



# Examiners' Report Lead Examiner Feedback

January 2021

Pearson BTEC Firsts  
In Business (21325E)  
Unit 9: Principles of Marketing

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## 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. Centers could use this with learners to ensure that they understand how marks are awarded. This was the 13<sup>th</sup> time that learners have sat the examination, and it is pleasing to see a continuation of the improved pass rate from previous series.

## Introduction to the Overall Performance of the Unit

This paper proved to be of a similar challenge to the 2001 paper. There continues to be a relatively weak performance in the extended writing questions, although this was more evident within the first question on primary research and in particular, its application to the case study context. This lack of ability to apply concepts to the context given in questions prevents learners from achieving at higher levels. The best responses make clear links between the data provided in the scenario or stem of the question and the relevant theory.

Where learners have reached pass level, they continue to find it challenging to understand some of the key terms and concepts from within the unit specification and are unable to progress beyond recall skills. Learners at the pass level are often unable to provide application of theory and terminology and have found it challenging to fully understand market research, types of market and purposes of marketing as core concepts. The more effective learner responses demonstrate their ability to recall, apply and expand on a variety of marketing concepts from across the whole specification whilst offering considerations of advantages and disadvantages.

Within four-mark questions the command verb 'explain' continues to be challenging for learners at all levels. A large number of learners are able to identify, state or give reasons and benefits but discard instructions to explain and therefore do not offer further expansion and development

for higher marks. Extended response questions have performed more effectively within this paper, although performance overall continues to be weaker within such questions. Learners have now started to provide responses to the extended writing questions which take into account both sides of the argument or viewpoint with some balance but are unable to make links to the context. There continues to be a number of learners who simply provide bullet point lists or unconnected sentences which limits their marks to the lower level.

In preparation for future series, learners should continue to focus on their understanding of key marketing terms and command verbs. Learners should be supported to develop their understanding of terms and their meanings and be able to interlink these. Learners should be exposed to opportunities to be able to explore qualitative and quantitative research as well as primary and secondary methods and applications to understand benefits and impacts on marketing. Learners should be given opportunities to apply their understanding of marketing concepts to differentiated contexts to enhance their ability to respond to higher level demand questions more effectively. Learners should focus on developing their ability to use scenario data and content to construct responses which support discussion, analysis and evaluation, and should be encouraged to expand on statements in order to offer more robust responses.

For the eight-mark questions, learners need to ensure that they read the question, introductory scenario and associated data clearly to allow for contextualisation of the question. Learners need to present a balanced argument when asked to discuss, evaluate or assess a given topic or theme. It is essential that they consider more than one side of an argument or viewpoint as this allows them to access higher levels within the extended response questions.

Please refer to the specification and/or sample assessment materials (SAMs) located on the BTEC First qualification webpage located [here](#).

## Individual Questions

### Section A

#### **Q01**

Many learners were able to accurately state two of the four 'Ps' of the marketing mix. Incorrect responses were predominantly linked to other terms beginning with 'P' such as public and power.

Some learners provided all four 'Ps' of the marketing mix, with more able learners providing the 'Ps' of the extended marketing mix.

#### **Q02**

Many learners were able to accurately state that a consumer is an 'end user' or 'user' of a product. Incorrect responses provided a meaning of customer and related to 'buying' or 'purchasing' a product.

#### **Q03**

This question performed well within the paper, with many learners providing two different reasons as to why a business would use marketing. Some learners identified two reasons but one of these was a repeat of the other or was too vague such as "helps make money".

Where no marks were awarded, learners provided answers which aligned to the purpose of researching the market rather than marketing.

#### **Q04**

Some learners were able to accurately state the meaning of 'niche market' and recognised that this is a 'specific' or 'unique' market aimed at 'specific' customers to achieve a mark. However, a number of learners simply stated it was a small market which was not sufficient to be awarded a mark.

Some learners provided examples of niche markets to enhance their response. However, when an example was provided without any further meaning no marks were awarded.

### Q05a

Many learners were able to state the meaning of the term USP accurately to achieve one mark. Some learners provided a detailed meaning, despite the question only requiring 'unique selling point' for the mark to be awarded. Where learners achieved no marks, they often aligned USP to delivery or logistics within business.

