

Write your name here

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Centre Number

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Candidate Number

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Applied Business

Unit 10: Marketing Decisions

Friday 13 June 2014 – Morning
Time: 1 hour 30 minutes

Paper Reference

6925/01

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 6 relate to marketing decisions in the media tablet market.

Figure 1

Media tablet sales are forecast to continue increasing very rapidly. Well-known tablets such as the iPad, Blackberry, Galaxy, Nexus and Kindle all use operating systems, mainly produced by four major businesses, *Apple, Google, Microsoft and Research in Motion (RIM)*.

It had been expected that media tablets would primarily be sold to businesses or individuals for work purposes but it is clear now that the major use is recreational/lifestyle rather than business, with consumers web surfing, messaging, playing games and watching television and movies.

Many business users quote the portability and convenience of a tablet, especially when travelling, as major positive features. Consumers are attracted by the same features but mainly use their tablets at home and appreciate rapid access and the wide variety of applications (apps) that can be used with the tablets.

1 Producers of media tablets could target business users and/or consumers.

(a) Other than making profit, examine the most important factor that a producer should consider when deciding which of these two is the correct target market for them.

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Blackberry has decided to produce tablets for the business and consumer markets.

(b) Advise Blackberry on the different approaches to promotion that it could effectively use for the two markets.

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(Total for Question 1 = 10 marks)



Table 1 – Worldwide Sales of Media Tablets to End Users (2011 to 2016)

Tablet sales as % of total sales	2011	2012	2013	*2016
Apple iOS	66.6	61.4	54.6	45.9
Google Android	28.7	31.9	33.8	37.3
Microsoft	0.0	4.1	8.0	11.8
RIM QNX	1.3	2.2	3.3	4.8
Other	3.2	0.4	0.3	0.1
Total tablet sales ('000 units)	60,017	118,883	182,457	369,258

Adapted from: Gartner (April 2012)

*Forecast sales

***2** With reference to the information given in **Table 1** justify which sections of the Boston Matrix the four main producers of the media tablet operating systems should be placed in between 2012 and 2016.

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(Total for Question 2 = 11 marks)



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Figure 2

The market for media tablets is highly competitive. Users expect frequent updates and improvements which will often be bought by customers in the form of a new tablet. In 2012 the new *Apple* iPad advertised:

- stunning retina display for razor-sharp text
- 5 mega-pixel iSight camera with advanced optics
- ultra-fast wireless technology
- iLife and iWork with over 200,000 supportive applications (apps) available.

- 3 (a) How would the product life cycle help *Apple* decide when to introduce updates and improvements?

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- (b) With reference to **Figure 2**, why would the availability of supportive applications (apps) for iLife and iWork be particularly suitable for the likely target markets of the iPad?

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(c) Analyse the social and environmental issues that *Apple* should be considering when it regularly updates its media tablets.

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(Total for Question 3 = 15 marks)



P 4 3 2 5 2 R A 0 7 1 6

When *Amazon* launched the Kindle Fire in 2012 it set the global price at \$199, whereas it cost \$401 to make. *Amazon's* plan was to use the Kindle Fire to create sales for other products that it sells on its website, ranging from televisions to nappies.

4 (a) Name the pricing strategy used by *Amazon* for the launch of the Kindle Fire. (1)

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(b) Explain the possible drawbacks for *Amazon* of using this pricing strategy. (6)

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(Total for Question 4 = 7 marks)



Figure 3

AppMyster has produced an application for use on a range of different media tablets across the UK. The application allows users to download films, ebooks, and music from all of the major legal sites using ultra-fast download technologies, allowing even full-length films to be downloaded in seconds.

AppMyster has carried out a cluster sample of 400 people in Leicester in order to find the best way to promote its product. The survey was carried out on the High Street by choosing one female and then one male, at random, and asking a series of questions. Only people who showed an interest in apps for media tablets were questioned.

Details from the survey are shown on **Table 2**.

Table 2 – Number of respondents by age, income and interests

Age	12 – 18	19 – 25	26 – 40	41 – 54	55+
Male	14	30	82	58	16
Female	16	45	90	34	15
Income (£'000)	Up to 15	16 – 30	31 – 50	51 – 99	100+
Male	10	100	47	38	5
Female	12	115	42	28	3
Interests	Reading		Watching films		Listening to music
Male	42		126		185
Female	79		130		180

5 (a) What would be the sample frame for this survey?

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6 (a) Why was the survey in Leicester an example of convenience sampling?

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(b) Why might there be drawbacks to *AppMyster* from the way in which the survey was conducted?

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AppMyster considered using three different first questions for the survey:

- Do you use a media tablet?
- Do you own a media tablet?
- Do you regularly buy apps?

(c) Discuss which of these first questions would be the best for the survey.

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(Total for Question 6 = 14 marks)



Questions 7 to 8 are based upon your own investigations of real marketing campaigns that you have studied during your course.

7 With reference to a UK or multinational business that made a decision to diversify into a totally new market, answer the following questions.

Name of the business.....

(a) State the **two** markets in which the business now operates.

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(b) Show how the business's target customers are different in each of the two markets.

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(c) Compare the channels of distribution used to reach the two target markets.

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(Total for Question 7 = 10 marks)



8 Many businesses have to respond to changing economic conditions in their markets.

With reference to a business that has changed its marketing strategy to deal with difficult economic conditions, answer the following questions.

Name of business

Name of product

(a) Show how the difficult economic conditions affected the business.

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(b) Explain how the business changed its marketing strategy to successfully overcome the difficult economic conditions.

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(Total for Question 8 = 10 marks)

TOTAL FOR PAPER = 90 MARKS

