

Level 3 Technical Level

BUSINESS: MARKETING

Y/506/6086

Unit 2 Marketing Principles

Mark scheme January 2018

Version: 1.0 Final



Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aga.org.uk

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Question	Guidance	Mark
1	С	1
2	D	1
3	A	1
4	A	1
5	A	1
6	В	1
7	A	1
8	D	1
9	Explain how a café providing table service could secure customer retention. 1 mark for knowledge and understanding of customer retention. 1 mark for a valid way in which customer retention could be demonstrated at the café. 1 mark for a valid reason eg providing customer loyalty schemes. Customer retention refers to the actions and activities businesses take to reduce customer defections (1 mark), so the goal is to retain as many customers as possible by waiters/ waitresses providing excellent service and loyalty schemes for regular customers (1 mark). Loyalty scheme and good at table service would encourage customers (1 mark).	3

Question	Guidance	Mark
10	Explain one problem of a business using secondary market research. 1 mark for knowledge and understanding of secondary market research. 1 mark for a valid way in which it could be a problematic for a business to use secondary market research. 1 mark for a valid reason eg by this being out of date/ not providing them with relevant information/cost. Secondary market research is research that has already been collected for a different purpose (1 mark), meaning that other businesses/people have already collected this. (1 mark). This could be problematic as the information they gather	3
	may not be relevant to them/may be out of date/unreliable/costly to purchase (1 mark).	

11 Use the information above to analyse how Daniel's emotional needs are met by purchasing Teapigs products.

Level	Descriptor	
3	Uses the information to analyse how Daniel's emotional needs are being met.	6–5
2	Explains the relevance of the information to Daniel.	4–3
1	Demonstrates generic understanding of emotional needs/ customer needs.	2–1

Possible responses include

6

Knowledge level 1 – A need is a customer's desire for the product for a specific benefit. Emotional needs are the emotions that are created to drive our decision making.

Application level 2 – In this case Daniel's need is for tea as this is something that he likes to drink, however he also has emotional needs for this to be a tea where the growers have been fairly treated. Teapigs meet his emotional needs as it provides tea which has been grown fairly.

Analysis level 3 – This will then mean that Daniel will be happy to purchase Teapigs tea as his emotional needs are being met as a result of the company producing tea in a fair manner and by looking after young people in the local community where the tea is produced.

12 Use the information above to analyse the validity of the data for the business.

Level	Descriptor	Marks
3	Uses the information to analyse the validity of the data for the business.	6–5
2	Explains the relevance of the information to the concept of validity.	4–3
1	Demonstrates generic understanding of validity when collecting data.	2–1

Possible responses include:

Knowledge level 1 – Validity refers to whether research finds out what it set out to research. It's concerned with how accurate the research is and whether the sample is representative.

Application level 2 – In this case the research isn't really setting out to find the opinions of the target market as the age group being sampled isn't representative of college and university students. The sample size is very small, in addition closed questions will not actually find out the opinions of the sample but merely numerical data.

Analysis level 3 –. This could then mean that the research doesn't end up being valid or of any use to the business as ultimately the sample is small, not representative of the target market and are not being asked for their opinion with a closed question survey. They are however using both male and female participants, which does make the information gathered slightly more valid.

13 Use the information to analyse the benefits of co-ordinated marketing mix.

Level	Descriptor	Marks
3	Uses the information to analyse the benefits that marketing mix bring to the business.	6–5
2	Explains the benefits that marketing mix brings to the business.	4–3
1	Demonstrates generic understanding of the marketing mix/coordinated marketing mix.	2–1

Possible responses include:

Knowledge level 1 – The marketing mix consists of the 4 Ps which are product, place, price and promotion. The coordinated marketing mix refers to the synchronization of the marketing activities of a business.

Application level 2 – Marketing mix– is moving into a more modern marketplace – online as well as designing an app. By remaining loyal to their core product customers will know what the business is about.

Competitive pricing will mean that they are able to compete in this saturated market. Online promotion on social media pages fits with the app and online store.

Analysis level 3 – Marketing mix– the production of the app may benefit the business as competitors in this market already dominate. By focusing on their core product and improving quality this may encourage repeat custom. Competitive pricing and price matching means that they will hopefully be able to gain repeat customer; despite larger competitor benefitting from economics of scale.

Use the information to analyse the impact that the macro marketing environment could have on the florist.

Level	Descriptor	Marks
3	Uses the information to analyse the impact on the florist of the macro marketing environment	6–5
2	Explains the relevance of the macro marketing environment to the florist.	4–3
1	Demonstrates generic understanding of the macro marketing environment.	2–1

Possible responses include:

Knowledge level 1 – The macro marketing environment is the major external factors that a business cannot control. These factors can impact on the business' performance, decisions and strategies. The factors include economic factors, technological changes, social conditions and political changes.

