

Mark Scheme (Results)

January 2010

GCE

GCE Applied Business (6921/01)

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For all questions, accept any reasonable answer if it is correct

1(a)(i)		
AOs	Mark Allocation	Exemplar Responses
<u>AO2</u> MB1 = 1	1 mark for method (1 mark)	<ul style="list-style-type: none"> A payment of £1 for every order over £20 to a local charity.

1(a)(ii)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB1 = 1 MB2 = 1	1 mark for showing understanding of the term (may be implied)	<ul style="list-style-type: none"> The promotion to the target market is not direct - here the charities are not the target market - the statement that the business will make a payment to charity encourages customers to use its outlets. Public relations provides a positive image of the business - <i>Easy Grazing</i> is seen as supporting local charities - will be seen by the local community as a business that cares. Payment for the promotion is not directly for advertising to target market - made to the charity which is not promoting <i>Easy Grazing's</i> products - promotion will come from the public approving of this gift to charity.
<u>AO2</u> MB2 = 1	1 mark for why this specific method is part of public relations (maximum 2 marks) (3 marks)	

2(a)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB1 = 1 MB2 = 1 MB3 = 1	1 mark for drawback (maximum 2 marks)	<ul style="list-style-type: none"> May not be seen by many potential customers - only displayed in the windows of the outlets themselves - special offers change each week - if customers do not visit/pass the outlet they will not see what the special offer is - will only see the special offer for that week but may want to know what is available for the following week. Will need to be changed every week - the special offers are changed every week - will need to be done for all outlets - posters cannot easily be changed without re-printing them - will create weekly additional costs for the business.
<u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 1	1 mark for application to the way the posters are used (maximum 2 marks)	
	1 mark for why posters create a drawback in this situation (maximum 2 marks) (Note: maximum 5 marks for one drawback) (6 marks)	

2(b)		
AOs	Mark Allocation	Exemplar Responses
<p><u>AO1</u> MB3 = 1</p> <p><u>AO2</u> MB1 = 2</p> <p><u>AO3</u> MB1 = 1 MB2 = 1</p> <p><u>AO4</u> MB1 = 1 MB2 = 1</p>	<p>1 mark for drawback or limitation of the website/benefit of posters (maximum 2 marks)</p> <p>1 mark for with this is a drawback, limitation or benefit in terms of the special offers (maximum 3 marks)</p> <p>1 mark for comparison with posters or website (maximum 3 marks)</p> <p>(Maximum of 4 marks for just one drawback, limitation or benefit)</p> <p>(7 marks)</p>	<ul style="list-style-type: none"> • The website will only be seen if people purposely access it - many people who might be affected by the special offers may not use the internet - potential customers passing the outlets will see the poster - may decide to impulse buy, whereas that could not happen because of the website if potential customers had not accessed it. • Poster will be seen by passing trade - the posters will be where the special offers are - customers may enter the restaurants on impulse - potential customers using the website may need to travel to the outlet so may not bother with the special offer. • The website is likely to provide general information about the business - the special offers may be just one of many promotional details on the site - the posters only advertise the week's special offer - in terms of the special offers the impact of the posters is likely to be greater.

Q3		Indicative content
<p>A01 MB1 = 1 MB2 = 1</p> <p>A02 MB2 = 1 MB3 = 1</p> <p>A03 MB1 = 2 MB2 = 1 MB3 = 1</p> <p>A04 MB1 = 1 MB2 = 1 MB3 = 1</p>		<ul style="list-style-type: none"> Television can include pictures (1) - radio relies on audio communication only (1) - <i>Easy Grazing</i> provides a range of different meals (2) - customers may want to see what they look like (2) - they will also want to be informed of any special offers (2) - television can be used to show how good the meals look on a plate (3) - radio will have to rely on describing the meals (3) - information about types of meal/prices/special offers could be communicated by either method (3) - radio advertisements are made every week (3) - customers are more likely to respond to seeing what the meals are like (4) - television would be more effective because it can do this whereas radio cannot (4). The impact of television and radio advertisements usually depends on the length of the advertisement (1) - visual impacts are usually quicker than audio impacts (1) - the television advertisements were for 30 seconds but only four times a year (2) - the radio advertisements were for 10 seconds but every week (2) - <i>Easy Grazing</i> offers a wide range of different meals (2) - the television advertisements will have visual impact (3) - will also be for 30 seconds so may be remembered by potential customers (3) - the radio message can be repeated every week (3) - it can also give weekly information about the special offers (3) - the radio advertising will give 520 seconds of advertising a year, whereas the television will only give 120 seconds (4) - continual repeating the message about what meals are available would have more effect through radio (4). <p>(Candidates may take the approach that the advertising for television was national and for radio it was local.)</p>
Level	Mark	Descriptor
0	0 mark	No rewardable material
Level 1	1 - 2 marks	Statement of basic features of television and radio advertising.
Level 2	3 - 5 marks	Application to what <i>Easy Grazing</i> offers and how the methods are used by the business. Details clearly taken from Figure 1.
Level 3	6 - 9 marks	Comparison of the two methods in terms of the features of television and radio and why that would be effective in terms of promoting the meals. The comparison must relate to meals.
Level 4	10 - 11 marks	A reasoned conclusion as to which of the methods is more effective in terms of the meals <i>Easy Grazing</i> offers.

