

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Applied Business

Unit 6: Investigating Promotion

Wednesday 18 January 2012 – Morning
Time: 1 hour 30 minutes

Paper Reference

6921/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Questions labelled with an **asterisk** (*) are ones where the quality of your written communication will be assessed – *you should take particular care with your spelling, punctuation and grammar, as well as the clarity of expression, on these questions.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Questions 1 to 4 relate to the information about promoting on the social networking site *Facebook* shown in Figure 1.

Figure 1

Facebook is a social networking website open to anyone over 13 years of age with a valid email address. The site includes members' pictures, biographies, interests and messages, and members can browse freely through open profiles and messages.

By August 2010 *Facebook* had over 24 million UK users and has now become a major platform for UK businesses to advertise on. The details given by members include location, gender, age, birthday, education, workplace, relationship (single, married, etc) and main interests. This allows businesses to select profiles that suit their target markets and to advertise to only those people.

In order to advertise on *Facebook* businesses bid against other businesses. The business that offers the highest payment is the one that will have its advertisements shown for the particular group of members being targeted. The advertisement will appear when the targeted groups access their *Facebook* pages. Members spend, on average, 30 minutes per visit on their page 12 times a month.

1 A business can also select a profile on the basis of key words used by members on their pages. Businesses specialising in different goods or services are likely to want to focus on particular key words.

(i) Examine **one** type of good or service that a business is likely to be producing or providing that chooses to target the words 'currently unemployed' in the workplace section of a member's profile.

(3)

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(ii) Explain why the business you used in (i) might **not** reach all of its expected target market by only using the key words 'currently unemployed' in the workplace section of a member's profile.

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(Total for Question 1 = 7 marks)



2 Businesses advertising on *Facebook* can pay by cost per click (CPC) or cost per thousand viewings (CPM). With CPC the business pays every time a *Facebook* member clicks on the link from the member's page to the business's website. With CPM the business pays every time its advertisement has been shown 1,000 times across the targeted members' pages.

(a) Why might a business prefer to use the cost per thousand viewings (CPM) method rather than the cost per click (CPC) method?

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(b) Outline **two** benefits to a business if its advertisement includes a link to its own website.

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(Total for Question 2 = 8 marks)



4 From March 2011 the Advertising Standards Authority (ASA) has had its powers to examine advertising extended to include social networking sites.

Using appropriate examples, show what businesses would now have to consider when they are advertising on these social networking sites.

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(Total for Question 4 = 4 marks)



Questions 5 to 7 relate to *Clifftops Ltd*.

Figure 3

Clifftops Ltd rents out self catering accommodation in its holiday village of 260 chalets on the South coast of England. Chalets are for 2, 4, 6 or 8 people. During the economic slowdown from 2009 to 2011 it was unable to rent all of its chalets, even in the peak summer season.

As part of its promotional planning for 2012, *Clifftops* has produced a 30 page brochure showing the range of chalets available, the other facilities on site and places of interest in the local area.

5 *Clifftops* is going to place an advertisement for four weeks in the Saturday Travel and Holidays supplement of a major UK national paper.

(a) What would be the benefits to *Clifftops* of placing its advertisement in the Saturday edition of the paper?

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(b) Discuss if *Clifftops'* promotion would have been more effective if *Clifftops* had only used local South of England newspapers to advertise in.

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(Total for Question 5 = 10 marks)



6 As part of its advertisement in the national newspaper, *Clifftops* offers all readers who request a brochure automatic entry into a draw, with the chance to win a free self catering holiday of one week. The holiday can be taken at any time of the year, subject to availability.

(a) Other than the cost of producing and sending the brochures, why might there be drawbacks of offering to send brochures out to people who request one?

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(b) Considering the nature of the prize being offered by *Clifftops*, explain why this is likely to be a cost effective promotion.

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(Total for Question 6 = 9 marks)



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(Total for Question 7 = 11 marks)



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Questions 8 to 10 are based upon parts of real promotional campaigns that you have studied during your course.

8 Many businesses use animated characters, such as cartoons, claymation and puppets, as a major part of their television advertising.

With reference to a major UK national or multinational business that uses animated characters for its television advertising, answer the following questions.

Name of the business.

Main type of goods or services being advertised.

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(a) Give a short description of how the animated character(s) was used in the advertisement.

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(b) What are likely to be the cost constraints involved with getting the animated advertisements produced?

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9 Many businesses distribute catalogues of their products to people's homes as a form of direct marketing.

With reference to a business that uses catalogue distribution to people's homes, answer the following questions.

Name of the business.

Type of product(s) being promoted.

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(a) State why this is a form of direct marketing.

(1)

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(b) Explain how the business selected the people to whom the catalogues were being sent.

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(c) Assess the **internal** constraints that this business is likely to have faced when creating this form of promotion.

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(Total for Question 9 = 10 marks)



10 Many businesses use sponsorship as a method of promotion through public relations.

With reference to a business that uses this form of promotion, answer the following questions.

Name of the business.

Name of the business or organisation being sponsored.

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(a) State why the sponsorship would be a form of public relations. (1)

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(b) Explain why the choice of the business or organisation that was sponsored helped to create good public relations for the sponsor. (5)

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Many sponsors publicise their sponsorship by having their logo or name displayed somewhere at the location of the business or organisation being sponsored, or on clothes worn by employees of the business or organisation being sponsored.

(c) Other than the methods mentioned above, explain how the sponsor publicised its sponsorship.

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(Total for Question 10 = 10 marks)

TOTAL FOR PAPER = 90 MARKS



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