

## **OCR A291 Controlled Assessment- 2010**

### **Peter D- Commentary**

#### **General comments**

This is a well balanced controlled assessment with consistent performance throughout. There is evidence of good understanding, application and analysis though at times the marks are restricted by a lack of depth in the knowledge base, and the application of the detail within the context provided.

#### **Investigation 1**

The knowledge and understanding of where Heather should target a jewellery business is generally good. Basic items such as present population and projected increases are not forgotten, and there is good understanding of the importance of other data such as average income and socio economic groups.

Application of the data is at times good, with recognition that Heather is selling *budget* jewellery, and so might be more interested in socio economic groups C to E. The data on population increase is also used well.

The end of this investigation is at times confusing, with no clear case being made out for either town, though it would seem that Tonbury is favoured rather more.

Rather more could have been made of the data as a whole and the general picture given of each location. Dyton the larger, more affluent town (though growing at a slower rate) and Tonbury with higher numbers of lower socio economic groupings within its population, which is reflected in the earnings figures. This should have been brought together and then applied to the detail of Heather's situation i.e. a young business person setting up her first, small business, making budget jewellery aimed at the teenage market.

#### **Investigation 2**

There is much good work in this investigation, though at times the organisation could have been a little clearer.

It may have been more helpful to start with the knowledge base – the pros and cons of each type of distribution system, then apply this knowledge to Heather's situation before going on to the primary research which will be used to gain analysis and evaluation marks in A03.

The advantages and disadvantages of each method of distribution are well understood. Relative costs could have been investigated in the planning phase, and the advantage of trying goods on should have been developed more. Otherwise coverage is good.

Application of knowledge is rather mixed. The problem of payment for Internet goods for teenagers is well explained, though the advantage for Internet in low postage costs for jewellery is ignored. Heather is young and wanting to open a new, small business. With the clear cost implications (especially with *budget* jewellery) more could have been made of the importance of this element within the investigation.

Some useful data has been collected which gives direction to analysis and evaluation. The analysis is generally good, though rather more could have been made of the analysis when

a final recommendation is made. Selling from a shop is the favoured option – a reminder of the percentage of those interviewed who bought jewellery in shops would have been useful here, along with the figures on market jewellery and payment systems used by teenagers. Whilst this supports a shop, Heather's situation (young, new small business etc.) should then have been applied to see whether or not it was really feasible to sell in this way. Internet selling could have been developed by using social networking sites such as Facebook as a cheap introduction to being in business. This could also be used to run alongside a market stall where friends and their friends may well be more comfortable if they know the person selling from that particular stall.

### Investigation 3

Knowledge and understanding of promotion techniques is good, with both advertising and sales promotions being covered. Some knowledge/research of relative costs would again have helped the work, which moves the work away from the general comments such as 'costs thousands' and 'is cheap'.

Application is again rather varied, with the detail of Heather's situation being missing in certain areas. Candidates may well dismiss much advertising for a small, new business, providing evidence as to why it is inappropriate. The candidate rightly sees that television is a no go area, along with national newspapers. Magazines are seen as a possibility and dismissed because they only come out monthly, rather than being ignored simply on costs (again, figures would help drive the point home). The choice of billboards does not sit comfortably with a new small business such as Heather's selling budget jewellery.

Application of sales promotions could have contained more specific, jewellery related examples, such as what *could* have been given as a free gift if say £20 had been spent? What items of jewellery would have been most appropriate for a 2 for 1 offer? Could competitions have been used, are money off vouchers for next purchase appropriate, if so, what value should they be for Heather's situation? All this should be related, in the first instance, to Heather *starting* her business.

Individual primary research is not as strong as in Investigation 2, which detracts from the analysis and evaluation marks in AO3. The final conclusions should be supported by figures from the earlier data analysis, and fit the context of the scenario.

No work has been completed on how the promotional strategy should change over time, which impacts upon the AO2 and AO3 marks. Though this is the final part of the assessment, it should be carefully planned into the overall write up of the work as a whole.

### Peter D- Marking

	AO1	AO2	AO3	Total
Investigation 1	3	3	1	7
Investigation 2	6	6	4	16
Investigation 3	5	5	3	13

This gives a total of 36 marks, placing the candidate just into a notional grade C.

M36

**Business Studies**

**A291 Marketing and Enterprise  
 Unit Recording Sheet**

Centre number

Series and year

Centre name

Candidate name  Candidate number

Please fill out the mark awarded against each assessment objective for each investigation and comment on why the mark has been awarded.

