

L2 Lead Examiner Report 1906

Summer 2019

L2 Qualification in NQF BTEC

Level 1/2 Firsts in Business

Unit 9: Principles of Marketing (21325E)

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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

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Principles of Marketing Unit 9 21325E

Grade	Unclassified	Level 1 Pass	Level 2		
			Pass	Merit	Distinction
Boundary Mark	0	14	22	30	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 11th time learners have sat the Unit 9 Marketing test, and it is pleasing to see an continuation of the improved pass rate from the 1806 series.

Introduction to the Overall Performance of the Unit

This paper proved to be of a similar challenge to the 1806 paper. There continues 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. USP, mass market, and specific pricing strategies caused learners some difficulty. 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

Many learners were able to identify Political as the P in PESTLE. Incorrect responses included the Ps from the marketing mix – Price, Place, Product and Promotion, and other terms beginning with P such as Production.

Q02 (a)

This question on the W in SWOT proved accessible to many.

Q02 (b)

This question performed a little worse than expected. Learners were given PESTLE and SWOT and were asked to state the name of this type of analysis. Situational analysis was the required response, and many learners simply left this question unanswered.

Q03 (a)

This question required an outline definition of the term 'qualitative data'. Whilst many could state this was data based on opinion, or was non-numerical data, many also confused this with quantitative data, or left the question unanswered.

Q03 (b)

The inability of learners to understand qualitative data led them to give incorrect examples of such data. Some learners incorrectly gave methods of collecting data rather than a specific example of data such as customer feedback.

Q04

The question proved challenging for borderline pass level learners. The question tested understanding of the marketing mix. The response required was 'Place', but all other elements of the marketing mix were seen as responses. Other learners confused the question with one about the type of market and gave responses such as B2B or B2C.

Q05

This question required learners to provide a brief outline definition of the term 'mass market'. Typical incorrect responses included selling goods at higher prices. Clearly these learners were discussing advantages of niche markets not a definition of a mass market. This demonstrates the need for learners to clearly read and understand the question set.

Many correct responses were based on the market where large volumes of goods are sold. Some learners were able to state that in this type of market, customer needs are not specific i.e. all the same.

Q06 (a)

This question was on the product life cycle and learners needed to state what was meant by the 'growth stage'. Where learners failed to score a mark, this was because they simply rearranged the question and state that 'at the growth stage the product is growing'.

A response that gained the mark is given below:

"when the product is getting more well-known and so sales are starting to increase"

The mark scheme also allowed for learners to gain the mark by identifying the position of the growth stage in the product life cycle. A response that gained the mark for this approach is given below:

"the growth stage is the early stages of being on the market and it has recently been introduced"

Q06 (b)

Many learners found this question challenging. They were required to state two features of the 'maturity stage' of the product life cycle. Many learners left this question unanswered. Those that did achieve the marks did so by referring to a peak (or levelling off) in sales, or that market share or profits will start to decline at this stage.

Q07 (a)

This was the first question related to the first scenario about 'Desirable Dishes'. In this question learners were asked to explain one benefit to customers of selling online. Some responses gave benefits to the business and therefore did not score the mark available.

Two correct responses are shown below:

"customers that live far away can still order the product"

"customers don't have to physically go and collect the items"

Both responses relate to the convenience of ordering online

Q07 (b)

This question performed as expected, and many learners were able to score at least one mark for identifying a disadvantage to the business of having a free

delivery service. To achieve both marks, learners had to state why the reasons they identified was a disadvantage. Some learners discussed the fact that delivery was free only within five miles and that customers would find this unfair. These learners did not answer the question from the perspective of the business.

One correct response gaining both marks is shown below:

"Productivity might decrease (the disadvantage), because the owner will not be able to make more products while they are delivering goods which means orders will be delayed."

One response gaining only one marks is shown below:

"They have to pay for the petrol"

Had the learner continued this response to say that as a result costs would increase and profits potentially decrease, both marks could have been awarded.

Q07 (c)

This question also performed much as expected but some learners did confuse communicating with customers as carrying out market research. The question was in two parts. First learners needed to identify how an increase in marketing budget would help the business communicate with the public. The second mark was awarded for stating what this would have on the business. The second part of the question was about how the increased marketing budget would help the business understand customer needs. Again, the second mark was awarded for stating what the impact would be on the business.

Two examples of 4-mark responses are shown below.

(c) Complete this table. (4) 4

(i) In Column A, state what this will allow the business to do.
 (ii) In Column B, state the impact this will have on the business.

	Column A	Column B
Reason for increasing marketing budget	What this will allow the business to do	Impact on the business
To communicate effectively with the public	This will allow the business to interact with the customers making them more aware of the business.	This will increase sales as awareness of the business has been raised so more people would want to try it out.
To understand customer needs	This will allow the business to expand by offering more products and if customer needs are met more customers will come	By having a larger variety of products customers have more things to choose from and also if customer service is good it will make customers return.

