

Extended Writing Exemplars

8721-9722

GCE Applied Business

Sample Assessment Material

For examination June 2009

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1. Mercia Airport is located in the east of England. It has good road and railway links. It is used mainly by airlines that provide low cost ‘no frills’ flights to cities and holiday destinations in the UK and the rest of Europe. Such flights are in the domestic and short-haul market.

Mercia Airport is owned by *Mercia Airports Ltd*, a private limited company, part of *Rack Holdings Ltd* that owns a number of businesses in the road, rail and air transport sector.

Mercia Airports Ltd has three main types of customers:

- the airlines that operate from Mercia Airport
- travellers who use the services of the airlines that fly in and out of Mercia Airport
- the retailers that rent and operate the shops located within the airport.

The main aim of *Mercia Airports Ltd* is to ‘delight and satisfy all of its customers’.

- (a) State **four** likely reasons why *Mercia Airports Ltd* has this aim for its customers.

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(4)



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(12)



2. Many passengers using Mercia Airport rely on local taxi services to get them to and from the airport. One of the largest local taxi firms is *Eastern Cabs Ltd*.

Taxi firms have a high turnover of drivers and need to recruit new ones on a regular basis.

(a) (i) Why are taxi firms likely to have a high turnover of drivers?

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(1)

(ii) What would be **two** personal qualities looked for by *Eastern Cabs Ltd* when recruiting new drivers?

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(2)

(b) Discuss the likely recruitment process for taxi drivers.

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(4)



(c) Analyse why face-to-face interviews are conducted with potential employees during the selection process.

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(d) Analyse the use of curriculum vitae (CVs) in the recruitment of staff.

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(4)



GoSkills is the Sector Skills Council (SSC) for businesses working in the UK passenger transport sector. Its mission is ‘to develop the skills and status of passenger transport’. It develops and promotes nationally recognised training schemes for the transport sector including the taxi industry.

(e) Analyse why a nationally recognised training scheme will benefit taxi firms.

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(5)



(b) Using **two** needs from Maslow’s hierarchy, demonstrate why protests from pressure groups could demotivate staff working at the airport.

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(4)

Mercia Airport operates 24 hours a day.

(c) (i) Describe **one** piece of legislation that is designed to protect the well-being of employees in businesses that operate 24 hours a day.

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(2)

(ii) What would be the consequence to an employer who fails to abide by this legislation?

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(2)



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Extended Writing Exemplar Mark Scheme & Commentary

GCE

GCE Applied Business (6916/01)

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

| Question Number | Answer | Mark |
|-----------------|---|--|
| 1(a) | <ul style="list-style-type: none"> • To attract more airlines. • Because satisfied customers are easier to deal with. • To maintain/increase business at the airport. • To attract travellers. • To reduce level of complains. • To retain retail customers. • To attract new retail customers. • To maintain customer loyalty. | <p>1 mark for each reason</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 1(b) | <ul style="list-style-type: none"> • Use the marketing mix - select appropriate elements to use to communicate information about <i>Mercia Airports Ltd</i> that show customer support - make plans to communicate message - put plans into action and monitor progress/success. • Raise awareness of all the positive aspects of the airport - use PR/advertising/sales promotion as method of communication - plan communication strategy - put into action. • Conduct marketing research to produce customer feedback - use this to monitor customer satisfaction - use to suggest changes if customers are not satisfied - further research to check is successful. • Work with other business functions to make sure that this aim is communicated to all employees - use internal communications/newsletter/meetings to promote customer service - feed back findings from customer research - run internal promotions/incentives to encourage improvements in customer service. | <p>1 mark for how marketing function supports main aim (maximum 2 marks) + 1 mark for application (maximum 2 marks)</p> <p>or</p> <p>1 mark for how marketing function supports main aim + 1 mark for application (maximum 3 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Indicative content | |
|--------------------|---|--|
| 1(c)* NEW QUESTION | <p>Valid points could include:</p> <ul style="list-style-type: none"> • Forecast growth may not happen • Holidays are affected by economical/environmental factors • Other business objectives may be overlooked • Short-term objectives may be affected by this kind of long-term objective • Ignores external/wider market influences such as competition <p>A Level 4 response, having explained basic problems of relating objectives to external forecasts would include that business should not focus on a forecast produced by someone else - because they may miss commercial opportunities - it is not a SMART objective - too long-term - and forecasts are always risky.</p> <p>A Level 3 response will not come to a firm conclusion.</p> <p style="text-align: right;">(12 marks)</p> | |
| Level | Mark | Descriptor |
| | 0 | No rewardable material |
| Level 1 | 1 - 3 marks | Candidate shows some knowledge of objectives and risk based on unpredictability of forecasting |
| Level 2 | 4 - 6 marks | Candidate applies knowledge by stating why forecasts are a risk |
| Level 3 | 7 - 9 marks | Candidate explains how business is affected by linking objective to forecast |
| Level 4 | 10 - 12 marks | Candidate explains how business is affected by linking objective to forecast |

This is an exemplar mark scheme. The mark schemes published after each examination series will include further details obtained through the standardisation process following full consideration of candidate responses. A commentary of the new extended writing question has been included at the end of this mark scheme. This will provide further clarification on this style of question.