Investigation 1	Max Mark	Mark Awarded
AO1 Product linked to target group	4	3
AO2 Apple's knowledge.	4	3
AO3 Reasoned judgement	2	2
Investigation 2		
AO1 breadth of knowledge good	8	5
AO2 Research there - not always relevant.	10	5
AO3 Attempts to reason	7	4
Investigation 3		
AO1 covers main issues	8	4
AO2 applied knowledge to some relevant research.	10	5
AO3 evaluated evidence / recommend	7	4
<b>Overall Mark (max 60)</b>		<b>35</b>

Additional comments:

## Controlled Assessment B-Investigation 1

Heather should locate her business in Tonbury as it has many advantages to the town that Dyton doesn't have. Tonbury is a better location as there are a higher percentage of overall workers in the socio-economic groups of C1, C2, D and E because Heather's budget jewellery would be bought from these groups as they can't afford to buy a lot of expensive jewellery. In Tonbury, its 8% greater in group C2, 4% greater in group D and 1% greater in group E compared to Dyton. But in Dyton there group C1 is 3% greater than Tonbury, but that shouldn't affect the income, as there are greater percentages in group C2, D and E in Tonbury. These are the main target groups as the jewellery that Heather wants to sell is budget jewellery, which would be them targeting to buy the budget jewellery. ✓ A01

Tonbury have 29500 less people populated overall there to the amount that Dyton has populated in 2009. But positioning in Tonbury does come at an advantage, because it is predicted that there is going to be a 9000 population increase of the overall amount of population in Tonbury compared to Dyton in 2012 that are predicted only a 3000 population increase. Also currently in 2009, the amount of teenagers populated in Tonbury are 3000 less than Dyton, but the projected number for in 2012 of teenagers comes at a larger increase of 1500 more to the amount of increase in Dyton's population of teenagers. There is also an predicted increase in the age group below teenagers for 2012 which is a higher increase of 500 people, meaning there will be more aged 0-11 coming up in the later years. ✓ A02

The average income per worker in Tonbury is £24,000 that is less than Dyton's average income per worker of £28,000. This is £4000 less than Dyton, but this doesn't entirely matter too much as teenagers won't be having this income, even if they have a job. It will only rely on what money they can earn at home or being gifted money at celebrations. Heather would not have to worry over this too much.

The number of jewellery shops based in Tonbury comes at an advantage, as there would less competition there to Dyton, as Tonbury have 4 less jewellery shops based there in the town. So there are not as many choices of jewellery shops, so there is more of a chance that people will shop at Heather's shop, if she was to locate there. Although in Dyton there is one extra day of the week to shop in the market than Tonbury, if Heather was to have her jewellery on the market that is made by herself, it would give her more time to restock up on jewellery for time making them. Also, Tonbury has 12000 less shoppers in the town on the market days than Dyton on average, but this wouldn't mean a lot although the large difference between each town. This is as it tells of only shoppers and heather is aiming at selling to teenagers, so there might not be as much of a difference in the amount of number of shoppers. But if she cannot find out, then she should take time to do some research, by either handing out limited amount of surveys, by the internet or the cheapest of them all by people spreading the information about it opening. A02 A03

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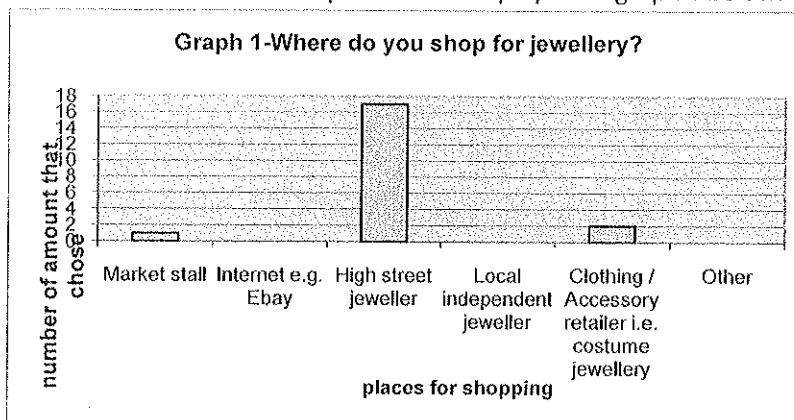
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## Controlled Assessment B- Investigation 2

Heather has to choose how she is going to sell her jewellery and what distributing method she should use. I think Heather's distribution method should be Distribution method one as she is the producer of the products and is set on selling them for herself by her own plans. This means she will sell them straight to the retailer onto the consumers. This is the best distribution method for Heather as she is setting up a small business which this method is most suitable for. This is the best choice as she is making money for herself that could then cover for other needs and make a greater profit rather than gaining less money from using a different distribution method, which is working with other businesses. Then through time she would be able to possibly expand her business.