### Q05b

Many learners achieved either one or two marks from this question by providing accurate benefits of having a USP. Benefits were predominantly linked to 'demanding higher pricing' or 'increasing/attracting customers.

(b) Give **two** benefits to a business of having a 'USP'. (2)

1. You are able to sell your product at a higher price.

2. More customers will want to purchase the item.

(Total for Question 5 = 3 marks)

Where learners were not awarded marks, they provided ways in which a business could be unique, or stand out from other businesses, rather than providing benefits of having a unique selling point.

(b) Give **two** benefits to a business of having a 'USP'. (2)

1. ~~your~~ their selling price is different to their competitors

2.

(Total for Question 5 = 3 marks)

### Q06

Many learners were able to accurately identify one brand dimension being used by the given business from the stem provided. Inaccurate responses included 'flyers' and 'new services' both of which are detailed within the stem but are not brand dimensions.

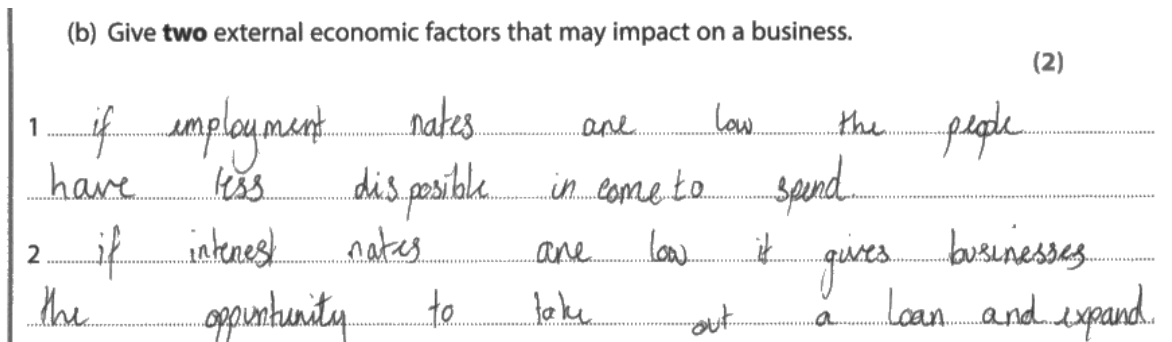
### Q07a

Most learners were able to accurately state threats as the 'T' in SWOT. Incorrect responses often related to other acronyms used within the specification and stated 'Timebound', 'Time' or 'Technology'.

### Q07b

For this question, the learner was required to give two external economic factors that may impact on a business. Many learners were unable to achieve any marks due to either making references to Brexit and Covid-19 which are situations rather than specific economic factors, or by stating actions that a business may take such as 'bankruptcy'.

Below is an example of a response which was awarded the full two marks. The learner has provided two external economic factors "employment rates" and "interest rates" for the two marks and extended these to offer further depth and justification which is not required but good practice.



### Q08

This was the first four-mark question in the paper and required learners to explain benefits of a business knowing the activities of its competitors. Most learners were aware of the benefits of knowing competitor activities, but found it challenging to offer further development in order to achieve all four available marks.

A number of learners did not fully understand the requirements of the question and instead discussed market research as a wider topic rather than specifically competitor activity. This was common amongst learners who scored no marks for their response to this question.

Many learners were able to provide two isolated benefits to a business of knowing its competitors activities to achieve two marks. Some learners attempted further development of one, but not both of the benefits provided and were awarded three marks.

In the example below, the learner has provided two separate benefits of knowing competitor activity; “see if your competitors are doing something you’re not” and “to see what other business in the same market price their product/service” for two marks to be awarded. The learner has however expanded their first benefit to state “so you can improve your brands activity if you are missing out on anything” which is an awardable extension. The response was awarded three marks.

**8 Explain two benefits of a business knowing the activities of its competitors.**

1 To see if your competitors are doing something you're not, so you can improve your brands activity if you are missing out on anything.