| Question Number | Answer | Mark |
|-----------------|--|--|
| 1(d) | <p><u>Nita Stores</u></p> <ul style="list-style-type: none"> Anita does the books - and pays the wages - she is married to the owner which means that she has a personal interest in the finance of the business - this means that she is very careful to check that all the money is paid into the bank regularly <p><u>Wrexam Distributors Ltd</u></p> <ul style="list-style-type: none"> George, the credit control manager, is responsible for debt collecting - he keeps a check on credit customers to make sure that they pay within standard terms/30 days of invoice being issued - after 30 days he organises a statement to be sent and telephones - if they have not paid after another 30 days he goes round to see them <p><u>Tesco</u></p> <ul style="list-style-type: none"> The financial director reports to the board of directors about all things financial - such as income from sales, what's been spent on wages, materials and overheads, how much profit has been made this month, etc. - he will be responsible for providing the financial data for the company's annual report - and making sure that the financial data provided to Companies House is accurate | <p>1 mark for generic knowledge (maximum 2 marks)</p> <p>1 mark for applying aspects of responsibility to chosen business (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 1(e) | <p><u>Morrisons Supermarket</u></p> <ul style="list-style-type: none"> The <i>Morrisons Supermarket</i> group has about 370 stores across the country with its head office in Bradford - all the promotional planning is done in the head office - this means that the managers of individual stores have to follow the promotional plans sent out from the head office - in some ways this is good because store managers do not have to think up their own ideas and do not have to organise their own printing etc. - once they get the pack of promotional material from the head office all the store manager has to do is display it - if they do not like the promotion there is nothing that they can do about it as the head office will check to see that each store is making good use of the promotional material that they have been sent <p><u>Euronics</u></p> <ul style="list-style-type: none"> <i>Euronics</i> is a buying group that supplies its members who are independent electrical retailers - it negotiates with the manufacturers of electrical goods and uses the buying power of the group to get really good prices for its members - this means that members can compete on price with multiple stores like Comet - the disadvantage of this is that individual members can only stock televisions from brands that are willing to deal with <i>Euronics</i> - if a customer asks for another make the <i>Euronics</i> member may not be able to get it - this could make the customer shop elsewhere and the independent shop would lose the business | <p>1 mark for features of centralised management policy (maximum 2 marks)</p> <p>1 mark for how centralised management policy affects chosen business day-to-day (maximum 4 marks)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 2(a)(i) | <ul style="list-style-type: none"> • Unsocial hours • Personal risk to drivers/threats/abuse • Business tends to attract people between jobs/freshly out of work and looking for a more permanent job • Tends to be shift work which can cause social pressures • People attracted because it sounds like easy work but they drop out quickly when they discover hard work/long hours/unsocial hours | <p>1 mark for why</p> <p style="text-align: right;">(1 mark)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 2(a)(ii) | <ul style="list-style-type: none"> • Honesty • Reliability • Calm/not easily provoked • Polite to customers • Punctual • Good personal hygiene • Fit/healthy • Can communicate with customers • Professional attitude/presence | <p>1 mark for each quality</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|--|
| 2(b) | <ul style="list-style-type: none"> • Identify vacancy • Draw up job specification • Advertise vacancy - use local newspaper/media - more likely to be seen by local drivers • Interview - check licence is clean - check driving skills - test local knowledge • Safety record likely to be taken into account • Selection may include checking criminal record/database as taxi drivers dealing direct with public and handling cash • Checking likely to be informal | <p>1 mark for feature of recruitment process (maximum 2 marks)</p> <p>1 mark for feature of recruitment process applied to taxi drivers (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|--|
| 2(c) | <ul style="list-style-type: none"> To meet the person - to check their appearance - written applications or telephone conversations could hide a potential problem - it is only by meeting the applicant that the owner can see if the applicant is likely to be accepted by customers To see if they can communicate/converse - this is a big part of a taxi driver's job - they must be able to understand where the customer wants to go - and be able to ask for the fare with a clear voice so that there is no confusion To see if they have the right attitude - attitude cannot be interpreted entirely from written applications - it can only be judged through face-to-face questioning - and seeing how the applicant reacts To investigate claims made in application/CV more thoroughly - to judge whether they are lying - this can be judged through face-to-face questioning - and seeing how the applicant reacts to different questions To assess whether they will fit in with other team members - this is important to maintain a good working team - cannot always tell from written application - so need to meet them face-to-face to help make final decision whether or not to employ them <p>(May also be answered from point-of-view of employee)</p> <ul style="list-style-type: none"> Can meet potential new employer - nice to see what they are like - check whether likely to get on with employer - can use opportunity to explain strengths directly | <p>1 mark for basic reason (maximum 2 marks)</p> <p>1 mark for analysis/application (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 2(d) | <ul style="list-style-type: none"> Provides a snapshot of applicant's qualifications and experience - applicants' claims can be compared directly - selection can be made quicker than interviewing all applicants individually Is a document that provides a list of qualifications and experience often sent with application form - helps in selection of shortlist as it can be compared directly with person specification - provides a starting point for subsequent interview - provides a paper record which may be useful in future | <p>1 mark for basic use of a CV (maximum 2 marks)</p> <p>1 mark for use within recruitment process (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|--|
| 2(f) | <p><u>John Lewis</u></p> <ul style="list-style-type: none"> • Job title - this is so that employee can see where they fit in company hierarchy - shows potential for job advancement • Who employee is responsible to - confirms line of reporting in case of dispute - reduces potential conflict over who gives instruction to employee • Where job is located - essential to confirm where employee will be working - helps firm with HR management/gives stability to employee • What job entails/duties/responsibilities - sets basic parameter of job so that employee performance - so that compliance can be monitored • Hours of work/working terms/conditions - clarifies minimum requirement - can be used to monitor performance • Pay - confirms what employee should expect - reduces potential for disagreement/conflict | <p>1 mark for common element of a job description (maximum 2 marks)</p> <p>1 mark for applying each distinct element of job description (maximum 4 marks)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 2(g) | <p><u>Receptionists at Kings Dental Practice</u></p> <ul style="list-style-type: none"> • Receptionist must be able to keep the appointment software up-to date • Likely to have had experience in another job that involved meeting and greeting customers • Will have a minimum of GCSE English and ICT • Must be clean, well presented and have a good speaking voice so that are reassured when they visit the dentist, often a stressful situation | <p>1 mark for each distinct element of a person specification applied to having face-to-face dealings with customers</p> <p>(No generic marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | | Indicative content |
|---------------------------|----------------------|---|
| 3(a)* NEW QUESTION | | <p><u>Valid points could include:</u></p> <p><u>Local Residents</u></p> <ul style="list-style-type: none"> • Disruption to lifestyle • Loss of property • Property values fall • Affect on local environment • Affect on natural environment <p><u>Local businesses</u></p> <ul style="list-style-type: none"> • Potential to increase business • More passing trade • Employment opportunities • Distribution/logistics opportunities • Local tourism <p>A Level 3 response may well be full of effects but will not draw a conclusion</p> <p>A Level 4 response would follow an argument such as: <i>Local residents will feel that the second runway would disrupt their life - because it will produce more flights - more noise - more environmental pollution locally - as well as affecting the ozone layer - the benefits to local businesses and for employment - do not outweigh the potential damage to their lifestyle - or the life of future generations</i></p> <p style="text-align: right;">(12 marks)</p> |
| Level | Mark | Descriptor |
| | 0 | No rewardable material |
| Level 1 | 1 - 3 marks | Candidate shows some knowledge of general effects of pressure groups |
| Level 2 | 4 - 6 marks | Candidate applies knowledge of how specific pressure groups will be affected by building of a second runway |
| Level 3 | 7 - 9 marks | Candidate compares and/or differentiates between the effects on both pressure groups |
| Level 4 | 10 - 12 marks | Candidate concludes why pressure groups are for or against a second runway |

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| Question Number | Answer | Mark |
|-----------------|---|--|
| 3(b) | <ul style="list-style-type: none"> • Psychological/basic needs - protests could close airport/restrict access/working hours which could lead to loss of wages which could result in problems paying for food/accommodation • Security/safety - having to go to work through protestors could threaten personal safety/job security could be threatened • Social/belongingness - airport workers seen as pariahs/work teams unsettled by protests/working environment no longer friendly place • Esteem - unable to please protestors/self esteem knocked by protests • Self actualisation - frustration/helplessness due to being unable to influence outcome of situation | <p>1 mark for applying Maslow's hierarchy of needs to operational staff working at airport (maximum 2 marks)</p> <p>1 mark for applying to demotivation (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 3(c)(i) | <ul style="list-style-type: none"> • The Working Time Directive • European Working Time Directive • Working Time Regulations <p>(focus must be on time)</p> <ul style="list-style-type: none"> • Based on maintaining health and safety of workers/health and safety issues related to consequence of tiredness (but not basic health and safety facilities) • Provides a limit of an average of 8 hours work in 24 which night workers can be required to work • Gives night workers a right to receive free health assessments • Gives workers a right to 11 hours rest a day • Gives workers a right to a day off each week • Gives workers a right to an in-work rest break if the working day is longer than 6 hours • Should not have to work more than 48 a week on average over a 17 week period | <p>1 mark for naming appropriate legislation</p> <p>1 mark for describing how legislation is designed to protect employees</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 3(c)(ii) | <ul style="list-style-type: none"> • Enforcement - by the Health and Safety Executive/local authority environmental health departments - that are responsible for monitoring legislation and making sure that businesses abide by legislation • Business taken to industrial tribunal/court - to enforce workers' rights - bad publicity and potential fine for business as well as being forced to apply legislation • Employees would be demotivated - output would fall - high levels of absenteeism | <p>1 mark for general consequence</p> <p>1 mark for development or application to a business</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 3(d) | <p><u>McDonald's</u></p> <ul style="list-style-type: none"> • Training - McDonald's has in-house training schemes - once you are trained you can move up a level - this means that you get paid a bit more money • Promotion scheme - designed to show employees that they can move up through the business - this can happen if you become more skilled/qualified - through the use of company training schemes <p><u>John Lewis</u></p> <ul style="list-style-type: none"> • Escalating leave scheme - the longer you work for JLP the more leave you are entitled to - new employees get four weeks per year, rising to five weeks after three years - • There are further long-service increases for most Partners after ten or fifteen years, and by the time you have worked for JLP for 25 years you can take 6 months paid leave | <p>1 mark for ways of retaining employees (maximum 2 marks)</p> <p>1 mark for description (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 3(e) | <p><u>Tesco, Hertford</u> Tesco applied for permission to open store 24 hours 7 days a week - this was likely to cause noise and disruption for local residents - company management called public meeting with local residents - reassured them that store would do all it could to minimise disruption - this included dimming lights in car park - employing security staff to keep an eye on customers and encourage them to keep the noise down when visiting store during the night</p> <p><u>Jones Garage</u> Jones Garage produces a quantity of used and damaged tyres as a result of fitting new tyres for customers - consequent pile of old tyres is unsightly, a fire hazard and if piled too high could fall and injure employees/customers - Jones owner researched options for disposing of and/or recycling old tyres - as a result old tyres are now collected weekly to reduce the number on site at any one time - the old tyres are sent to a rubber recover business that processes old tyres into new product - by doing this Jones Garage has addressed both the local environment by removing old tyres and the wider environment by having waste materials re-processed/recycled into useful goods instead of using up new materials</p> | <p>1 mark for environmental issue (may be implied)</p> <p>1 mark for cause of environmental issue</p> <p>1 mark for what business has done (maximum 2 marks)</p> <p>1 mark for outcome (maximum 2 marks)</p> <p style="text-align: right;">(6 marks)</p> |