A01

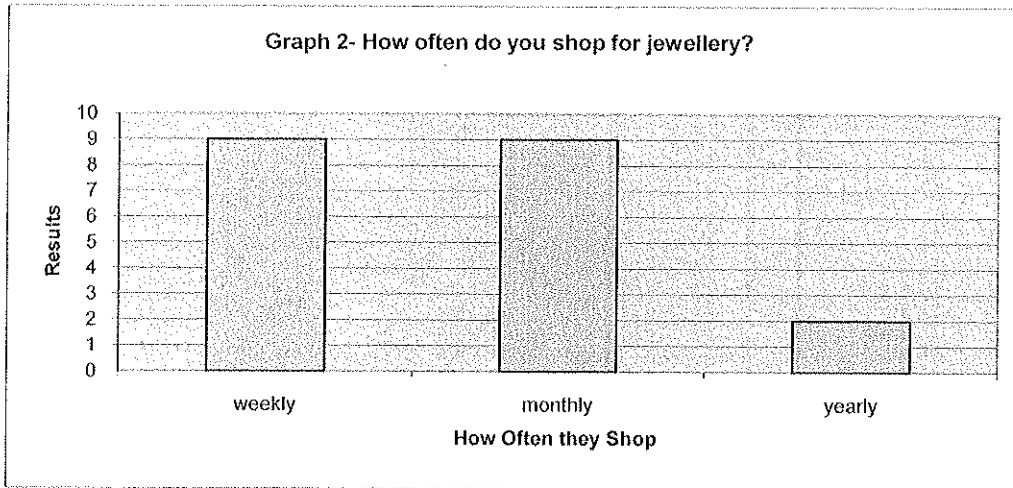
To find out more results on where to locate a jewellery shop business I made a questionnaire on jewellery and asked twenty teenagers in the age ranged 15-25 to fill in their answers to the questions. From my market research results I found out many answers such as the preferred location for a jewellery business. From this question I found that teenagers in the age range 15-25 mainly prefer to shop at a high street jeweller and a few like to shop on the market and at clothing and accessory retailer such as costume jewellery. I found from this question that none of the twenty girls I asked preferred to shop on the internet or at a local independent jeweller. The results I found from the research of this question are displayed on graph 1 below.



A02

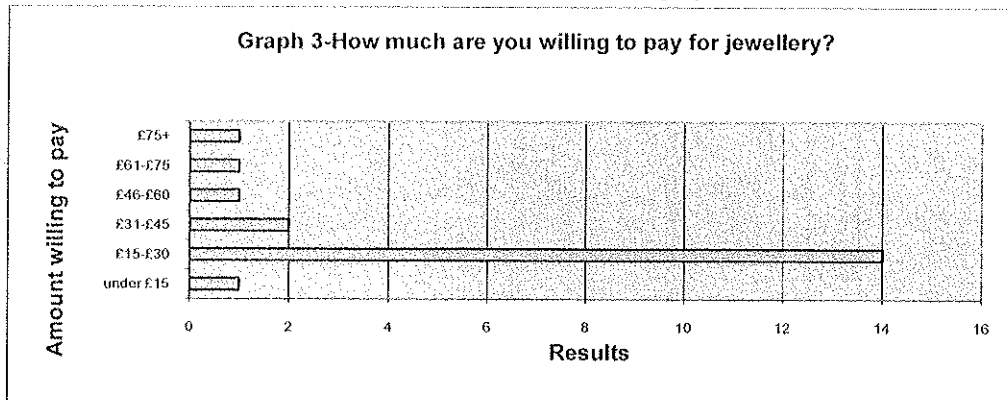
I also asked many more questions such as how often do you shop for jewellery, and from this question I was given the results of those teenagers results of that they more often shop for jewellery either weekly or monthly compared to shopping yearly. So this would tell Heather that the target group would shop more often weekly and monthly, meaning she would be seeing sales to happen a

lot of the time. This is shown on graph 2 below.