	Column A	Column B
Reasons for increasing marketing budget	What will this allow the business to do	Impact on the business
To communicate with effectively with the public	This will allow the business to spread the information quicker through word - of - mouth as being a promotion strategy. Furthermore, the business will be able to develop customer loyalty and recognition between them and the customer.	The impact of this on the business is positive. As this will make their sales revenue increase as a business. Additionally their profit will maximise as well. They will develop higher brand awareness and recognition as the more customers are loyal to the brand the more repeat purchases will be made.
To understand customer needs.	This will allow the business to carry out market research on the basis of their target market	This will impact the business on a positive aspect, due to the fact being if the firm
	and audience to find out who they need to sell to and what they need to do to products to get the customer interested. Furthermore, in conducting this market research the business is able to make a product from identifying the customers' needs and wants and to make a product that will meet these needs.	understands what they need to do to their product for it to meet their customer needs. Firstly, it will make the customer give good reviews because the product the business creates could be exactly what the customer intended to purchase. Furthermore, in giving good reviews more customers are going to be intrigued as to what it is the business is selling and may even purchase some merchandise from the firm themselves, which will lead to a higher market share. Lastly, customers will be able to trust the brand due to the good reviews they are getting.

The following response showed no understanding and was awarded no marks.

	Column A	Column B
Reason for increasing marketing budget	What this will allow the business to do	Impact on the business
To communicate effectively with the public	Allow the Business to get more Profit	Will lose Customers.
To understand customer needs	There will use marketing and advertising to gain customer needs	Not have enough Products.

Q07 (d)

This was the first extended writing question on the paper and performed as well as expected.

The scenario was familiar to learners. A business with no shop is considering opening one in a busy location. Learners then had to discuss the advantages and disadvantages for following such a strategy.

Many learners considered the main advantage to be increase recognition from passing trade and the subsequent increase in sales. The main disadvantages identified included the cost of the shop, the need to employ staff, and the potential loss of business if the location is too busy and customers cannot park nearby.

To achieve level one, learners had to identify a few key points and the response could be in the form of a list. It could also cover only advantages or disadvantages. To achieve level two, key points had to be described and both view points needed to be present. To achieve the top level, learners had to explain the advantages and disadvantages in depth and the response needed to be in context.

The example below is typical of that seen in many responses. It comprises a series of points with little or no development and would achieve level 1 for a few key points identified. The response could also have been written as bullet points and scored the same. To achieve level 2, the points made would have been described in some detail and would be entirely relevant to the scenario.

In this second example, the learner has made only a small number of points, on both sides of the argument, but each has been developed in detail and achieved a mid to high level 2.

An advantage of opening a shop in a busy location would be the fact that there is more passing trade so ~~as~~ many more people would be aware of the shop. However a disadvantage would be that rent for the shop would be significantly high which may not be suitable for a new business. Furthermore busy location may mean that there are competitors in the same area and if they are already doing good it may be harder for new businesses to compete. It would possibly be much easier for a business to become more recognised and established whilst opening in a busy location as more people would see it then they may further tell friends and family. Another disadvantage could be the levels of congestion surrounding the business.

One advantage to Desirable Dishes of opening up a shop is they will be in the ~~customers~~ ^{as} eyes of potential customers and if they locate ^(the shop location) in an area with high foot fall, then they are guaranteed to gain customer awareness. This means that sales revenue will increase due to customer awareness and profits will increase enabling Desirable Dishes to make higher quality dishes.

Point developed

Further development

On the other hand, a disadvantage to Desirable Dishes of opening a shop is their costs will ^{increase} ~~increase~~. They will now have to pay for the shop, utilities and ~~also~~ furnish it in the long term and short term. In the short term they will have to pay for ^{to} ~~possibly~~ furnish the shop and decorate it. In the long term they will have to pay for utilities such as electricity, water and gas; also they might be paying rent for the premises.

Point developed

Further development

Overall, I ~~totally~~ believe that it depends on first of all the foot fall, which is high as stated. However, if ^{close to} foot fall is high but ~~they~~ they aren't any of their target market in that location then it is pointless as they won't make many sales and ~~then~~ they might make a loss ~~instead~~ instead of a profit and can't develop ~~good~~ higher quality products.

Point developed

Section B

Q08 (a)

A significant number of learners were able to state what a customer is.

Q08 (b)

Surprisingly, a number of learners were not able to identify that the symbol used by brands to make them more recognisable is a logo. Incorrect responses included branding, brand image, marketing and the 4Ps.

Q09 (a)

This question required learners to state the meaning of the term 'unique selling point (USP)'. Some learners again misunderstood the question and gave responses about the purpose or benefits of having a USP.

The most common response was

'a USP is a feature that makes a brand stand out from competitors'

Q09 (b)

Learners were then instructed that the scenario business, 'Healthy U' were thinking of introducing an incentive scheme which they believed would be a USP.

The question required learners to state one other possible example of a USP for a business. Many incorrect responses gave examples of other incentives such as discounts. A significant number of learners left this question unanswered. The most common correct responses included lower or premium prices and better quality.