Question 1c replaces Question 1ci-ii from the June 2008 paper. Question 3a replaces 3a and 3c. Question di and dii becomes ci and cii with reduced marks.

Question 1c

In this exemplar question we are looking for candidates to read the scenario, the information given before the question. There is a lot of information provided here which can be drawn on for the answer to the question.

Having read and understood the scenario, candidates have to recognise the objective that has been set by Rack Holdings, consider the validity of the forecast that has been used to set the objective, and come to some conclusion about the level of risk involved when setting an objective based on this type of forecast.

Question asks candidates to 'assess' the risk. In Appendix A: Glossary of Command Words in *'Fair Access By Design'* QCA, ACCAC & CCEA, October 2005, 'assess' = to make informed judgement. Candidates' marks will work up through the levels as they give reasons why the objective may or may not be achievable, and reasons why the forecast may or may not be accurate. The risk will come from candidate's ability to weigh up the likelihood that the forecast growth will occur against the ability of the business to grow in line with forecasts. Candidates who invoke the use of SMART as a method of assessing objectives and coming to a conclusion as a result are likely to come in at Level 4, as, by implication, they will be assessing through the use of SMART. Candidates who do not reach a conclusion about the risk involved can only be marked to Level 3.

Question 3a

In this exemplar question we are looking for candidates to read the scenario and take in the dynamics of the situation: a change to the present airport is proposed - this will affect stakeholders in different ways - two stakeholders are described as 'pressure groups' who seek to influence the outcome of the proposed changes, based on how they perceive that the proposed second runway will affect them.

Having read and understood the scenario, candidates have to consider the likely arguments that each stakeholder/pressure group would have, the reasons that they could put forward to generate support for and against the second runway.

Question asks candidates to 'discuss' the arguments. In Appendix A: Glossary of Command Words in *'Fair Access By Design'* QCA, ACCAC & CCEA, October 2005, 'discuss' = to present salient points.

Candidates marks will work up through the levels as they present different basic points of argument, reveal details of how each pressure group will be affected, shows that they can differentiate between each pressure group, and to reach Level 4 can draw some conclusions about why each pressure group would be for or against the second runway.

Candidates may not necessarily write their answers as a progression towards a conclusion, but may start with a firm conclusion which they support with reasons/arguments. This approach is fine and would immediately raise their answer to Level 4 - where in the Level 4 band being determined by the understanding implied by the arguments put forward. With no firm conclusion candidates can only achieve Level 3.

Questions 1 to 4 relate to the information about ‘Deal or No Deal’ shown in Figure 1.

Figure 1

The United Kingdom (UK) version of ‘Deal or No Deal’ is a television (TV) game show in which studio contestants can win between 1p and £250 000. Viewers can also phone or email in to win a daily prize of £1 000, £2 000 or £10 000 with a rollover of up to £30 000 if the top prize was not won. A new game is shown every weekday from 4.15–5.00 p.m. and on Sundays from 4.55–5.45 p.m. A repeat of one of these programmes is shown on Saturdays from 5.10–6.00 p.m., for which there is no viewer prize.

For the week ending the 4th of March 2007, the programme had over 3 million viewers on Monday, Tuesday, Wednesday and Sunday, which was the 4th to 7th highest ratings for Channel 4 viewing. Thursday and Friday had over 2.8 million viewers. The Saturday repeat had less than 2 million viewers.

- 1. This programme was sponsored in 2006 and 2007 in a multi-million pound deal by *BT*’s The Phone Book, which provides a directory service of telephone numbers. The sponsorship deal includes an agreement that the programme producers state that the programme is sponsored by The Phone Book each time it is shown and that linked advertisements are used at each commercial break.
 - (a) Considering how the programme works, why was ‘Deal or No Deal’ a particularly suitable programme for *BT* to sponsor?

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(2)



(b) Explain the likely benefits to *BT* of sponsoring this programme.

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(6)

(c) Explain why sponsoring this kind of programme might create negative publicity for *BT*.

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(3)

Q1

(Total 11 marks)

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2. On Saturday 17th March 2007, during the 5.40 p.m. break in the show, eight businesses other than *BT* advertised. **Table 1** shows the businesses and the products being advertised.

Table 1

| Business | Product |
|----------------------------|------------------|
| Chicago Town | Pizza |
| Expedia | Holidays |
| Guinness | Guinness drink |
| Fiat (Cars) | Punto Grande |
| The Automobile Association | Car Insurance |
| The Co-op (Supermarket) | Scottish Salmon |
| Just for Men | Hair colouring |
| B & Q | Garden equipment |

- (a) Explain which **two** of these businesses are likely to have chosen March as the best time to advertise their product.

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(6)



(b) Show how choosing this Saturday 5.10–6.00 p.m. slot would create **three** distinct drawbacks for the business advertising.

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3

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(6)

Q2

(Total 12 marks)

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3. The viewer figures only tell a business how many people were recorded as looking at a programme.

(a) Why might the viewers of the programme not be affected by the individual advertisements?

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(3)

(b) Advise these businesses on how they could cost-effectively check if their advertisements had reached target audiences across the UK.

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(5)

(Total 8 marks)

Q3



4. Advertising on Channel 4 is restricted to a maximum average of seven minutes per hour.

(i) Identify the organisation responsible for setting this limit.

..... (1)

(ii) State why this limit is set.

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..... (2)

(Total 3 marks)

Q4



Questions 5 to 7 relate to promotional campaigns used by *Tolvaddon Farm Ltd.*

Figure 2

Tolvaddon is located in the North of Cornwall, 4 miles from the sea. Originally it was simply a 200 acre farm but now many of the buildings have been converted into cottages for holiday lets. There is a farm shop, a tea room and visitor trails that allow people to see the animals and the work done on the farm.

A wide range of promotional methods are used including road side signs, advertisements in the press, a multi-page website and even a large helium balloon floated over the tea room in the summer.

The target population for the holiday lets is the rest of the United Kingdom (UK), the United States (USA) and the European Union (EU).

The target population for the farm shop and tea room is mainly locals, people staying in the cottages or people passing by.

***5.** Judge how effective the use of a multi-page website is likely to be in promoting *Tolvaddon's* facilities to the distinct target populations shown in **Figure 2**.

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Q5

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(Total 12 marks)



7. When creating its multi-page website the owners of *Tolvaddon* had to employ the services of a specialist website design firm.