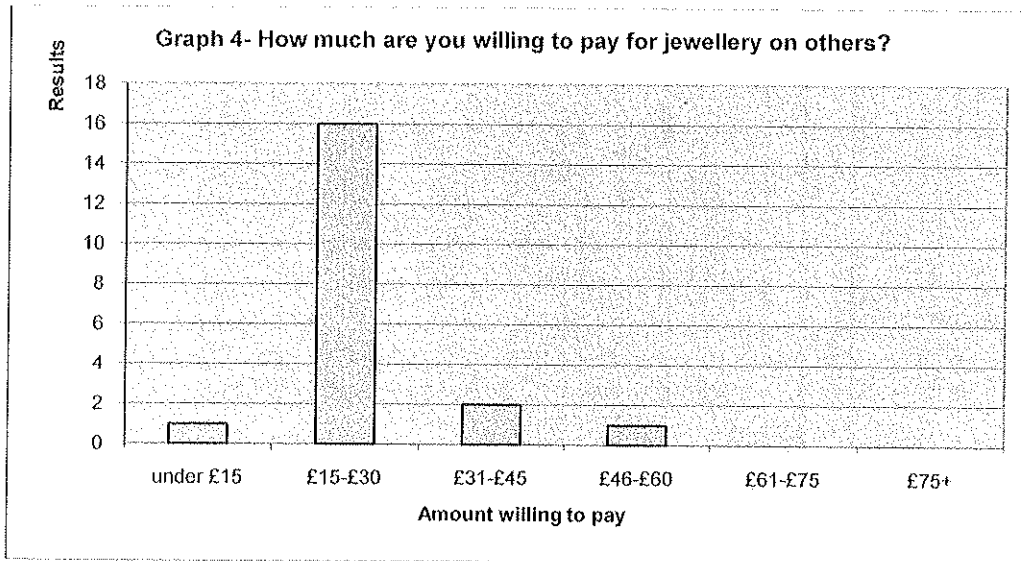
I also asked the question on how much they were willing to spend on jewellery for themselves and then on others. I found that from the teenager's results there are wide ranges of amount on how much there willing to spend on themselves. It shows that 70% of the results from the teenagers spend £15-£30 on themselves and 10% of them spend £31-£45 on themselves. Then between the other 4 teenager's answers, they were spread through the other ranges of the amount their willing to spend. So there was one each on under £15, on £46-£60, on £61-£75 and one other one on £75+. This shows and would help Heather know what the best price range should be for selling to teenagers. The amount their willing to spend is shown on graph 3 below.

*all points*

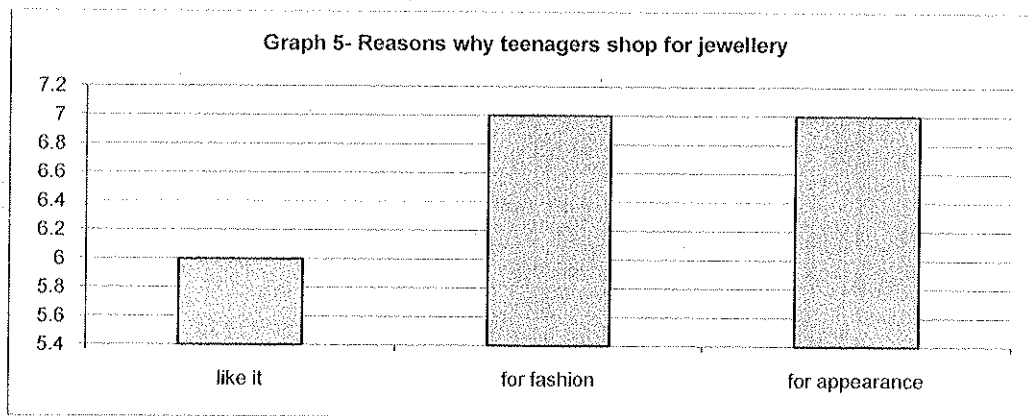


The amount their willing to spend on others in the results show that 80% of them chooses to spend £15-£30 on them, 10% of them chooses to spend £31-£45 on others and the other teenagers split between one willing to spend under £15 and the other is willing to spend £46-£60 on others. This provides information for Heather on how much to price her jewellery at even more as more information is provided. The amount that the teenagers are willing to spend on others is shown on graph 4 below.

*A02*



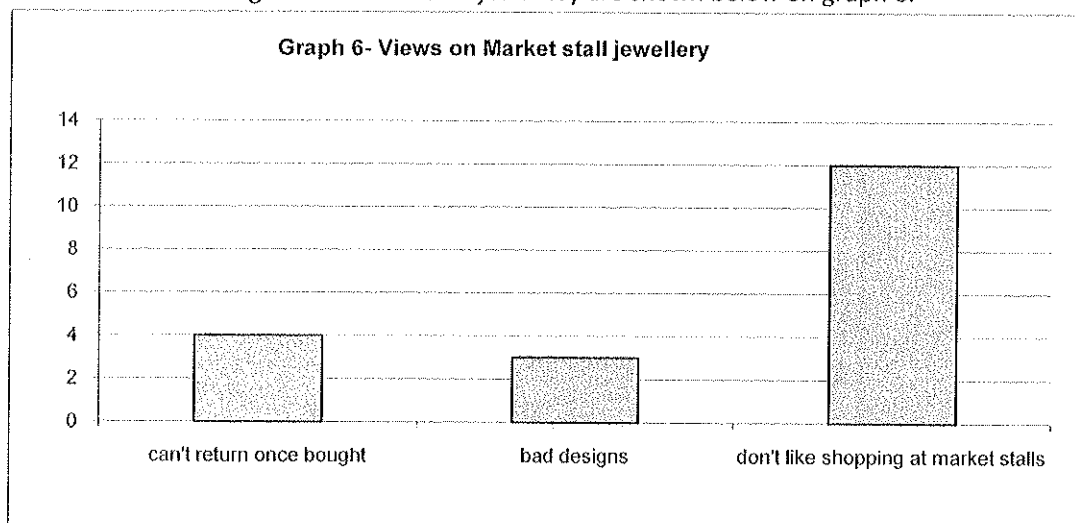
I also asked the teenagers that I surveyed for the reasons why they shop for jewellery. The results had shown that 6 teenagers just buy jewellery for the reason that they like to. Then 7 other teenagers buy it for fashion and the other 7 teenagers had shown that they buy jewellery for their own appearance. This can supply Heather with information that the jewellery will have to look very appealing and would have to be fashionable to entice teenage customers to purchase her jewellery. The reasons for why teenagers shop for jewellery are shown on graph 5 below.