2 To see what other business in the same market price their product/service is + the quality

**(Total for Question 8 = 4 marks)**

Where learners were awarded all four marks, they were able to provide two differentiated benefits and expand on these to fully meet the ‘explain’ command verb. In the example below, the learner has identified two separate benefits; “able to differentiate themselves in a way to appeal to their target market” and “identify the prices that competitors are offering” and then expanded on these points to explain the impact; “possibly increasing market share” and “set yours [prices] higher or lower”. The response was awarded four marks.



8 Explain **two** benefits of a business knowing the activities of its competitors.

- 1 Firstly, a business knowing the activities of its competitors are then able to differentiate themselves in a way to appeal to their target market, possibly increasing market share.
- 2 You can identify the prices the competitors are offering. In doing so, you can then set yours higher or lower depending on the quality of your product/service. Instead, you can refer to a competitive pricing strategy.

(Total for Question 8 = 4 marks)

### Q09

This was the first extended writing question on the paper and performed a little worse than expected. Many learners did not fully understand the requirements of the question or the concept of primary research as an individual aspect of market research, and therefore struggled to achieve higher than level two. Most learners were able to offer some basic points and access level one with their responses. Very few learners were able to access level three within the responses due to the lack of balanced viewpoint and weak understanding of the concept and context of the question.

Where learners were unable to progress beyond level one it was evident that they did not fully understand the concept of primary research and the impact that it has on a business. Many learners who were awarded lower marks discussed methods of data collection and sources of research rather than the advantages and disadvantages and did not consider more than one viewpoint within their response. Some learners continue to present their work using bullet point lists or tables which limits the marks awarded.

Some learners were able to explore the advantages and disadvantages of primary research in detail, considering the impacts that this would have

on businesses. More able learners took their exploration further and applied their points to the business in question and made more evident links to context which allowed for the awarding of higher marks. Learners accessing higher levels progressed from discussing methods of collecting primary research and instead focussed on the impacts that conducting the research would have on the business in relation to its aims and objectives.

To achieve level one, learners had to identify a few key points, or describe one in some detail. The response could be in the form of a list or bullet points and only had to consider one viewpoint. To achieve level two, learners had to identify key points or describe key points across different viewpoints. The response could lack balance and did not have to fully relate to the business or scenario. To achieve the top level, learners had to consider and explain a series of key points which offered a consideration of all viewpoints. The response required balance and application to the context, scenario and business in question.

In this example, the learner has provided a detailed response which demonstrates a good understanding of primary research and its advantages and disadvantages to a business. The learner has provided two advantages and two disadvantages within their response which are accurately presented, although not fully developed in places due to repetition and reversing of the key points. The learner has attempted to make references and links to the business context, but this is not always clear or fully developed. The response is at the top of level two due to the limited development of balanced points within the response and unclear links to context. Further exploration of advantages and disadvantages with more evident links to the context would have allowed the work to access level three marks.

9 Discuss the **advantages** and **disadvantages** of primary research for Solis Garden Services.

(8)

Primary ~~is~~ research is data taken straight from the customers. so you know what it is, the customer wants. This can be done through interview, newspaper reports and surveys.

One advantage of Solis Garden Services using primary research is that they are able to find out exactly what it is the customers want or need. This will allow the business to be able to do that and please more customers. Also if people are seeing that the business are listening to the customers, then those people would want to come to the business aswell.

Another advantage of Solis Garden Services using primary research is that you can also find out what it is, that the customers dislike about the business. Is it the employees, product, price. Whatever it is, the business will be able to change that once they find out, what it is the customers are not happy about.

However there are disadvantages of Solis Garden Services using primary research. one disadvantage is that it could be time-consuming. If the business always has to find out about the customer wants and needs, then they would

never get time to have enough people in the shop to help around and provide for the customers. Then they would not be able to be successful and be ahead of their competitors

Another disadvantage of Solis Garden Services using primary research is that it might not be the right data because some people could lie or if they are in a rush, they might say something, but don't know what they are actually saying. This would not be good for the business as it would be false information and would affect the business in a negative way.

A second example provided below is awarded the bottom of level two. The response is written in short paragraphs providing two advantages and one disadvantage of primary research. The learner has provided points which are developed and are accurate but revisits 'identifying customers' needs and wants' in both advantage points raised and provides limited development of the singular disadvantage. The consideration of more than one viewpoint supports the progression into level two, but the limited depth in discussion points which are generic in part and greater emphasis on advantages as opposed to a balanced discussion limits the work to the bottom of level two.