Examine the internal constraints within *Tolvaddon* that are likely to have forced the owners to have the website designed by another business.

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(Total 4 marks)

Q7



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

8. Many businesses still use **large** roadside billboards for advertising. With reference to **one** specific recent advertisement using this method, answer the questions below.

(a) Name or describe the product/service being advertised

.....

State the specific location of the advertisement

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(1)

(b) (i) Analyse **one** feature used in **this** advertisement that made it particularly suitable for a large billboard placement.

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(3)

(ii) Analyse **one** feature used in **this** advertisement that made it particularly suitable for advertising this product.

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(3)

(c) Explain why the specific location chosen was so important for the effectiveness of this advertisement.

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(3)

(Total 10 marks)

Q8

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9. Effective promotion needs to get through to the target audience. Using an example of a product where the promotion has been specifically targeted at mothers, answer the following questions.

(a) Identify and describe the product.

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(1)

(b) Describe the way in which this product is being promoted to mothers.

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(3)

(c) Why is **this** way effective for promoting to the target audience?

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(4)

(d) Outline **one** possible negative effect of **this** way of promoting to the target audience.

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(2)

(Total 10 marks)

Q9



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Extended Writing Exemplar Mark Scheme & Commentary

GCE

GCE Applied Business (6921/01)

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

| Question Number | Answer | Mark |
|-----------------|--|--|
| 1(a) | <ul style="list-style-type: none"> Viewers can participate by phoning/emailing the programme - <i>BT</i> provides phone/internet services. A daily prize can be won by phoning in - The Phone Book provides a telephone directory service. | <p>1 mark for relevant feature of the programme</p> <p>1 mark for why that makes it particularly suitable for <i>BT</i></p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|--|
| 1(b) | <ul style="list-style-type: none"> High audience numbers - over 3 million on each of four days - around 20 million viewers in a week - viewers will see who has sponsored the programme - may be influenced to think about The Phone Book when looking for a number. <i>BT</i> has the right to advertise in the breaks - there are a number of breaks in a 45/50 minute programme - each break will start with a Phone Book advertisement - this will reinforce any message - encourage viewers to use The Phone Book. The potential prize is very high - up to £250 000 - this is available six days a week - The Phone Book will be associated with providing these prizes - will create good PR/corporate image. | <p>1 mark for positive feature of programme (maximum 2 marks)</p> <p>1 mark for detail/or why it comes from the programme (maximum 2 marks)</p> <p>1 mark for how this benefits <i>BT</i> (maximum 2 marks)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 1(c) | <ul style="list-style-type: none"> The lowest prize is only 1p - many contestants could get low prizes - <i>BT</i> may be seen as ungenerous. May be associated with gambling - many people disapprove of gambling - may therefore disapprove of <i>BT</i>/not watch the show. These programmes have been associated with conning the public - viewers being allowed to phone in when viewers' prizes have already been awarded - that would also create a negative image for the sponsor. | <p>1 mark for relevant nature/feature of the programme</p> <p>1 mark for why that would be negative</p> <p>1 mark for why negative for <i>BT</i></p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 2(a) | <ul style="list-style-type: none"> • <i>Expedia</i> - people will be thinking about the summer holidays - March will be a good time to encourage people to buy holidays. • <i>B & Q</i> - people will be thinking about getting into the garden as the weather improves - March signals the beginning of spring. • <i>Fiat</i> (cars) - many people want to buy cars that will be seen as being new - new half year registration date is in March. <p>(Allow other businesses if a valid argument is given as to why March is important, e.g., with Guinness and St. Patrick's Day)</p> | <p>1 mark for the business when explained</p> <p>1 mark for relevant feature of the product or the target population</p> <p>1 mark for why March is important</p> <p>(1 + 1 + 1) x 2</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 2(b) | <ul style="list-style-type: none"> • Lowest viewer figure of the week - less of the target market being reached. • This is a repeat show - many potential customers will not bother tuning in. • There is no viewer prize - may feel <i>BT</i> is not being as generous as it could be. • Target audience may be watching other main programmes/sports results and news - expensive advertising will be less effective. | <p>1 mark for each distinct feature of the time</p> <p>1 mark for why it is a drawback for the businesses</p> <p>(1 + 1) x 3</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 3(a) | <ul style="list-style-type: none"> • May get up to make a cup of tea - would then miss the advertisement - viewer's main interest is in seeing the show. • Some advertisements better than others - will be attracted to the best ones - there were eight being shown. | <p>1 mark for distinct factor (maximum 2 marks)</p> <p>1 mark for why that would lead to not being affected</p> <p>1 mark for application to this show/or the businesses advertising</p> <p>(1 + 1 + 1) or (2 + 0 + 1)</p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 3(b) | <ul style="list-style-type: none"> • Use existing research data that checks detailed viewing habits - questions could be added that relate to the particular advertisement - negative and positive answers would allow the business to check if it did reach the target audience - surveys are already set up - likely to have lower costs. • Set up focus groups across the UK - select members who are known to watch these kind of shows - ask questions related to the specific advertisement - only those who watch the shows are asked - helps to keep research cost down/money is not wasted researching non-viewers. <p>(Do not accept just a basic method, e.g. focus group, questionnaire, etc., unless it is shown to be used in a relevant way)</p> | <p>1 mark for method</p> <p>1 mark for how this would help check if target audience was reached (maximum 2 marks)</p> <p>1 mark for why it would be cost effective (maximum 2 marks)</p> <p style="text-align: right;">(5 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 4 (i) | <ul style="list-style-type: none"> • Ofcom (not the ASA). • Office of Communications | <p>1 mark for organisation</p> <p style="text-align: right;">(1 mark)</p> |

| Question Number | Answer | Mark |
|-----------------|---|--|
| 4 (ii) | <ul style="list-style-type: none"> • Viewers tune in to see the programmes - the advertisements detract from that pleasure. • Commercial stations want as many advertisements as possible because they generate income - might mean lower standard of programmes. | <p>1 mark for basic reason why the limit is set</p> <p>1 mark for development</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | | Indicative content |
|------------------------|----------------------|---|
| 5* NEW QUESTION | | <p><u>Target populations and facilities</u></p> <ul style="list-style-type: none"> • People travelling from other parts of UK, USA, EU wanting holiday lets. • Local, people in cottages, passers by using the farm shop and tea rooms. • Passers by visiting the farm trails. <p><u>Website facilities</u></p> <ul style="list-style-type: none"> • Available to anyone with internet access - can be accessed by people in different countries. • Multi-paged will allow a large amount of information - could provide people want to use the tea room with full menus. • Can be regularly updated - can provide information on changing fresh products in the farm shop. <p><u>Judging effectiveness for target population and facilities</u></p> <ul style="list-style-type: none"> • People in the USA may want to rent a holiday cottage in Cornwall - will not be able to visit <i>Tolvaddon</i> in advance to check it out - can access the details via the website - will provide details of availability cost, etc - likely to have pictures to promote and persuade - will only be effective if people in the USA can easily find the website. • Passers by may not be planning a specific visit - may still be attracted to use the farm shop or tea room - would not have checked the website in advance - it would not, therefore, have been effective for this group - however people who know they will be visiting the area may check what attractions there are first - the website is multi-paged so will show all the facilities, thus promoting the shop and tea room to this target population. <p style="text-align: right;">(12 marks)</p> |
| Level | Mark | Descriptor |
| | 0 | No rewardable material |
| Level 1 | 1 - 3 marks | Identification of distinct target populations in relation to the facilities |
| Level 2 | 4 - 6 marks | Application of the features of a multi-page website to the different distinct target populations/facilities |
| Level 3 | 7 - 9 marks | Judging the effectiveness in terms of different target populations or facilities |
| Level 4 | 10 - 12 marks | Judging the effectiveness in terms of different target populations and facilities |