I found out from my survey that a lot of teenagers prefer to shop at a high street jeweller and some for costume jewellery. I had them share their reasons for why they choose not to shop for jewellery at market stalls. One reason why they choose not to shop at market stalls was that they're bad designs for jewellery, which 3 had chosen. 4 other teenagers choose not to, for the reason that once they have bought an item of jewellery from a market stall, if they have a problem with the item then they can't return it. Then 12 of the teenagers had the reason that they don't like shopping at market stalls. So this can help Heather in deciding how she wants to control her business, as from the results of the survey may alter Heather's possible idea on selling her jewellery from a market stall. The



views from the teenagers on market stall jewellery are shown below on graph 6.



A02

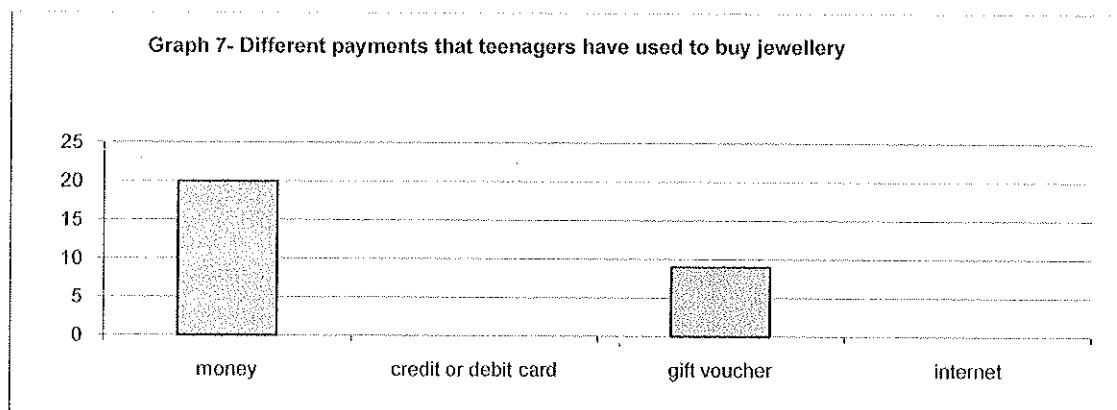
I also surveyed a jewellery shop called F-Hinds jewellery shop asking for information on the income of girls shopping there. I asked the questions 'how often do they shop?', 'how much do they roughly spend?' and 'what items of jewellery are most commonly bought by them?'. The shop owner told me the answers of that the time they often shop varies week to week. This helps Heather understand how often to expect to see teenagers shopping for jewellery. The owner also told me that they roughly spend about £15-£30 on jewellery and that the most commonly bought jewellery is fashion jewellery mainly in bracelets. This provides the information to Heather about the rough amount to probably charge her jewellery at and what type of jewellery to design and appear for attracting girls to come buy. This helps provide information towards having to work from a jewellery shop.

To find a certain location for Heather has to be the best location for selling jewellery that she can profit from. So she has to think about the other terms to selecting where she wants to locate selling her jewellery either on the internet, on a market stall or from a shop.

If she was to locate her jewellery business into selling from shop, then she would have some great advantages. If she was selling from a shop, she would have plenty of room for displaying her jewellery that can be set up nicely, so that it would attract customers to come buy her jewellery. There is storage to keep other jewellery or other items for the shop to be kept, so it doesn't make the shop look an untidy place to shop. With a shop, Heather would be able to pass trade to trade with other businesses to have more items to sell. She also would have a shop front window, which where she could put banners for deals on items or have it designed to attract customers to come in and shop there. But with a shop, Heather would have to pay rent that could come at a high price depending on the location, and the higher the price of rent would most likely mean the better location for attracting customers. So it could have a big deal in the profits on where Heather could locate to make the best profit from. Although this is a disadvantage, from the survey I made I found out that more girls ranged 15-25 years old preferred to shop at a shop rather than the internet and from market stall. These age groups are the targeted age group for buying the jewellery from Heather.