AOs	Mark Allocation	Exemplar Responses
4(a)		
<p><u>AO1</u> MB2 = 1 MB3 = 1</p> <p><u>AO2</u> MB2 = 1 MB3 = 1</p>	<p>1 mark for identifying a relevant target market for <i>Easy Grazing</i> (maximum 2 marks)</p> <p>1 mark for why access would be important for the identified target</p> <p>1 mark for why the WiFi facility would be particularly attractive for the target (maximum 2 marks)</p> <p>(4 marks)</p>	<ul style="list-style-type: none"> • Business men and women - may need to contact the office/clients via the internet - the WiFi access will allow them to have a meal and continue to work - will consider this service as good as the competitors. • Students - may need to access the internet for research - the WiFi access is provided free - the meals on offer are also very competitive/students are often working on a tight budget. • General public - many people now use email/the internet to communicate - they would be able to communicate as well as having a meal/drink - can be in contact with friends/family even when visiting different cities in the UK.

AOs	Mark Allocation	Exemplar Responses
4(b)		
<p><u>AO1</u> MB1 = 2</p> <p><u>AO2</u> MB1 = 2</p> <p><u>AO3</u> MB1 = 1</p>	<p>1 mark for change in buyer behaviour (maximum 2 marks)</p> <p>1 mark for why that comes from providing free WiFi (maximum 3 marks)</p> <p>(maximum of 3 marks for just one change)</p> <p>(5 marks)</p>	<ul style="list-style-type: none"> • May buy more of <i>Easy Grazing's</i> products - may spend longer in the restaurant to use the internet - likely to feel that they should be buying drinks or meals while they are there. • May use <i>Easy Grazing</i> rather than another restaurant - prices are very competitive so this extra facility might persuade customers to change to <i>Easy Grazing</i> - it will enhance their image of the business. • May buy less products/may change what they buy - eating a full meal and using the internet could be difficult - may decide to only buy a snack or a drink.

5		
AOs	Mark Allocation	Exemplar Responses
<p><u>AO1</u> MB2 = 2 MB3 = 1</p> <p><u>AO2</u> MB2 = 1 MB3 = 1</p>	<p>1 mark for recognising how a downturn in the economy will affect <i>White Out</i> (maximum 2 marks)</p> <p>1 mark for how additional promotion would deal with the effect(s) of the downturn (maximum 2 marks)</p> <p>1 mark for why increasing promotion would be needed because of that effect (maximum 2 marks)</p> <p>(5 marks)</p>	<ul style="list-style-type: none"> • Lose sales/customers - additional promotion should increase awareness of the business - more customers may visit the shop/check what is available for sale - if some of these customers buy it will help sales to recover. • Greater competition between businesses as there are fewer customers - will need to ensure its business is being considered - more promotion may persuade customers to try the shops - may be able to take custom away from the competition.

6(a)		
AOs	Mark Allocation	Exemplar Responses
<p><u>AO1</u> MB1 = 3</p>	<p>1 mark for what would be expected (maximum 2 marks)</p> <p>1 mark for applied detail of what would be expected (maximum 2 marks)</p> <p>(3 marks)</p>	<ul style="list-style-type: none"> • The clubs will publicise who is sponsoring them - have name/logo on the sport wear when the teams play - will be seen by the spectators. • Allow <i>White Out</i> to place advertising around the ground - will make spectators aware of the business - may think about visiting <i>White Out's</i> shops if they want ski wear or equipment.

6(b)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB2 = 1 <u>AO2</u> MB1 = 1 <u>AO3</u> MB2 = 1 <u>AO4</u> MB1 = 1	1 mark for statement of basic reason (maximum 2 marks) 1 mark for explanation in terms of sponsorship/the nature of what <i>White Out</i> sells/the economic conditions (maximum 3 marks) (4 marks)	<ul style="list-style-type: none"> • Had limited funds - economic conditions were poor - had to make a decision about which methods of promotion would be most effective - felt that as only 10% of customers named sponsorship in 2008 it was not as effective as other methods. • Sponsorship contracts are for a set period of time - this may have been for more than one year - were not able to reduce its level of expenditure on sponsorship - would also have affected the local community's image of the business. • <i>White Out</i> sell ski wear and equipment - the sponsorship is for local sports clubs - reducing expenditure may have been seen as not caring about sports - potential customers may have looked for alternative suppliers. • Sponsorship only accounted for 10% of people naming method - that is low compared to all other methods except cinema - £2 000 has been spent on sponsorship - not worth increasing sponsorship when comparatively ineffective.

