so the business could improve and be able to meet the needs of customers”*

**Q14**

This second extended writing question was poorly answered with many scoring marks in band 1 or less. The question required learners to analyse how operating in a B2B market could impact on the marketing activities of M&R Research. Many learners failed to understand the B2B marketing mix is different to that for a B2C business. Other learners failed to realise the business offered a service, not a product and they discussed selling the products through the intermediary business before it reached the consumer.

Few learners were able to put their responses into the context of this B2B service business. Learners were rewarded for identifying how some isolated knowledge of business to business marketing.

It is important that learners know how marks are allocated in this type of question. As with Q08 (e), a levels-based mark scheme is used.

To achieve band 2, learners would be required to demonstrate accurate knowledge with few omissions. The evidence would also need to show links to the business in the scenario. The command word used in this question was ‘analyse’, therefore in order to achieve higher marks, learners would be required to break the situation down into key parts and show logical train of thought which clearly considered the links to the scenario. They did not need to provide a conclusion.

The following example demonstrates a 6 mark response, placing it in the level 2 band. A number of valid points are made, each with some development.



Operating in a B2B market is very different to operating in a B2C market in terms of the marketing activities that M&R research can carry out because its target market is much smaller and more professional. ~~and its~~ As a result, mass-media based promotion is unlikely to be appropriate. M&R research will need to use a lot of personal selling and adjust its marketing activities to the individual needs of each specific business that is likely to use its services. Suitable promotion methods for M&R research would be setting up stands at exhibitions and trade fairs and advertising in trade journals because it will reach its exact target market.

Point

Development in context

Point developed in context

In a B2B market, businesses are more likely to buy in bulk therefore a business will need to be open to negotiations in order to sell its goods and services. This means that M&R research will need to have a special pricing strategy and consider the needs of its customers when setting the prices for its goods.

Point with development but not in context. They are a service business not supplying a product to be sold in bulk

Furthermore, M&R research's clients will be interested in finding out the benefits they could gain if they use M&R research's services therefore M&R will need to research the market in order to identify its customers needs and meet these. Secondary sources are unlikely to have the information needed by M&R because its target market is very small and other companies might have not researched it therefore it will be costly and time consuming for M&R research to carry out market research. However, it will help the business to identify and meet its customers needs and this will result in high sales and profit.

Point developed with limited context

Further development

Overall, operating in a B2B market will have a huge impact on the marketing activities of M&R research because it has a ve small target market and its products, prices, and promotion ~~is~~ must be directed at other businesses therefore it must have a strong brand image in order to be seen as reliable and carry out a lot of personal selling to advertise its products. services.

Concluding summary –  
Conclusions are not required for analyse  
command verb  
questions

To achieve the next band and be awarded 7 or 8 marks, the response needed have more context and to clear links to B2B for a service business.

## Summary

Based on their performance on this paper, learners should:

- Have a sound understanding of the key terms and concepts from the specification and be able to use these in the context given in the question.
- Have studied a range of different businesses such as, B2B, B2C, Mass and Niche market, goods and service, and be able to suggest how the marketing mix may have to change for each type of market.
- Use the stimulus material provided together with the stem of the question to understand the context. This context must be used in the answer if learners are to gain the higher marks.
- Ensure they read the question and the stem and that they answer the question that has been set by the examiner, not some other question.
- For explain type questions, learners need to make a point that addresses the question and then develop the response to explain the point or state why that point is important.
- Ensure that both sides of the argument are discussed when responding to the 8 mark extended writing questions. To achieve the highest marks, the answer should be well balanced. For example, if asked to discuss which pricing strategy is more appropriate, learners should cover both the advantages and disadvantages to score higher marks.



## Individual Questions

### Tests or Exams

- Expect to comment on every question
- Give specific examples of learners responses that performed well and also not so well
- Give commentary for each example
- Consider how the command verbs have been responded to
- Consider how your examples and commentary reflect the overall performance of the external assessment
- Please see the following LE Report from June 2017 as an example [Creative Digital Media Production](#)

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### Tasks

- For some tasks it may be appropriate to use the above approach
- In some sectors it may not be easy to include specific examples, e.g. the creative sectors, however, you may be able to use some of the materials prepared for standardisation events.
- You can focus on the strands in the mark scheme and highlight how the learners were credited in relation to the assessment criteria.
- You can comment on the strengths and areas for development in learners responses related to the assessment criteria on a series level and on an individual level where possible.
- It is important to take a holistic approach. Please see the following LE Report from June 2017 as examples of this approach, [Performing Arts](#)

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