If Heather chose to sell her jewellery on the internet she would have advantages and disadvantages. The advantages of the internet are that she could work from home and store her jewellery there. She could also choose to sell from a shop but online on the internet as well as she could use the storage at a shop for jewellery and packaging to post the jewellery away to the people who order. She could also on her website design the home page and link pages for a good appearance for selling her jewellery attract customers to shop from website again. Another advantage to selling on the internet is that it can be open 24 hours a week that customers can buy from whenever they want. But with selling jewellery on the internet does come at a disadvantage, as Heather would need to first make the website that could come as a problem if she doesn't know how to make one. The website choice could also not be recognised by very many people, which could cause a problem with profiting. So to get people to know about the website she would have to maybe send out leaflets for people to hear about the website, which would cost money that could be a total waste, as people might not even visit the website anyway. With selling on the internet, choices of buying methods are limited to customers for using credit and debit cards mainly. This can be a problem as well since the target group for customers are aimed at teenagers and most teenagers mostly do not hold their own credit or debit card, so payment methods may have to be varied if chosen to sell on the internet to being able to pay by money, which would fit teenagers better. Also selling on the internet is a problem as girls like to try jewellery on, which girls can't if buying from a website, which means they could only rely on the image provided and the description given for it to have customers to purchase from the website. This is harder to bring in the money by relying for orders on a website to come through, but the advantage is that it is a cheap and cheerful source of bringing money in. So this method would be best for selling along from a shop or a market stall.

I also surveyed about the different types of payments that teenagers use. All of the teenagers had answered that they have used money to go buy jewellery and 9 of the teenagers had also answered that they have bought jewellery with a gift voucher. But none of the teenagers have from the results of the survey have used credit or debit card or the internet for a payment method for jewellery. These results are shown below on graph 7. This information can help Heather in understanding that gift vouchers could be an optional idea and that she is most probably going to be paid by money for her jewellery and she should expect that there won't be a lot of payment by credit or debit card. Heather must also think about if selling her jewellery on the internet is a good idea.



*Handwritten note: 10/2*

If Heather was to choose to locate her jewellery business to selling on the market there are advantages and disadvantages. The advantage for selling on a market stall is that there isn't often a

lot of competition. The disadvantages to selling on a market stall are that the market is open only twice a week in Dyton, if she was to locate there, so she is only limited to selling on certain days and not open all week like some shops can be. With selling on a market stall means that there is no storage for keeping and leaving the products there, which means she would have to pack away her products every time at the end of the day on the market. She would also to get a stall there; she would have to pay some money, but probably not a lot to have her own stall. This can be a problem though as she would have to keep coming all the time otherwise she could lose her stalls place and would have to wait until a new stall became free. With selling on a market stall also has problems if the weather turns bad, which could end the day for the market to protect the products from being wrecked or customers might not shop in the market, but in shops where there is shelter which a market stall doesn't have. From a market stall to sell from probably isn't the best idea, as it means a lot of work for selling jewellery at to keep taken down at the end of the day and not being open for at least most of the week? This probably isn't the best idea for Heather to sell her jewellery from.

So for Heather to sell her jewellery business, it should be located at a shop in the town as this would be the best way for selling and profiting from, but it would also be a good idea to sell from the internet, as it would be backed up by the profits of selling from a shop, but can also make some little profits from it. The best distribution method for Heather is the method 1, as she is a business by herself and would be providing the products by herself and then selling them on her own.

Scott Walker

### Controlled Assessment B-Investigation 3

Once Heather has decided where to locate her business, she needs to promote her business to the target customers. For Heather to let her target market know about her jewellery business, she needs to advertise in the best option for her to choose. The different methods of promotion all have the right needs that would help Heather in promoting her business, but they are not all appropriate for her. She also needs to find a good way on advertising her business. This is as Heather has a short budget to use to advertise with starting a business. Since she is starting up the business, she has only one location so far, so she will be aiming her advertising towards the local area of Tonbury, if she locates her business there. Heather will be looking as well for a quick option for advertising, to get her business started. So Heather is looking for a quick, cheap and local area based advertisement for her jewellery business.

For Heather to start her business, she should use some above the line techniques of using advertisements to attract customers to her business. The advertising for Heather's business on billboards and posters are probably the best option for Heather to use, as it is a quick starting scheme that is cheap to do, it can involve little information for where to go, it has a large visual image that can have colour and it would be based locally. But this does have its little problems of having no real control of the people seeing the advertisement and the message has to be limited for people to be able to read it as there passing by driving. This advertising technique is probably the most suited choice for Heather, although for the disadvantages, but she could possibly also use another technique for more advertisement of her business. The other choice that could help her business would be by advertising on a local radio station if Tonbury was to have one. This is a good way for letting the local people know about Heather's jewellery business, as the radio is good at targeting different ranges of people through it. It also works out cheaper than a television advert, which can cost thousands for a 30-second showing, and with a radio it can be taken anywhere, so it could be heard when people listen in when moving about. But the problem with the radio is that it doesn't have an audience as wide as the television does. So there may not be a lot of people that would listen to the advertisement. So the best option for choosing to use this advertisement is maybe if her business became successful and she was to spread out her business around the country, so there are more people to listen to the advertisement. But the advert should be changed to a regional radio station that would cover the areas of her business locations.