Application level 2 – The factors are all generally unfavourable for the florist except the changes in corporation tax which means if they are profit making they will pay a smaller % to the government.

Analysis level 3 – These macro marketing factors could have a negative impact on the business causing them to lose sales. Fewer people have disposable income to spend on items that are not necessities, only a small % of people buy flowers more than 3 times a year and competition from online sellers could all mean a reduction in revenue for the business.

15 Use the information above to analyse the importance to the hotel of the consumer buying process when customers make a holiday purchasing decision.

Level	Descriptor	
3	Uses the information to analyse how the hotel benefits from this information search by customers.	6–5
2	Explains the relevance to the hotel of this information search by customers.	4–3
1	Demonstrates generic understanding of the consumer buying process/ information search.	2–1

Possible responses include:

6

Knowledge level 1 - The customer buying process is the series of steps that a customer takes before making a purchasing decision. Information search is the second step in this process and means that customers will investigate the need or want they have identified.

Application level 2 – The hotel will benefit from the information search process as they have good reviews and positive star rating which could encourage customers to book and stay with them. Customers will feel happy that they have researched the hotel before they book.

Analysis level 3 – This would then potentially mean that the hotel would gain more customers and revenue as a result of the positive reviews that they have received. This would overall be a huge benefit to the hotel, as without the reviews the hotel may not have gained as many customers.

Use the information above to analyse how Natalie would benefit from the different forms of research.

Level	Descriptor	Marks
3	Uses the information to analyse how Natalie would benefit from this market research.	6–5
2	Explains the relevance to Natalie of this market research.	4–3
1	Demonstrates generic understanding of the market research/ secondary market research.	2–1

Possible responses include:

Knowledge level 1 – Market research is the activity of gathering information. Secondary market research is research that has already been collected for a different purpose.

Application level 2 – By reading trade publications Natalie will be able to gain a broad understanding of the market. Research of the competitors' websites will allow her to understand what they offer along with their prices. Government websites and statistics will allow her to gain data about that market that could prove vital.

Analysis level 3 – Natalie will benefit overall from the market research as she will gain a good knowledge of the industry prior to starting at the company. This will allow her to provide a more knowledgeable service to employees and customers, as she will have a better understanding of the industry.

Jamie thinks the best way for Paul to achieve his target for 2018 is to create an aggressive advertising campaign to shock people into donating. Do you agree? Use Item A to justify your answer.

Level	Descriptor		
5	Uses Item A to develop a balanced analytical response. Analyses key aspects of how the business can achieve their target through aggressive advertising. Evaluation of suitability supported by analysis.	15–13	
4	Uses Item A to develop an analytical response. Analyses some key ways the business can achieve their target through aggressive advertising. Judgement of suitability supported by analysis.	12–10	
3	Uses Item A to develop an explanatory response. Explains some ways the business can achieve their target through aggressive advertising. One-sided judgment supported by an explanation.	9–7	
2	Uses Item A to support response. Describes the way the business can achieve their target through aggressive advertising.	6–4	
1	Demonstrates generic understanding target/advertising.	3–1	

Example responses:

Understanding L1

- Advertising is a form of marketing communication that conveys a message to promote a product or service.
- A business target is something that you plan to achieve.

Description L2

- Autism Now! Is a charity and therefore needs to promote itself in the eyes of the public so that they donate.
- By creating an aggressive advertising campaign you could shock people into donating more money as you play on their emotions.
- By working with the volunteers and creating positive PR in the local community you develop a relationship with them thus meaning they could be more likely to donate.
- Autistim charities seem to have fewer donations than others and therefore may need something to make people donate.

Explanation and judgement L3

Aggressive advertising

- This could work as it would play on the emotions of the public and they could almost be coerced into donating. Jamie wants to shock them so they feel guilty and donate to the charity therefore meeting the target by increasing donations. As shown by the data autism charities seem to have less sympathy with the public.
- However, people could just ignore the campaign as they feel that it is too
 much and they don't know anyone with the condition so they would just ignore
 it and not donate therefore not achieving the target.

Working with volunteers and local community

- This could mean that Paul achieves the objective as the local community understands the issues related to autism and therefore have an emotional bond with the charity and want to donate. People will want to donate for something that they feel an emotion towards.
- This could not work as people still may not want to donate and therefore Paul
 may not achieve the target. He would have to convince them that this is a
 good cause and to part with their money which could prove difficult.