This is an exemplar mark scheme. The mark schemes published after each examination series will include further details obtained through the standardisation process following full consideration of candidate responses. A commentary of the new extended writing question has been included at the end of this mark scheme. This will provide further clarification on this style of question.

| Question Number | | Indicative content |
|------------------------|---------------------|---|
| 6* NEW QUESTION | | <p><u>Relevant features</u></p> <ul style="list-style-type: none"> • Free or paid for. • Black & white or colour. • Monthly or weekly. • Seven small local towns or North Cornwall. <p><u>Application to the target group</u></p> <ul style="list-style-type: none"> • Tourists are coming from America so will have spent a considerable amount to get to Cornwall - price of a paper may not be significant. • Monthly/weekly will determine how often information can be updated - American will want information that relates to when they are there. • This target group will be visitors to Cornwall but who do not know about <i>Tolvaddon</i> - both papers are available to people travelling around Cornwall. <p><u>Comparison</u></p> <ul style="list-style-type: none"> • The Gazette is only in seven small towns but the Guardian is throughout North Cornwall - the Guardian is more likely to be seen by American visiting Cornwall as a whole. • The American tourists will want information about what there is to see - colour or black and white may not be important so advertising in both papers could be as effective. • American tourists may want up-to-date information - may only consider that a weekly publication will provide them with valuable details. <p style="text-align: right;">(10 marks)</p> |
| Level | Mark | Descriptor |
| | 0 | No rewardable material |
| Level 1 | 1 - 2 marks | Identify relevant features of the two papers |
| Level 2 | 3 - 6 marks | Apply the features to the target group in terms of why they are relevant/not relevant |
| Level 3 | 7 - 10 marks | Compare the likely effectiveness of the newspapers in terms of reaching the target group |

This is an exemplar mark scheme. The mark schemes published after each examination series will include further details obtained through the standardisation process following full consideration of candidate responses. A commentary of the new extended writing question has been included at the end of this mark scheme. This will provide further clarification on this style of question.

| Question Number | Answer | Mark |
|-----------------|--|--|
| 7(a) | <ul style="list-style-type: none"> Lack of skilled staff - most staff are involved with farming, retailing, renting - will not have been trained to be web designers. Lack of specialist resources - the business is not involved with computer technology - will not have the software necessary. | <p>1 mark for internal constraint (maximum 2 marks)</p> <p>1 mark for why that constraint occurs in this business (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 8(a) | <p>(McVitie's chocolate digestive biscuits have been used as an example for Q8)</p> <p><u>Name/description of product</u> - McVitie's chocolate digestive biscuits.</p> <p><u>Location</u> - Churchill Way, Salisbury.</p> | <p>1 mark for name/description of product and for location of advertisement</p> <p style="text-align: right;">(1 mark)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 8(b) | <p><u>(i) Large billboard placement</u></p> <ul style="list-style-type: none"> Very few words being used - made the message stand out - easily seen by passing drivers and passengers. Simple large shapes and colours - easy to identify the message - even when it is only being seen for a few seconds. <p><u>(ii) This product</u></p> <ul style="list-style-type: none"> The main words chosen - 'Whole lot of wholemeal' / 'Share the goodness of McVitie's' - getting across the message of a wholesome product. The 'O's in the message were chocolate biscuits - creating interest through humour - identifying the product directly. Background with different bands of brown in stripes - making the message stand out - and relating it to the wholemeal and the chocolate. | <p>1 mark for appropriate feature.</p> <p>1 mark for why that would make it suitable for a large billboard/for the chosen product (maximum 2 marks)</p> <p>(1 + 2) x 2</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 8(c) | <ul style="list-style-type: none"> Next to the roundabout halfway down Churchill Way - would be seen as vehicles slow down to go round the roundabout - the longer it is seen the more effective it is likely to be. To the side of traffic light - vehicles will have to stop when the lights are red - so occupants will have more time to see the advertisement. On the side of the western by-pass to the city - will have a large number of vehicles passing - will mean it reaches a large target audience. | <p>1 mark for feature of the location</p> <p>1 mark for why that made it important for effectiveness (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 9(a) | <p>(<i>Iceland</i> has been taken as an example for Q9) Identify and describe the product.</p> <ul style="list-style-type: none"> <i>Iceland</i> Supermarket, the full range of foods and drink. | <p>1 mark for identification and description of the product</p> <p style="text-align: right;">(1 mark)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 9(b) | <ul style="list-style-type: none"> Use of banners in advertisements/shop windows - states '...so that's why mums go to <i>Iceland</i>' - changed for a time to 'mums are heroes'. | <p>1 mark for way</p> <p>1 mark for each distinct point of description</p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 9(c) | <ul style="list-style-type: none"> The banner advertising makes the message stand out - emphasises the importance of being a mum - will make mums feel particularly welcome at <i>Iceland</i>. Kerry Katona fronts the advertisements - voted celebrity mum in 2002/2005 - mothers will relate to her - may feel as she is recommending <i>Iceland</i> it must be special. | <p>1 mark for feature of the way (maximum 2 marks)</p> <p>1 mark for why that would make it effective for target audience (maximum 3 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 9(d) | <ul style="list-style-type: none"> Some mothers may be offended by this - it stereotypes women as doing the shopping. Men/fathers may feel that they are less important to <i>Iceland</i> - the promotion focuses on mothers and ignores men/fathers. | <p>1 mark for negative effect</p> <p>1 mark for why it comes from mothers being targeted</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 10(a) | <p>(<i>Cadbury</i> drinking chocolate has been taken as an example for Q10)</p> <p><u>Name and where sold</u> - <i>Cadbury</i> drinking chocolate, sold in <i>Somerfield</i> supermarket.</p> <p><u>Special offer</u></p> <ul style="list-style-type: none"> 50% extra free. | <p>1 mark for name of product and where sold</p> <p>1 mark for details of the special offer</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 10(b) | <ul style="list-style-type: none"> 50% extra free written in large capitals - makes the offer stand out - customers more likely to be persuaded because of this. Words placed on a yellow band - contrasts with the purple background - draws customers attention to it. Main message repeated round the top of the container - can be seen despite the way it is put on the shelf - will help ensure customers see the offer as they pass. Offer also made in terms of the weight - '750g for the price of 500g' - helps to convince customers that they are getting a bargain. | <p>1 mark for feature (maximum 2 marks)</p> <p>1 mark for why that made the advertising effective (maximum 4 marks)</p> <p>(Maximum of 4 marks for one feature explained)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 10(c) | <ul style="list-style-type: none"> Must not put on misleading prices - Consumer Protection Act. Must not make false claims about the product/state 50% free when there is less than 50% - Trade Descriptions Act. As this is part of an advertisement it must be honest and truthful - Control of Misleading Advertisements Regulations 1988. The weight must be the minimum stated on the package - Weights and Measures Act/Weights and Packaged Goods Regulations. | <p>1 mark for constraint (maximum 2 marks)</p> <p>1 mark for named legislation</p> <p style="text-align: right;">(2 marks)</p> |

Question 5 replaces Question 5a, bi-ii from the June 2008 paper. Question 6 replaces questions 6a and b.

Question 5

A full answer requires candidates to judge how effective the use of a multi-page website is likely to be as part of Tolvaddon's promotion of the business and its facilities in relation to different target markets.

Before that can be done, candidates need to clearly identify who these target populations are and what facilities they are likely to be interested in. Identifying who is interested in what will help candidates to judge whether or not the use of a website is likely to be effective.

Features of websites in general need to be identified before these can be applied to the target population. Candidates should then apply the features of a website to what facilities Talvaddon offers. This move answers from basic recall of knowledge to the expected level of application.