Aol

Heather could also choose to use other advertising medias, such as the television. This is great for advertising as it covers a large audience and uses colours and moving images. It can also be targeted at particular consumers by placing the advertisement of jewellery, in Heather's case, at a break of a jewellery channel. But this advertising media isn't appropriate for Heather, as it is targeting a wide audience of people, which she only wants to target local people or visitors and it costs thousands of pounds for a short viewing advert, so this is an irrelevant technique for Heather to use.

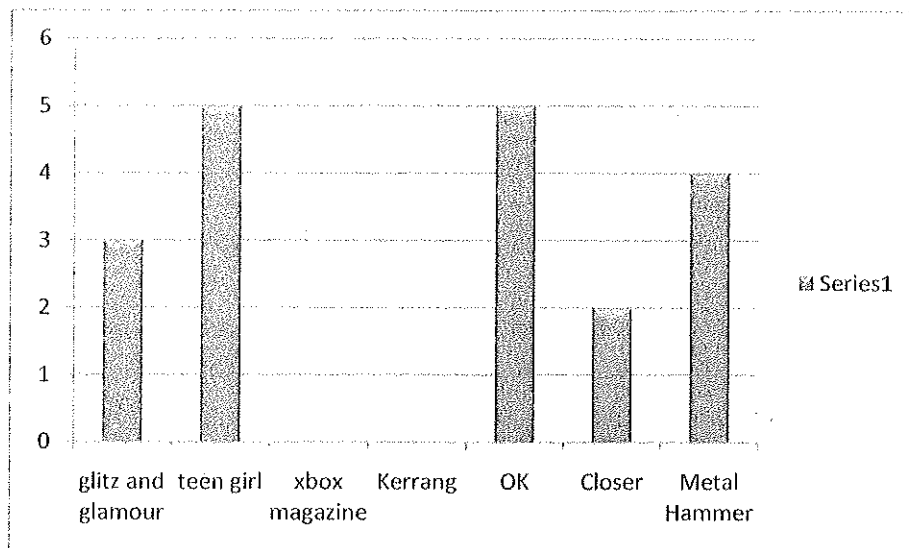
With advertising at the cinema, people take more attention at the advertisements as they have paid for the experience. The adverts at the cinema can be targeted at the audience and the advertisements not allowed on the television may be shown there. Although these advantages are good, the number of people that visit the cinema is increasing, but the audience remains small compared to television. This advertising technique wouldn't be the best method for Heather as this

doesn't range at a specific range of people but a wide range through to lots of cinemas, which would be expensive for the action to take place that Heather wouldn't have the money for. So this technique wouldn't be of very good use.

Newspapers are another good method of advertising, as it is good at targeting customers by using a range of different newspapers. It also can have colour that can add to the visual effect of the adverts and there is a choice of local, regional and national newspapers to choose to pay for putting an advert into it. But the problems for Heather to advertise her business opening and to draw people to her business are that it does cost a lot of money for an advert to be placed into the newspapers. It also comes as a problem for Heather with advertising in the newspapers as teenagers are most likely not found reading a newspaper, but most likely to be reading a magazine. So the advantages for advertising in a magazine are that there is a range of magazines to choose to advertise in, so in Heathers case she would be looking to place an advertisement into a teen magazine. With advertising in a magazine there are high quality colour images that are made to make something that is being advertised look attractive. But the problems for advertising in a magazine are that a certain magazine may only come out once a month and some magazines have few readers, so if Heather was advertise with this method she would have to select carefully on what magazine she wants to advertise in to have customers. So this technique wouldn't be a good idea for Heather to use at the early stage of starting her business, but if she starts to profit from her business and expands on her business then a magazine advertisement might be a good technique use.

A01

But from research that I have done to find out how popularly jewellery advertisements are in magazines came to the results shown on the graph below. This shows that more jewellery advertisements are found in girl teenage magazines and less in boy teenage magazines.