Q7	Indicative content
<p><u>A02</u> MB2 = 1 MB3 = 1</p> <p><u>A03</u> MB1 = 1 MB2 = 2 MB3 = 2</p> <p><u>A04</u> MB1 = 2 MB2 = 1 MB3 = 1</p>	<ul style="list-style-type: none"> • The largest increase in expenditure was on local newspapers (1) - this was a 25% increase or £1 000 (2) - this was £350 more than the total increase in all promotional expenditure (2) - this only lead to a 2 percentage point rise in customers saying that this way was how they had heard about the shop (3) - that is a very low percentage increase compared to the expenditure (3) - suggests that this was not the best way to spend the extra budget (4) - cost of £1 000 of papers was more than the total increase for just 2% points rise (4). • The cinema expenditure rose by 10% (1) - this was £80 more than before (2) - this was only 12% of the total £650 of extra expenditure on promotion (2) - this lead to a 50% rise in customers saying they had heard about the shop through the cinema (3) - that is the highest percentage rise (3) - indicates that the extra expenditure on cinema advertising was effective (4). • Expenditure on other ways of advertising dropped by 25% or £500 (1) - that paid for most of the increase in the total extra promotion (2) - the percentage of people saying that this was how they heard about the shop did not change/stayed at 15% (2) - this was the only cut made in the promotional expenditure (3) - it suggests that whatever parts of other promotional expenditure were cut they had not been effective parts (3) - it was therefore the right decision to reduce expenditure on these parts as that was a saving of £500 with no effect (4) - paid for most of the £650 additional expenditure (4).

Level	Mark	Descriptor
0	0 mark	No rewardable material
Level 1	1 - 2 marks	Selection of appropriate information from Figure 2 and/or Table 1.
Level 2	3 - 5 marks	Basic analysis of the data to show changes between 2008 and 2009. At the top end this might include reference to the change in the percentage of customers naming a specific promotional method.
Level 3	6 - 9 marks	Assessment of whether the best ways were chosen. This should include recognition of the changes in the percentage of customers naming the specific promotional method. Reference to changes in expenditure on more than one promotional method must be given.
Level 4	10 - 11 marks	Reasoned conclusion as to whether the best ways were chosen. Must include comparison with other ways.

8(a)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB1 = 3	1 mark for each distinct detail of the information provided. (3 marks)	<p>(HSBC has been used as an example for Q8)</p> <p>Name of business - <u>HSBC.</u></p> <p>Main type of good or services - <u>Banking.</u></p> <p>Aspect being promoted - <u>Express Banking</u></p> <ul style="list-style-type: none"> Provides details of its express banking service. Provides information of a range of services that do not need counter service. Provides information on banking machines, the internet and telephone banking. Provides a telephone number and website address for further information.

8(b)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB1 = 1 MB2 = 1 <u>AO2</u> MB1 = 2	1 mark for the benefit 1 mark for why it comes from the placement (maximum 2 marks) 1 mark for explaining a drawback of a different way of distributing the leaflets (4 marks)	<ul style="list-style-type: none"> Will be seen by customers using the branch - will be spending time visiting the bank - the leaflet will explain ways of saving time by not visiting the branch - delivery of leaflets to homes may go to people who are not interested in <i>HSBC</i> and simply throw them away. Staff in the bank can explain anything that is unclear - customers may not understand how to use the automated services in the bank - can be shown how to manage their accounts by an expert - if the leaflet was delivered to customers' homes it would have to be very detailed in order to clearly show customers how to use the services.

8(c)		
AOs	Mark Allocation	Exemplar Responses
<p>AO3 MB1 = 1 MB2 = 1 MB3 = 1</p>	<p>1 mark for selection of the appropriate part</p> <p>1 mark for how it could have been improved</p> <p>1 mark for why that would have made it more effective</p> <p>(3 marks)</p>	<ul style="list-style-type: none"> • It deals with three different major ways of speeding up/improving customers' banking - a separate leaflet could have been created for each major way - this would make it easier to communicate with customers who were only interested in one of the ways. • It does not explain in depth how each of the services works - could stress more clearly that customers will need to talk to a member of staff - customers would talk to staff while in the bank rather than have to return when they have read through it. • Some of the writing is very small - put in less information and use larger print - this will allow customers with poor eyesight to read the details as well as normally sighted customers.