The higher levels require clear evidence of reasoning and judgement. For this, candidates must show that they have appreciated that there are three elements at play here: the use of a multi-page website; the different target populations; the facilities that Tolvaddon offers. The judgement required is that the effectiveness of using a multi-page website is judged again at those three elements.

Question 6

A full answer requires candidates to compare what the two newspapers can offer and to explain which will be most effective in terms of reaching the specific target group of American tourists.

Before that can be done, candidates need to identify features of the two papers. These need to be ones that would be important to the target group. Candidates also need to explain why these features are likely to be important/significant to the American tourist.

Once the feature(s) has/have been identified, candidates need to focus on how effective the feature(s) is/are likely to be in terms of reaching the stated target group. Finally, they should compare it (them) to the effectiveness of the other paper.

Questions 1 to 6 relates to the scenario below.

Figure 1

Scenario – Sony Computer Entertainment Inc (SCEI)

SCEI produces and markets the PlayStation games consoles. SCEI has been a global leader of consumer-based computer entertainment for more than a decade. It is often at the forefront of new computer technologies, such as the use of advanced 3D graphics in computer games. With its second major development of the PlayStation, PlayStation 2 (PS2), it captured 70% of the market against very aggressive marketing from its two major competitors, *Microsoft* and *Nintendo*.

2006 and 2007 saw the launch of the new generation of computer consoles from these three world players. When designing the consoles, technology is a major issue in terms of what facilities are being provided because new communication and computer technologies are being developed so rapidly. Customers now expect that games consoles will also have CD, DVD, wireless and advanced graphics and playability as standard. The product needs to be right, but the correct marketing is also a major factor in ensuring success.

The new PlayStation 3 (PS3) had features not offered by its competitors. In the UK and Europe SCEI planned the launch for the end of 2006. Problems with obtaining some parts delayed this until March 2007. This gave the *Microsoft* Xbox 360 more than a year to capitalise on its launch and the *Nintendo* Wii a three month advantage.

Price was also a potential issue. The Xbox 360 was launched in the UK at £280, the *Nintendo* Wii at £179, and the PS3 at £430. Luckily, PlayStation has many loyal customers, who were prepared to wait for the launch and to pay the high price. This helped ensure that the PS3 achieved the highest two-day launch sales for any console in the UK, 165,000 compared to 71,000 for the Xbox 360 and 105,000 for the Wii.

Some expert commentators believed that the delayed launch and the high price would mean sales would rapidly drop following the launch and that the price would have to be lowered considerably to attract other customers. There were also problems with compatibility which meant that some games that could be played on the PS2 could not be played on the PS3.



1. SWOT and PEST analyses are used to assess the position of a business in the market at a specific time.

(a) (i) Using **Figure 1**, identify a strength, weakness, opportunity and threat that would relate to *SCEI*'s launch of the PS3 in March 2007.

Strength

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Weakness

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Opportunity

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Threat

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(4)

(ii) Why is each of your choices in (i) a strength, weakness, opportunity or threat for *SCEI*?

Strength

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Weakness

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Opportunity

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Threat

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(4)



(b) Explain why the sociological aspect of PEST is so important in terms of marketing for *SCEI*.

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(4)

Q1

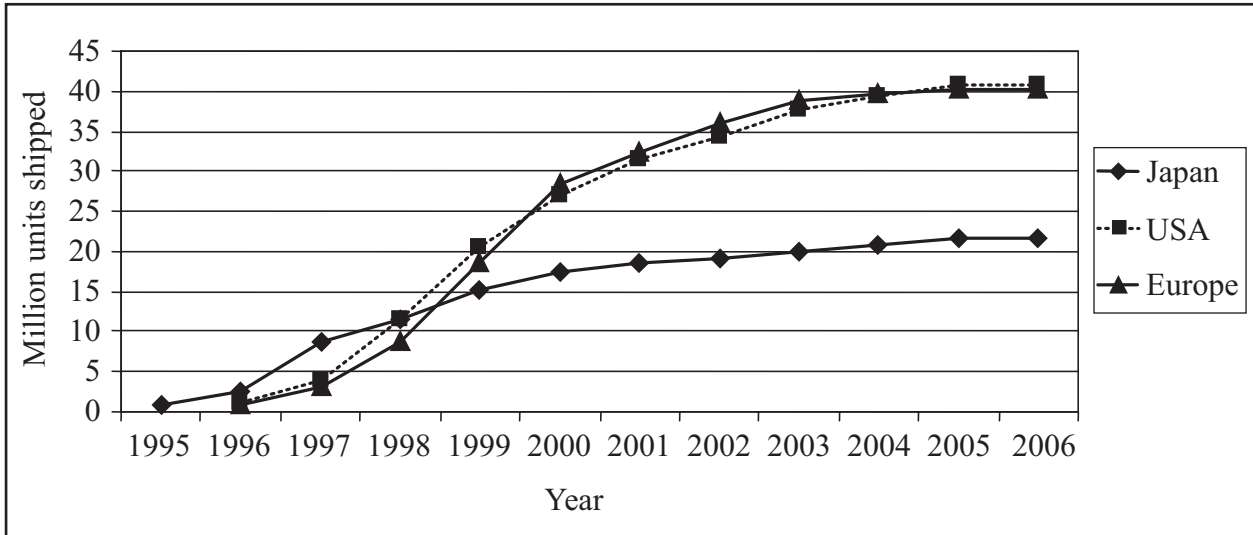
(Total 12 marks)

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3. **Figure 2** shows the shipment of the PlayStation consoles from 1995 to 2006. The figure for Japan includes shipment to Asia.

Figure 2 – Production and shipment of SCEP’s PlayStation Hardware (million units)



Source: Adapted from PlayStation website.

Figure 2 also represents product life cycles for the three different markets.

(a) For the Europe product life cycle, name the stages for the following years.

- 1996
- 1997
- 1998–1999
- 2005–2006

(2)



(b) Explain how **Figure 2** confirms that the decision by *SCEI* to enter the USA and European markets in 1996 was a sound business decision.

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(6)

(c) With reference to **Figure 2**, why was an extension strategy needed?

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(3)

(d) With reference to **Figure 1** on **Page 2**, explain why the extension strategy chosen by *SCEI* was likely to be a success.

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(4)

(Total 15 marks)

Q3

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4. Initially, in 1995, PlayStation consoles were only sold in Japan, but in 1996 *SCEI* decided to develop its markets in the USA and Europe.

(a) Why was this decision to develop its markets in the USA and Europe a strategic marketing decision rather than a tactical one?

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(4)

(b) Examine **two** likely changes that would need to have been made to elements of the marketing mix in order to successfully develop these markets.

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(6)

(Total 10 marks)

Q4

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5. SCEI's largest market in Europe is the UK. To ensure that this market is well understood market research needs to be carried out.

(a) Justify a suitable secondary source that SCEI could use to find out about the potential UK market.

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(4)

In June 2007 Nintendo released a computer game in the UK called Brain Age specifically targeted at the 45+ age group, but it is also being played by younger age groups.

(b) Explain how the use of quota sampling in the UK would help SCEI to decide for which age group it would be most cost effective to produce a similar game.

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(6)

(Total 10 marks)

Q5

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6. *SCEI* operates in a global market and it is therefore affected by the macro marketing environment. At the beginning of April 2007 PS3 consoles were available for sale in the UK at £430 but they were also available in Hong Kong for just £250 and Japan for just £260.

(a) Why were the prices in the UK and Hong Kong so different?

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(3)



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

7. With reference to **one** real UK or multinational business which has used a street survey in order to collect primary market research data on its good or service, answer the following questions.

Name of the business

Name of the good or service

(a) State the town or city the research was carried out in.

..... **(1)**

(b) Discuss the type of sampling that was used when selecting who to survey.

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..... **(3)**

(c) Explain how the data collected was used to improve the good or service provided by the business.