9 Discuss the **advantages** and **disadvantages** of primary research for Solis Garden Services.

(8)

The advantages of primary research for Solis Garden Services is that they can take time to understand their customers' views and opinions by asking them to fill in surveys, questionnaires for their business. This way, Solis Garden Services can acknowledge their customers' needs and what its customers would want to see more in their business, helping them on what they should provide / sell in Solis Garden Services.

Another advantage, of primary research for Solis Garden services is that they could gain customer loyalty as doing their research on identifying it customers' needs, and providing what the customers would want, would make customers want to always stick / go to their business as it is meeting their needs. This way, it will help Solis Garden Services gain more revenue from the increasing bookings and help them grow the business from targeting the right audience.

However, the disadvantage of primary research for Solis Garden Services is that it is time-consuming. It could take time to try interact with customers to know their views and opinion like creating a focus group.



## Section B

### Q10a

Many learners were unable to accurately state the meaning of the term profitability, and instead provided a meaning of profit or related their response to income. Where learners were awarded marks, they provided a simple but accurate meaning of the term 'profitability' as *'the ability for a business to make profit'* or *'the potential of a business or product to make a profit'*.

### Q10b

Many learners were able to identify the correct type of market in relation to the case study business. Incorrect responses often identified the market as 'niche' which was awarded no marks. Other incorrect responses simply stated 'consumer' or 'customer' which did not provide a full and complete response to the question.

### Q10ci

Many learners were able to state measurable as the 'M' in SMART. Incorrect responses related to other marketing terms beginning with 'M' such as marketing, money or materials.

### Q10cii

Many learners were able to state realistic as the 'R' in SMART. Incorrect responses were other terms beginning with 'R' such as relevant, retailer or retention.

### Q11a

Many learners were unable to state 'product portfolio' as a correct term for a collection of products being offered by a business, and instead provided responses which linked to marketing, but not specifically to the question.

### Q11b

Many learners were able to state one of the two stages of the product life cycle that applied to the new range of products offered by the case study

business. Most learners did not recognise or state 'development' as the primary stage of the product life cycle which limited the awarding of marks. A proportion of learners applied the product life cycle to the business rather than the product range which resulted in no marks being awarded.

### **Q12a**

This question required learners to provide two benefits of using qualitative research. Many learners were unable to understand qualitative research and therefore provided responses which were generic benefits of research rather than specifically qualitative.

Where learners were awarded two marks, they provided clearly differentiated benefits which aligned specifically to qualitative research such as "gain customer opinions on products", "more flexible and affordable for a business and "lets them interact directly with customers to build relationships".

Where marks were not awarded, learners often provided methods of gathering qualitative research or provided generic responses which could apply to any form of research. "talking to customers", "focus groups" and "gives the business information" were common responses which scored no marks.

### **Q12b**

This was the second four-mark question in the paper and required learners to explain two reasons the business should carry out market research. Many learners achieved marks within this question, although many found it challenging to offer the expected developments in order to fully meet the 'explain' command verb and were unable to access higher marks.

Many learners were able to provide two isolated reasons for carrying out market research to achieve two marks. Common responses were "able to identify competitors", "identify target market", "find out what customers want" and "find out what price people will pay" all of which are valid reasons for carrying out market research. The majority of learners were however unable to expand on these responses to achieve more marks. The example

below was awarded two marks. The learner has provided two reasons for carrying out market research, but has not provided further expansion to fully satisfy the 'explain' command verb.

(b) Explain **two** reasons why *Hogan's Subs* should carry out market research. (4)

- 1 you get to know about the competitors and ~~also~~ understand what you are up against
- 2 you know ~~and~~ any gaps in the market

A minority of learners were able to provide two clear reasons for market research with detailed and accurate expansion to achieve all four marks. Such responses more commonly focussed on 'knowing customer needs' and 'knowing competitor activity'. The example below was awarded four marks. The learner has provided two separate benefits of carrying out market research; "to understand customer needs" and "to know competitors activity in order to be ahead of them" and then provided a detailed and accurate expansion for each of these reasons to fully meet the 'explain' command verb.