9(a)		
AOs	Mark Allocation	Exemplar Responses
<p>AO1 MB1 = 3</p>	<p>1 mark for each distinct type of business</p> <p>(3 marks)</p>	<p>(The <i>Carmarthen Journal</i> has been taken as an example for Q9)</p> <ul style="list-style-type: none"> • Property/houses. • Cars/motors. • Farm provisions. • Eating out. <p>(Do not accept non-business sections, such as personal, or general business sections, such as employment. N.B. Agencies might be in a separate section and can be accepted.)</p>

9(b)		
AOs	Mark Allocation	Exemplar Responses
<u>AO2</u> MB1 = 3	1 mark for basic reason (maximum 2 marks) 1 mark for the benefit to the newspaper or the business advertising (maximum 2 marks) (2 + 1) or (1 + 2) (3 marks)	<ul style="list-style-type: none"> Customers expect to find one type of advertisement in one place - this saves the customers time in finding the type of business they are interested in - more likely to buy the paper when they want details about specific types of business. Placing advertisements in these sections will increase the likelihood that they will be read by a business's potential customers - most papers have specific sections for particular types of business - customers interested in a particular type of business are likely to check the specialist pages first.

9(c)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB3 = 1 <u>AO2</u> MB2 = 1 <u>AO3</u> MB1 = 1 MB2 = 1	1 mark for disadvantage. 1 mark for why the use of sections causes the problem (Maximum 2 marks) 1 mark for the consequence of this for the business placing the advertisement (4 marks)	<ul style="list-style-type: none"> Competition - other businesses in the same industry will also be advertising there - potential customers are likely to check the competition at the same time - will need to make the advertisement more persuasive than the competition. May not stand out, as with the property section - there are many similar advertisements - many of these are in colour - business will need to produce in colour to be as effective, which will increase costs. Less impact than a large separate advertisement in the body of the paper - in the sections there will be many other advertisements - in the body of the paper it will stand out as people read the paper - readers who only read the paper for news, etc, will not see the advertisement at all if it is in the specialised section.

10(a)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB1 = 2	1 mark for cause (maximum 2 marks) 1 mark for why this was a cause (2 + 0) or (1 + 1) (2 marks)	(<i>City Trail Publishing</i> has been taken as an example for Q10) <u>Name and product - <i>City Trail Publishing</i>.</u> <u>Good or service - Publishing travel guides.</u> <ul style="list-style-type: none"> • New business - limited funds for research, printing and marketing. • Limited promotional budget - restricted the types of promotion available. (Note there could be many acceptable reasons, especially in a recession.)

10(b)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB3 = 1 <u>AO3</u> MB1 = 1 MB2 = 1 MB3 = 1	1 mark for the way they were overcome (maximum 2 marks) 1 mark for how that overcame the cost constraint (maximum 2 marks) 1 mark for why it was successful (2 + 1 + 1) or (1 + 2 + 1) (4 marks)	<ul style="list-style-type: none"> • Promotion through existing contacts - already knew about the business/publication - ready to promote to their contacts - successful because this was based on mutual respect. • Promotion through Amazon - charges for promotion only made when travel guides were sold - very limited initial promotional outlay - successful because of the very wide access provided by Amazon. • Promotion through own website - able to set up website over time - spread the costs - successful because of links from other websites.

10(c)		
AOs	Mark Allocation	Exemplar Responses
<u>AO1</u> MB1 = 1 <u>AO3</u> MB1 = 1 <u>AO4</u> MB1 = 2	1 mark for main effect (maximum 2 marks) 1 mark for why this came from the way the constraint was dealt with (maximum 3 marks) (4 marks)	<ul style="list-style-type: none"> • The full outlay for the first publication was recouped within one year - the promotions through existing contacts created more sales through word of mouth - retail contacts who had sales gave repeat orders - links to the website provided widespread publicity with no additional costs.

6921 - Investigating Promotion - Jan 2010 - Content and AOs Grids

Content area distribution

Question	Content area				Total
	6.1	6.2	6.3	6.4	
1 (a) (i)	1				1
1 (a) (ii)	3				3
2 (a)		6			6
2 (b)		4		3	7
3		6	1	4	11
4 (a)		2		2	4
4 (b)	5				5
5	5				5
6 (a)	3				3
6 (b)	2			2	4
7	3	3		5	11
8 (a)		3			3
8 (b)		4			4
8 (c)		2	1		3
9 (a)		2		1	3
9 (b)		2		1	3
9 (c)		2	1	1	4
10 (a)			2		2
10 (b)			4		4
10 (c)		2		2	4
Total	22	38	9	21	90
Target	22	38	9	21	90

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