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..... **(6)**

(Total 10 marks)

Q7

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8. With reference to **one** real UK or multinational business that has a good or service in the 'dog' section of the Boston Matrix, answer the following questions.

Name of business

(a) Name the good or service. (1)

(b) Analyse why this good or service is in this position on the matrix.
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..... (5)

(c) Explain **one** marketing action that this business is taking because the good or service is in this position on the matrix.
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..... (4)

(Total 10 marks)

Q8

TOTAL FOR PAPER: 90 MARKS

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Extended Writing Exemplar Mark Scheme & Commentary

GCE

GCE Applied Business (6925/01)

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

| Question Number | Answer | Mark |
|-----------------|---|--|
| 1(a) | <p><u>Strength</u></p> <ul style="list-style-type: none"> Loyal customer base - able to sell many consoles even though delayed/high price. Been at the forefront of new technologies for a decade - customers will expect similar advances for the PS3. <p><u>Weakness</u></p> <ul style="list-style-type: none"> Launch delayed - will cause some potential customer to buy the alternative. Not compatible with PS2 - customers unable to use existing games so may not upgrade. <p><u>Opportunity</u></p> <ul style="list-style-type: none"> Global market - able to sell the new console in a great many countries. Loyal customer base - will allow <i>SCEI</i> to change price timing etc. and they will still buy it. <p><u>Threat</u></p> <ul style="list-style-type: none"> Two major competitors - both producing their own new models which could take sales away from <i>SCEI</i>. | <p>1 mark for each SWOT point from the data</p> <p>1 mark for application of SWOT point to <i>SCEI</i></p> <p>(1 + 1) x 4</p> <p style="text-align: right;">(8 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 1(b) | <ul style="list-style-type: none"> Lifestyle - this includes how people spend their leisure time - playing computer games is part of people's leisure time - <i>SCEI</i> should emphasise the fun/enjoyment/relaxation that would come from owning the PS3. Peer pressure - for many people having the newest model is important - <i>SCEI</i> should publicise the advanced aspects - emphasising that this is a 'must have' product. | <p>1 mark for sociological aspect</p> <p>1 mark for why this aspect is so important to <i>SCEI</i> (maximum 2 marks)</p> <p>1 mark for how it will affect the marketing (maximum 2 marks)</p> <p>(1 + 1 + 2) or (1 + 2 + 1)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | | Indicative content |
|------------------------|---------------------|--|
| 2* NEW QUESTION | | <ul style="list-style-type: none"> • Can charge a high price to those who really want the product - <i>SCEI</i> has a loyal customer base - these people will be very keen to get the latest PlayStation console - <i>SCEI</i> set a price of £430, well above the price of the competitors' consoles - it still had 165 000 sales in the first two days. • Lowering price later will gain additional customers - competitors prices were much lower than for the PS3 - consoles often fall in price after they have been on the market for some time - customers who could not afford £430 might be attracted by a lowering of the price - on the other hand they may have already bought a competitor's product and not want another console. • High initial price will help cover development costs - the PS3 had many new features - this would have meant large costs in research and development before the launch - the high price of £430 and the high initial sales would have helped repay these costs. <p style="text-align: right;">(10 marks)</p> |
| Level | Mark | Descriptor |
| | 0 | No rewardable material |
| Level 1 | 1 - 3 marks | Identify basic advantages and disadvantages of the strategy |
| Level 2 | 4 - 6 marks | Application to the product, company and market |
| Level 3 | 7 - 10 marks | Discussion of the likely success of the strategy for <i>SCEI</i> when launching the PS3 |

This is an exemplar mark scheme. The mark schemes published after each examination series will include further details obtained through the standardisation process following full consideration of candidate responses. A commentary of the new extended writing question has been included at the end of this mark scheme. This will provide further clarification on this style of question.

| Question Number | Answer | Mark |
|-----------------|--|--|
| 3(a) | <p>1996 Launch.</p> <p>1997 Introduction.</p> <p>1998 - 1999 Growth.</p> <p>2005 - 2006 Saturation/maturity.</p> | <p>1 mark for two correct terms</p> <p>or</p> <p>2 marks for all four correct</p> <p style="text-align: right;">(2 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 3(b) | <ul style="list-style-type: none"> USA and Europe both have larger overall shipments - suggests that they are much bigger markets than Japan - helps to ensure business as a whole can grow - turns <i>SCEI</i> into a global business. Japanese market reaching maturity in 1999/2000 - the USA and European markets still growing at this stage - allows whole <i>SCEI</i> business to continue to grow - forms part of a valuable extension strategy. Sales in USA/Europe twice that of Japan in 2006 - Japan has a limited population and other Asian countries limited income per head - the USA and Europe are relatively prosperous market - able to afford luxuries such as PS3. Nominal approach. | <p>1 mark for feature shown on graph (maximum 2 marks)</p> <p>1 mark for how that feature supports the decision (maximum 4 marks)</p> <p>(maximum of 4 marks for only one feature)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 3(c) | <p><u>Term</u></p> <ul style="list-style-type: none"> Strategy to ensure that the growth/maturity stage is continued. <p><u>Explanation</u></p> <ul style="list-style-type: none"> Graph shows no growth in shipped units in 2006 - extension strategy needed to be used if <i>SCEI</i> wanted to expand sales. A typical product life cycle would move, after 2006, into decline - to ensure this does not happen new marketing strategies are needed. | <p>1 mark for showing understanding of term (may be implied)</p> <p>1 mark for application to the data</p> <p>1 mark for reason</p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 3(d) | <ul style="list-style-type: none"> • Bringing out a new model - this has many new features - will attract loyal customers and new customers - most games players want the latest technology. • Launch of the PS3 - part of the new generation of computers - the first two days of the launch in the UK was a record - higher than the sales of main competitors. | <p>1 mark for identifying extension strategy</p> <p>1 mark for details of the strategy</p> <p>1 mark for why the strategy would be/was a success (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 4(a) | <ul style="list-style-type: none"> • Strategic refers to long term plans - breaking into new markets abroad would take a long time to set up and plan - distribution channels need to be established - customers need to be made familiar with and be persuaded to buy the new product. • Strategic planning refers to the whole business - this was a major decision - moving from national sales to global sales - would affect all parts of the business in terms of production and shipment. | <p>1 mark for showing understanding of the term/giving feature of strategic (may be implied)</p> <p>1 mark for how expansion relates to this</p> <p>1 mark for why this expansion would be strategic for <i>SCEI</i> (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 4(b) | <ul style="list-style-type: none"> • Distributors/agents may be needed - will understand/have contacts with the markets in the new countries - initially <i>SCEI</i> would only have contacts in Japan. • Use of penetration pricing - product will not be known in new markets - may need to keep price low to gain edge on competitors/<i>Nintendo</i>. • Promotion must appeal to market in USA/Europe - language and message likely to need to be changed - Japanese culture quite different to USA or Europe culture. | <p>1 mark for change to an element of the marketing mix</p> <p>1 mark for basic reason why the changes will be needed</p> <p>1 mark for application to the product.</p> <p>$(1 + 1 + 1) \times 2$</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 5(a) | <ul style="list-style-type: none"> • Sales figures for the PS2 - this will give details of the size of the market for that console - many customers are loyal to the particular make of console - will give SCEI a good indication of likely sales for the PS3. • Government ONS publications such as Social Trends - this includes data on leisure activities - should provide details on the number of people who own consoles - this would indicate the likely potential total market. • The internet - could access the websites of major competitors - see how they are marketing their consoles - could then introduce more attractive strategies | <p>1 mark for source</p> <p>1 mark for details of the data it would provide (maximum 2 marks)</p> <p>1 mark for why this would be suitable (maximum 2 marks)</p> <p>(1 + 2 + 1) or (1 + 1 + 2)</p> <p style="text-align: right;">(4 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|---|
| 5(b) | <ul style="list-style-type: none"> • A sample where the numbers in each group in the sample is set in terms of a specific characteristic - here this will be set in terms of age - the sample should be divided in terms of the demographic breakdown of the UK - this would ensure that the answers are correctly weighted - it would then be possible to target the right group - making sure costly marketing is not wasted on the other groups. | <p>1 mark for understanding of term (may be implied)</p> <p>1 mark basis of quota in this case</p> <p>1 mark for how this would provide the data needed (maximum 2 marks)</p> <p>1 mark for why having the data would make it cost-effective to produce a similar game (maximum 2 marks)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 6(a) | <ul style="list-style-type: none"> • Different income levels - the average income in Hong Kong is lower than in the UK - prices need to be lower in order to sell the product. • Lower transport cost - Hong Kong is closer to Japan than the UK - could be exported there at a lower cost. • Closer competition - easier for people in Hong Kong to get consoles from Japan - the low Japanese price meant price in Hong Kong had to be low. | <p>1 mark for feature of the market(s)</p> <p>1 mark for why that would make the prices different (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Indicative content | |
|--|--|---|
| 6(b)* EXTENDED WRITING QUESTION | <p>Benefits</p> <ul style="list-style-type: none"> • Different launch dates helps production schedules - makes it easier to ensure that very high demand in the first week can be met - in the UK 165 000 were sold in just two days - if customers have to wait for the console they may buy an alternative. • Different prices can attract more customers - some countries have lower incomes per head than others - would not buy the consoles if they had UK or USA price tags - the PS2 was able to gain 70% of the market. • Problems can be identified and corrected - the PS3 had many advanced components - the early launch in Japan could identify any problems so that they could be corrected before the other launches - recalling consoles to correct problems would be very expensive. <p>Drawbacks</p> <ul style="list-style-type: none"> • Could lose profits - UK customers could order consoles at £250 from Hong Kong - even with delivery costs this would probably be well below the £430 price in the UK - SCEI would only receive the Hong Kong cost price. • Negative publicity - customers in the UK might be dissatisfied with having to wait when they know it is available elsewhere - may decide to buy a competitor product instead - the Xbox 360 and the Wii were both already available in the UK, so any significant additional delay could be very lose SCEI many customers. <p style="text-align: right;">(10 marks)</p> <p>(Maximum of 4 marks for just benefits or just drawbacks)</p> | |
| | Level | Mark |
| | 0 | No rewardable material |
| Level 1 | 1 - 2 marks | Description of the benefits and drawbacks in general terms |
| Level 2 | 3 - 4 marks | Benefits and drawbacks applied to <i>SCEI</i> |
| Level 3 | 5 - 7 marks | Explanation of why these were benefits or drawbacks for <i>SCEI</i> |
| Level 4 | 8 - 10 marks | Appropriate conclusions about the benefits and drawbacks of both time and price differences for <i>SCEI</i> |