(b) Explain **two** reasons why *Hogan's Subs* should carry out market research. (4)

- 1 To understand customer needs. By understanding customer needs and wants the owners will provide what people are really looking and searching for. In this way they don't have to produce products that people will not buy. <sup>so less</sup> ~~loss of~~ <sup>profit</sup> ~~more~~
- 2 To know competitors activity in order to be ahead of them. By knowing competitors activity the owners can see and check how the pricing should be done and at the same time what are people looking and interested for.

(Total for Question 12 = 6 marks)



### Q13

This question required learners to explain two benefits of using social media as a method of promotion and was the third four-mark question and 'explain' question in the paper. Overall, the question performed similar to the other two 'explain' questions, with many learners being able to provide two isolated benefits of social media but finding it challenging to expand on these to achieve higher marks.

All of the learners were able to understand social media as a method of promotion, although not all were able to fully understand the requirements of the question and instead discussed promotion as a general activity rather than focussing on social media as a method. This was common amongst learners who scored no marks for their response to this question.

A large proportion of learners were able to provide either two isolated benefits of using social media as a method of promotion or one developed benefit for two marks. "social media is cheaper than other methods", "social media allows you to reach a wider audience" and "it is accessed 24/7" are common and accurate benefits provided by learners in response to the question.

In the example below, the learner has provided two separate benefits of using social media as a method of promotion; "lots of people use social media" and "cheaper than promoting by posters" for the two marks to be awarded. The learner has not provided any further development of the benefits and has therefore been unable to access any additional marks.

Hogan's Subs has been advised to use social media to promote the business.

13 Explain **two** benefits to a business of using social media as a method of promotion.

1 Lots of people use social media this will attract them.

2 Easy to promote and cheaper than promoting by posters...

Where learners were awarded all four marks, they were able to provide two differentiated benefits and expand on these fully to meet the 'explain' command verb. In the example below, the learner has identified two separate benefits of using social media as a method of promotion; "it is a cheaper option" and "reach a wider audience" and then expanded on these points to explain the impact; "therefore will allow the business to save money and increase revenue" and "gain interest of potential customers". The learner has also identified that features on social media allow for 'sharing' and that this can support growth in customers which is a further awardable benefit. The response was awarded the full four marks.

Hogan's Subs has been advised to use social media to promote the business.

13 Explain **two** benefits to a business of using social media as a method of promotion.

1 By using social media, it is a cheaper option of ~~more~~ the traditional way of advertising. This therefore will allow the business to save money and increase revenue.

2 Social media also have a range of features such as the re-tweet feature on Twitter or Share feature on Facebook. As a result, <sup>these</sup> ~~the~~ features will allow the business to reach a wide range of customers and a wider audience. It can also gain interest of potential customers.

(Total for Question 13 = 4 marks)

## Q14

This was the second extended writing question on the paper and performed well overall. Penetration pricing is an accessible concept for learners, with many learners being able to fully explain the purpose and intention of penetration pricing within a business's marketing and operations. Most learners were able to access level two within their responses, with some providing detailed responses which were awarded level three. A large number of learners left this question blank and were therefore not awarded any marks.

Where learners found the question challenging, they did not fully understand penetration pricing and instead related their response to pricing strategies in general or made recommendations about other pricing strategies which was not awardable. Some learners continue to present their work using bullet point lists and tables which limits the marks awarded, whereas others provided a one-sided argument which limits work to level one.

Some learners clearly demonstrated the ability to apply a business context to their response, forming links between the scenario, product offering and penetration pricing to provide detailed and thorough discussions of advantages and disadvantages. Learners who were awarded level three marks made consistently strong but balanced arguments for the use of penetration pricing aligned to the business context and scenario provided, supporting their arguments with marketing knowledge and terminology.

To achieve level one, learners had to identify a few key points, or describe one in some detail. The response could be in the form of a list or bullet points and only had to consider one viewpoint. To achieve level two, learners had to identify key points or describe key points across different viewpoints. The response could lack balance and did not have to fully relate to the business or scenario. To achieve the top level, learners had to consider and explain a series of key points which offered a

consideration of all viewpoints. The response required balance and application to the context, scenario and business in question.