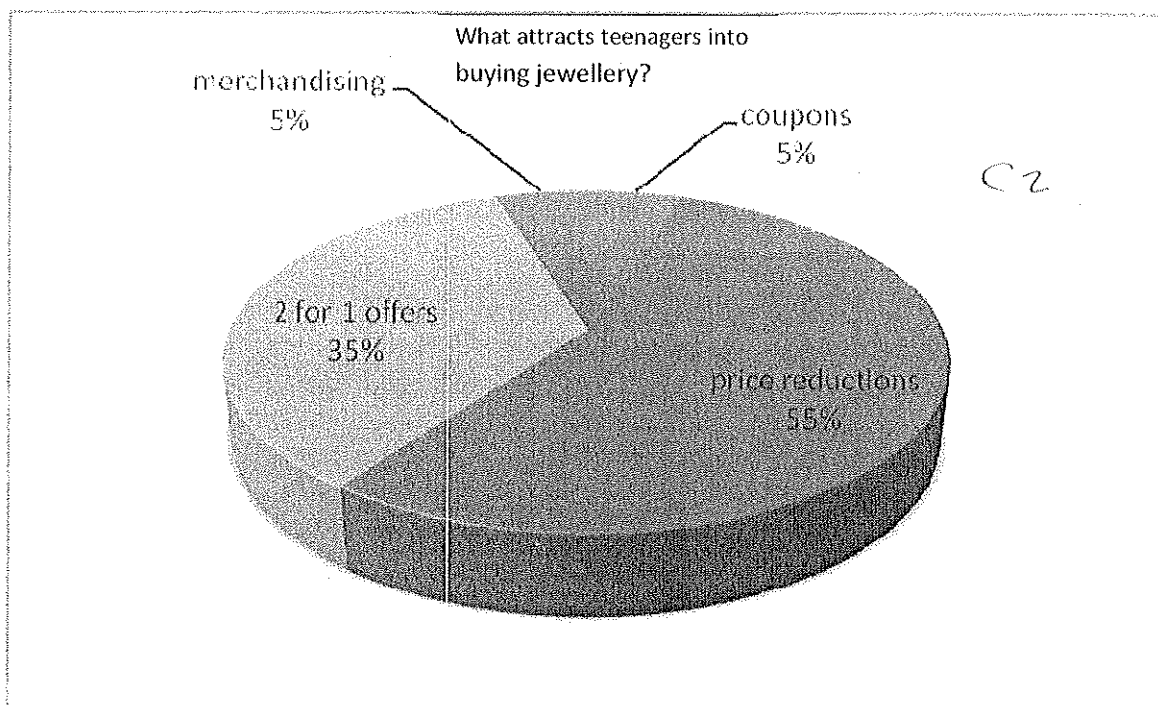


A02

For Heather to draw customers to her business to get it going, she should use some below the line techniques that are sales promotions. In Heathers business she has a good range of methods of sales promotions to choose from. She could start her business off; by giving out coupons for customers to come get money off Heathers jewellery. This is a good way to attract customers to her jewellery

business by been given a free cut off amount on some jewellery. She could also use price reductions on her jewellery. This method would probably be a better idea to use once she has got going into her business to keep customers appealed to her business. She has another option of choosing to promote by selling her jewellery by 2 for 1 offer. This is another good technique as shoppers are always appealed to offers that attract to them and will keep them interested in Heather's jewellery business. The other sales promotion technique is merchandising, which is the positioning of the products, so jewellery in Heather's case. This will be important to promotion of Heather's business, as customers will be looking at Heathers jewelleries visual, so they must stand out and appeal to customers otherwise Heather will find that she won't be having many purchases. All these promotion methods can and should be used in Heather's business, but not all at once. She should occasionally have the offer promotions used on holidays or when sales are down one month, but she must work out and make sure by having these promotions she will still be profiting and not losing money. Then the same again for the coupons, she should realise some ever so often. But as for merchandising she should be changing the layout of the jewellery to keep customers interested and discovering new and different jewellery while shopping. This is as customers don't always come across all the items that are being sold.

For information on what teenagers are attracted to a jewellery shop or business was found out when I made a survey asking twenty different teenagers about what attracts them to buying. The results that I collected are shown in the graph below.



On the graph it shows that the teenagers that answered this question, shows that 55% of them are attracted to buying jewellery by price reductions and 35% are attracted to 2 for 1 offer. This helps Heather to understand what teenagers are best attracted and what might be the more successful for attracting customers. Then 5% are attracted to the merchandising of the jewellery and that another 5% are attracted to coupons on jewellery. It had appeared that a competition, bonus packs and sample packs were sales promotions that were not even voted as sample packs and bonus packs

can't really been given out with jewellery, and competition wasn't chosen at all. This information can help Heather into knowing what teenagers are interested by into buying jewellery and tells her that she will probably need to put price reductions and 2 for 1 offer up on her jewellery to keep the attraction of teenagers to come and purchase often. Although merchandising and coupons had very few votes, this does not mean that Heather should not merchandise, because that is still very important and the teenagers that voted may not realise about this that much. Also with coupons, it still attracts customers, so if this sales promotion technique does go down very well, then this can tell Heather that she doesn't need to bother giving coupons out as much.

So to summarise, Heather should advertise by billboards and posters for starting her business off and for sales promotion, she should target at using price reductions and 2 for 1 offers on jewellery often to keep customers coming to buy from her.

A01 4

A02 5

A03 4

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