Analysis, judgement and evaluation L4 and L5

- Jamie's idea of an aggressive advertising campaign could prove memorable and shocking if it was produced carefully to pull at the heart strings of the general public, this could then prove effective if this then makes the people donate to the charity.
- Paul's idea of working closely with volunteers and the local community to create a positive image of the charity through fun days and bake sales could prove effective as he already works with the volunteers and the general public so he could be aware of what would work.
- Ultimately it depends on how the promotional activities are produced and how
 they are communicated to the general public, for them to work research would
 need to be undertaken into what makes people donate to charities. Donation
 fatigue means that Paul may struggle with his way to encourage people to
 donate.

Tilly Mayer Ltd operates in a saturated market. Using Item B evaluate the most important element of the micro marketing environment when promoting the business.

Level	Descriptor			
5	Uses Item B to develop a balanced analytical response Analyses key elements of the micro environment for Tilly Mayer. Evaluation of suitability supported by analysis.	15–13		
4	Uses Item B to develop an analytical response.			
3	Uses Item B to develop an explanatory response. Analyses some of the elements of the micro environment for Tilly Mayer. Judgment supported by an explanation.	9–7		
2	Uses Item B to support the response. Describes some of the elements of the micro environment for Tilly Mayer.	6–4		
1	Demonstrates generic understanding of the micro marketing environment and/or marketing mix?	3–1		

Example responses:

Understanding L1

- The micro marketing environment refers to the forces closely influencing a company and directly affecting the organisation's relationships.
- The micro factors include its suppliers, customers, intermediaries, competitors and customers.
- The marketing mix is the 4Ps and how a business would attempt to satisfy customer needs.
- Promotion is how a business communicates with its customers to make them aware of the business.

Description L2

- General Public the fact that they donate to charity and work with schools across the UK will mean that people think that the business cares.
- Customers by offering after sales support and recycling deals this will make customers and the general public feel that they are cared for.
- Competitors operates in a highly competitive market means that they will need to be aware of the actions of the competition, this will benefit customer potentially lower or similar prices.
- Suppliers the fact that they deal fairly with suppliers will again make customers feel that they are shopping at a nice company who cares.

Explanation and judgement L3

- Each of the factors mentioned would be important in their own way for the business.
- General Public by helping the public the business show that they are ethical and care about things other than profit – this could prove valuable for them with customers who value these things, who may choose them over others

- and spread the word
- Customers by offering a recycling scheme again may mean that customers shop with them rather than the competition who may not offer similar schemes.
- Competitors the business operates in a highly competitive market which
 means that they would be misguided if they didn't pay attention to the actions
 of others when planning their promotional campaigns.
- Suppliers again customers who value ethics maybe pleased to hear that the business treats their suppliers fairly, especially in a time when so many use sweatshops.

Analysis, judgement and evaluation L4 and L5

- It would be prudent for Tilly Mayer to look at the target market and assess
 what they are most concerned about when businesses promote themselves to
 them. All the factors here could give Tilly Mayer a USP over some of their
 major competitors.
- The competition of the market is vital to consider when promoting the business, as the competition will have to be considered with every decision that they make, as customers have so much choice in where they can shop.
- Ultimately all of the factors would be important for Tilly Mayer when communicating with its customers to ensure that they have a positive view of the business and continue to shop there.

Assessment outcomes coverage

Assessment Outcomes	Marks available in section A	Marks available in section B	Total Mark
AO1: Investigate the role and function of marketing within organisations	5 marks 6.25%	0 marks 0	5
AO2: Assess key components of the marketing environment and the factors that influence consumer behaviour	20 marks 25%	15 marks 18.75%	35
AO3: Investigate how to collect relevant information about the marketing environment	17 marks 21.25%	0 marks 0%	17
AO4: Assess the concept and elements of the marketing mix and how it is applied in different contextual settings	8 marks 10%	15 marks 18.75%	23
Total	50 marks	30 marks	80

Question	A01	A02	A03	A04
1			1	
2	1			
3				1
4			1	
5		1		
6		1		
7				1
8	1			
9	3			
10			3	
11		6		
12			6	
13				6
14		6		
15		6		
16			6	
17				15
18		15		
Total	5	35	17	23

Assessment objectives coverage

Question	Knowledge and Understanding	Application	Analysis and Evaluation	Total
1	1			
2	1			
3	1			
4	1			
5	1			
6	1			
7	1			
8	1			
9	1	2		
10	1	2		
11	2	2	2	6
12	2	2	2	6
13	2	2	2	6
14	2	2	2	6
15	2	2	2	6
16	2	2	2	6
17	3	3	9	15
18	3	3	9	15
Totals	8	42	30	