In this example, the learner has provided an advantage and disadvantage of using penetration pricing. The points are accurately formed and make reference to common themes of 'gaining profit and customers' and 'low price means poor quality'. The detail provided within each of the points is however limited and links to the business context are not clear. The learner has however provided a balanced discussion within their response and is awarded bottom of level two. Further depth in the points made, with more attempt at making links to the scenario would have allowed the response to reach the top of level two.

14 Discuss the **advantages** and **disadvantages** of Hogan's Subs using a penetration pricing strategy.

(8)

The penetration pricing strategy is when a product or service starts at a low price and then it rises.

(Since) As ~~what~~ the customer wants low-price products, they can find it ~~interesting~~ more interesting, also because it offers good quality and quick service. If the sales start to increase, the business ~~can~~ will gain more profit. This is an advantage that can help grow the business.

(A)

A disadvantage can be that ~~if~~ because of the low-price product, ~~customer~~ customer may find it poor quality and may not buy it. Therefore, it leads to gaining less profit than anticipated.

In my opinion, I would use penetration pricing strategy for various reasons. One of them would be the budget, if ~~you~~ the business uses the skimming strategy they

might lose more money and gain less profit. Also if the business is located in a good area, people might find it convenient and would (by) buy the products, increasing the profitability of the business.

In this example, the learner has provided a detailed response which includes a number of well-developed points which are relevant to the business and scenario provided. The learner has provided a balanced response which includes advantages and disadvantages of using penetration pricing with repetitive links to the business and the objectives outlined within the stem provided. The learner has considered the wider implications of the pricing strategy and its influence on both the customer and the business which secures level three marks. The response is well structured and provides a coherent discussion which is clearly linked to the situation in question. This example was awarded top level 3.



14 Discuss the **advantages** and **disadvantages** of *Hogan's Subs* using a penetration pricing strategy.

(8)

Penetration pricing strategy consists of starting the business' products and/or services with low prices. Once they gain enough market share, they increase prices.

Customers might be attracted to Hogan's Subs business because of how considerably low they are compared to other shops/businesses. This may result to an increase in customers, which is their main goal.

A disadvantage may be that once they achieve the amount of clients they were looking for and so increase prices, it could potentially harm their relationship with their customers and so, customers could furiously stop buying that certain product, or even stop buying from the business as a whole. This could lead to negative comments and views towards the company which could harm the brand and company reputation. Once again this can result in a decrease of customers, which leads to less income, and lastly bankruptcy.

It could destroy the whole image of the company forever, and will be extremely hard to gain their

trust again.

Another advantage of using price penetration is that if the service / products are well made, customers will begin to stick with that same business even if the prices do increase overtime. Which in fact, could result in obtaining much more profit than losses, and so they could start worrying about other factors in the business that may need a change. E.g. The packaging, the actual shop may need some renovation. This could attract more pass-bysers and get more customers, because at the end of the day everyone wants to be able to afford "luxurious" looking necessities. If the shop looks brand new, clean and spacious, while having low prices, everybody will want to buy from there.

This sandwich shop is technically for people that had no time to prepare their lunch / dinner at home, and are usually in a rush which prevents them to analyse the cost of the product, so whenever the owners of Hogan's Subs sandwich shop decide to increase prices, customers may not even notice and continue to buy from there.



## Summary

Based on the performance of learners during this series, centres should consider the following when preparing learner for future exam series:

- 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.
- Learners should have studied a range of different ways of researching the market and how such research is used within businesses.
- Learners should ensure that they read the question and the scenario provided in order to answer the question that has been set by the examiner, not other questions which do not relate or allow for marks to be awarded.
- To access higher marks, learners should be able to recall, apply and then expand on a variety of marketing concepts from across the specification when responding to scenario-based questions and extended writing questions.
- Where learners are required to explain, learners need to make a point that addresses the question and then develop the response to explain the point or state why the point is important or how it could impact the business.
- When responding to eight mark extended writing questions, learners need to use the scenario and stimulus material provided together with the question in order to understand context. This context should then be used within the answer if learners aim to gain higher marks.
- Learners should understand that when responding to eight mark extended writing questions, they should consider and discuss both sides of the argument. To achieve the highest marks, responses should offer a balance and should consider all viewpoints available.

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