Centre No.			Paper Reference			Surname	Initial(s)				
Candidate No.			6	9	2	5	/	0	1	Signature	

Paper Reference(s)

6925/01

Edexcel GCE

Applied Business

Unit 10: Marketing Decisions Wednesday 10 June 2009 – Morning

Time: 1 hour 30 minutes

Materials	required	for	examination
Nil			

Items included with question papers

Examiner's use only					

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Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature. The paper reference is shown above.

Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 8 questions in this question paper. The total mark for this paper is 90. There are 16 pages in this question paper. Any blank pages are indicated.

Advice to Candidates

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling.

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Questions 1 to 6 are based on marketing decisions that relate to Write 2000 Ltd.

Figure 1

Write 2000 Ltd is a charity, started in the year 2000, with the objective of Working to Remove Illiteracy Through Education. It was set up to support the commitment of the World Education Forum to ensure that quality education would be provided for all by 2015.

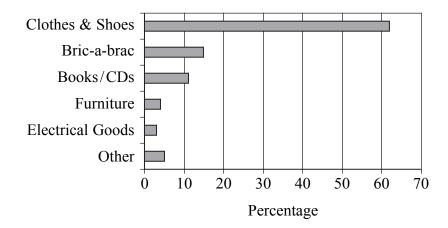
Write 2000 raises most of its funds through private donations, and has used these funds to support the drive for literacy in targeted African countries. It now wants to expand the number of countries it can offer support to and is considering other ways of raising funds. It is aware that many charities raise funds through high street shops. It has found the following published data.

There are over 7,000 charity shops in the UK with nearly 300 different charities represented. The largest chains are Oxfam, with about 750 shops and Cancer Research UK with about 600 shops. Some charities have only one or two shops, but the average is nearly 20 shops.

Figure 2 shows the main products sold as a percentage in a typical charity shop. 93% of the products are second-hand donations from the public with the rest coming from subsidised suppliers, as with greetings cards, or fair trade products which are sold to support producers in less developed countries.

Charity shops are most popular with women and with middle aged and older users.

Figure 2 – Main products sold by UK charity shops (Percentage)



1. (a) State why the data found on Figure 2 by Write 2000 is secondary data.

(1)

(b) (i)	How could <i>Write 2000</i> use observation to check that the data shown on Figure 2 was correct?
(ii)	Assess why this kind of observation might provide inaccurate information for Write 2000.
(ii)	Assess why this kind of observation might provide inaccurate information for
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(ii)	Assess why this kind of observation might provide inaccurate information for Write 2000.

	likely to affect the pricing strategy used by Write 2000.
	(2)
)	With reference to Figure 2 , compare the benefits to <i>Write 2000</i> of selling only clothes and shoes rather than selling the full range of products.

	Leave blank
(11)	Q2
(Total 13 marks)	
After considerable thought the Directors of <i>Write 2000</i> have decided to open one shop, selling the full range of products shown on Figure 2 , in each of the following university towns, Southampton, Portsmouth and Winchester. These are all within 20 miles of each other. In addition to the target groups identified in Figure 1 , the Directors believe strongly that students could form another important target market.	
(a) Considering the nature of this charity and the products it intends to sell, explain why students would be a sensible target market.	
(6)	

(b) (i) Fully label the to B .	wo axes of the Ansoff Matr	ix shown below using bo	l t	Leave de blank
	A ▶]	
В ▼	Market penetration	Product development		
	Market development	Diversification		
	e letter 'S' on the Ansoff and by opening charity shops		(2) ite 2000's (1)	
(iii) Justify why this	is the correct position for th	is decision to open charity		
				01
		(Total 1	(3) 2 marks)	Q3

			Leave blank
4.	of of imp	den Write 2000 runs its charity shops it will be affected by legislation, such as the Sales Goods Act, people's changing attitudes about how important charity work is, how portant cheap clothes are if incomes are generally rising, and whether or not people ask that recycling by donating clothes to charity shops is worth the effort involved.	
	Bef	Fore the shops are opened a full PESTLE analysis should be carried out.	
	(i)	Give a different example in context, of a possible negative effect on <i>Write 2000</i> for each of the following PESTLE elements.	
		Social	
		Environmental	
		(4)	
		could use a relevant part of the marketing mix to minimise the negative effect. Social	
		Environmental	
		(6)	Q4
		(Total 10 marks)	



Leave blank

5. The Directors of *Write 2000* view *Oxfam* as a major competitor, especially for the student market.

Table 1 shows the number of *Oxfam* facilities in the three locations chosen by *Write* 2000.

Table 1 – Oxfam facilities in Write 2000's three chosen locations

	Southampton	Winchester	Portsmouth
General charity shop	3	1	2
Music & book shop	3	1	_
Clothing bank*	4	3	3
Music & book bank*	_	1	1

^{*} Clothing and music & book banks are places where people can deposit unwanted clothes, books and CDs, etc, for *Oxfam* to sell in its shops.

the three locations, is l	ikely to be affected	by Oxfam's faci	lities as shown on	Table 1.
				•••••

	Leave blank
	Q5
(Total 11 marks)	
QUESTION 6 BEGINS ON NEXT PAGE	

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of un pr or st	To confirm their belief that students would be interested in using charity shops the Directors of <i>Write 2000</i> arranged for a sample of students to be asked questions in each of the three niversities. The academic registrars at each university agreed to send out questionnaires, rovided by <i>Write 2000</i> , to every 100 th student on their lists. Questionnaires were sent ut with a pre-paid envelope and an offer of £100 worth of book tokens to three lucky tudents who returned the completed questionnaire. 430 students were sent questionnaires and there was an 87% return rate.
(a	a) Use the details above to show the target population and the sampling frame for this survey.
	Target population
	Sample frame
	(4)
(1	Discuss how the way in which the survey was carried out might have influenced the effectiveness of the research.
(ı	· · · · · · · · · · · · · · · · · · ·
(i	· · · · · · · · · · · · · · · · · · ·
(t	effectiveness of the research.

	Leave blank
(11)	Q6
(Total 15 marks)	

			Leave blank
		ns 7 and 8 are based upon your own investigations of real marketing gns that you have studied during your course.	
7.		h reference to a real UK or multinational business which has made a recent major tegic marketing decision, answer the following questions.	
	(a)	Name of the business	
		State what the strategic marketing decision was.	
		(1)	
	(b)	Explain how this strategic marketing decision has led to changes in two different parts of the business's marketing mix.	
		1	
		2	
		(6)	
	(c)	Judge how successful this strategic marketing decision has been.	
		(3)	Q7
		(Total 10 marks)	

(a)	Name of business	
	Details of product suffering the decline	
		(1)
(b)	Explain why the product reached this position in the product life cycle.	
		· • • • •
		· • • • •
		••••
		••••
		(4)

13

		reverse the decline.
	(5)	
_	(Total To marks)	
	(Total 10 marks) TOTAL FOR PAPER: 90 MARKS	
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