Q09 (c)

Learners had to state two methods that could be used to collect customer data. Common responses included questionnaires and surveys. Incorrect responses that were too vague for the award of a mark included market research and asking the customer. Another incorrect response was quantitative data, which is a type of data not a method of collection.

Q10 (a)

The scenario stated that 'Healthy U' set its prices at the same level as competitors. In this question, learners were asked to identify the pricing strategy used by the business. Surprisingly there were many blank responses. In other cases, learners simply gave actions the business should take such as increase prices or allow members to pay monthly. The correct response was competitive or competitor-based pricing.

Q10 (b)

Here learners needed to give one other pricing strategy from those listed in the specification. If learners had stated a different strategy in 10a, then competitive pricing was allowed in this question. Again, a number of learners failed to respond at all to this recall question.

Q10 (c)

Here learners needed to give two benefits of branding. On first view this would appear to be a straight forward question, but many failed to do so or could only give one benefit. A number of the responses in the mark scheme were seen in learner work.

The following two responses scored maximum marks.

10 (a). The pricing strategy used by Healthy U is competitive pricing.

10 (b). Another pricing strategy is price skimming.

1. it will be distinctive to the
business

2. Customers will be able to recognise
the business

Q11 (a)

In this question learners were asked to state one type of social platform a business could use to develop an online presence. Unsurprisingly this was well answered by learners, with Facebook and Instagram being common responses.

Q11 (b)

This question followed on from 11a and required learners to state one benefit of developing an online presence, and then to say why this was a benefit to the business. Again many learners were able to achieve full marks. Others scored one mark for identifying a benefit but did not develop the response. Others left the question blank.

The responses below are examples of 2 mark responses.

Column A	Column B
<p>Building a online presence will attract more customers.</p>	<p>This is a benefit for the business because it attract more customers and this will motivate them to try the business products or services, since many people will be speaking about it online.</p>

Column A	Column B
<p>It gives them a larger audience.</p>	<p>By developing their online presence more customers may be interested in wanting to buy a membership because you can get all information and exclusive deals from online and it is also more fast and efficient.</p>

Q11 (C)

The introduction to this question advised learners that 'Healthy U' were going to try get local businesses to sign up their employees to a gym membership.

Learners were told this would mean the gym would be entering a B2B market as well as having B2C business. The question required learners to state two impacts operating in B2B would have on the business and to explain the reason for the impact. Many learners could not do this. Many responses were left blank and other simply quoted an impact without developing this further.

In the most simplistic response, the impact is that profits increase and the reason for this is that customer numbers increase. The alternative view would also be possible, that profits may reduce because the business would be offering lower prices as an incentive.

Q12

This second extended writing question was not answered as well as the first, with many scoring marks in level 1 or low level 2. This was a surprise as the question simply required learners to analysis the purpose of carrying out market research for a business such as the one in the scenario. Some learners appear to have been confused by the B2B nature of the question, with some thinking the gym was trying to get workers from the other business to come and work for them. Other learners simply gave the advantages and disadvantages of B2B and B2C.

Learners could have given benefits such as helps find out why customers do or do not renew membership, can research customer needs and wants, can find which promotions work best. The alternative view could include the cost of carrying out research and customers may not wish to respond to questionnaires or surveys when visiting a gym.

To achieve level 2, learners were required to break the discussion into a number of smaller points which were relevant to the scenario, and to describe each point in some detail. The evidence would also need to show links to the business in the scenario. Learners did not need to provide a conclusion.

The following example demonstrates a response in level 2. A number of valid points are made, each with some development.

Market research will aid Healthy U in understanding ~~to~~ what their customers want, and how to outsmart their competitors.

One advantage for the use of doing market research is that Healthy U will be able ~~to~~ to gain knowledge of what types of fitness schedules they can put out, deals and offers, or how to better their prices. ~~So~~ Healthy U can gain more customers by using market research as it will allow Healthy U to put possible incentives in place ~~so~~ which would influence customers to sign up.

Point developed
in context

Market research will also provide ~~a~~ data for ~~Health~~ Healthy U for future ideas to put in place if they want to further raise publicity. For example, they can invest in upgrading their services machines making customers want to try out the latest fitness program because the market research revealed

Point developed
in context

that customers were becoming bored of the typical fitness programmes and maybe they want ~~new~~ something new. ~~Mark~~

Market research is vital because Healthy U may need to reach its competitors and the data provided by market research will reveal what it is that the business will need to do. lowering prices can be what customers in and this will provide more income for Healthy U because although prices are lowered, it is what the community wanted ~~an~~ so there will be more customers paying for the services bringing in more money and profit.

Market Research will help Healthy U in understanding how to raise profits and draw in more customers.

Point developed
in context

To achieve the next band and be awarded 7 or 8 marks, the response needed have some comment on the relevant importance of the points made.

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 markets, goods and service markets, 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 the purpose of research, learners should cover both the advantages and disadvantages to score higher marks.



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