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| Question Number | Answer | Mark |
|-----------------|---|---|
| 7(a) | <p><i>South West Trains</i> has been taken as the example for Q7.</p> <p><u>Business - <i>South West Trains</i>.</u></p> <p><u>Good/service - Train travel.</u></p> <p><u>Location</u> Basingstoke.</p> | <p>1 mark for location</p> <p>(N.B. the business and product must also be provided)</p> <p style="text-align: right;">(1 mark)</p> |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 7(b) | <ul style="list-style-type: none"> • Convenience sample - the survey was conducted outside of the station - this was where the target customers were most likely to be. • Cluster sample - this was conducted in specific towns - chosen on the basis of the routes that <i>South West Trains</i> wanted customer details about. • Convenience sampling - <i>South West Trains</i> wanted to cause as little disruption to passengers as possible - only asked those who clearly were not in a hurry | <p>1 mark for sample method</p> <p>1 mark for each distinct detail of how the sampling was carried out/or why this method of sampling was used (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|---|--|
| 7(c) | <ul style="list-style-type: none"> • To find out how many people would be using trains over the Easter break - public asked if they would be using trains over the break - would provide <i>South West Trains</i> with likely passenger numbers - parts of the lines were being closed over this period for repairs - company would know how many buses to lay on - would ensure minimum disruption for customers. | <p>1 mark for identifying the purpose of the survey</p> <p>1 mark for detail of what data was collected (maximum 2 marks)</p> <p>1 mark for how that data would help to improve the good or service (maximum 4 marks)</p> <p>(1 + 1 + 4) or (1 + 2 + 3)</p> <p style="text-align: right;">(6 marks)</p> |

| Question Number | Answer | Mark |
|-----------------|--|------------------------------------|
| 8(a) | (<i>Lidl</i> has been taken as an example for Q8) <ul style="list-style-type: none"> Selling groceries. | 1 mark for product (1 mark) |

| Question Number | Answer | Mark |
|-----------------|--|--|
| 8(b) | <ul style="list-style-type: none"> Low market share and low market growth - the market is dominated by four major supermarket chains - <i>Lidl</i> is a relatively new supermarket in the UK- the majority of the goods are necessities so demand does not increase very much each year - market growth was only 3.4% for 2006/7. | 1 mark for basic theoretical answer (may be implied) 1 mark for why market share is low (maximum 2 marks) 1 mark for why market growth is low (maximum 2 marks) (5 marks) |

| Question Number | Answer | Mark |
|-----------------|---|---|
| 8(c) | <ul style="list-style-type: none"> Keeps prices lower than competitors - this ensures that it maintains sales - helps to attract more customers - provides good profits even though market share is low. Has regular changes in non grocery products - this attracts customers - will buy the grocery products whilst in the store - keeps sales for grocery products at an acceptable level. | 1 mark for marketing action 1 mark for why the business takes this action (maximum 3 marks) (4 marks) |

6925/01 Commentaries for extended writing questions

Question 2 replaces 2a and b from the June 2008 examination paper. Question 6 remains the same as in June 2008.

Question 2

A full answer requires discussion of the use of skimming as a pricing strategy for the launch of the PS3, taking into account the details that have been given in the stem to this question and the information on Figure 1.

The use of the pricing strategy needs to be discussed in terms of its advantages and disadvantages to *SCEI*. Candidates should show that they understand what the strategy involves - both a high initial price and then a lowering of the price. They must also select appropriate advantages and disadvantages that would apply to the launch of the PS3.

In order to select the most appropriate advantages and disadvantages, candidates must consider the nature of the product, the company and the market. This can be done by referring to the information in the stem and in **Figure 1**, for example the fact that *SCEI* has loyal customers who are likely to buy the PS3 even at a very high price.

Discussion requires some consideration of both sides of an issue. Here the issue is: 'Was this the right strategy for the launch of the PS3?' Both the advantages and the disadvantages should be considered and reasoned conclusions drawn.

Question 6b

You will notice that this question appeared in the June 2008 examination paper as written. However, as it is considered an extended writing question the mark scheme has been modified and a commentary has been provided.

This is a question with a number of different aspects and all of them need to be considered in order to gain full marks. Benefits and drawbacks must be considered for both launching at different times and with different prices.

The benefits and drawbacks need to be considered in the context of launching the PS3. Candidates need to use the information given in the stem and their general understanding of how markets operate in the real world, e.g. the need to set prices at levels suitable for the income of the people in the country. The question has been set in the context of the 'macro marketing environment'.

Benefits and drawbacks need to be explained in terms of the benefit or drawback to *SCEI*. Candidates must provide sound arguments for why *SCEI* would benefit or suffer from launching at different times and with different prices.

There should also be some overall consideration of *SCEI*'s decision to do this and reference to some of the information on **Figure 1** would be useful, as with the success of the PS2, the very high two-day sales when the PS3 was launched in the UK, etc.

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