

Examiners' Report/
Principal Examiner Feedback

Summer 2016

Pearson Edexcel GCE
in Applied Business (6925)
Unit 10: Investigating Promotion

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2016

Publications Code 6925_01_1606_ER

All the material in this publication is copyright

© Pearson Education Ltd 2016

The main scenario for this paper was marketing decisions that would need to be made by a college leaver, Jane Deane, considering setting up a business in the Hairdressing and Beauty industry. Details were given of the state of the two main branches of the industry and of Jane's experience and qualifications. As always the details given in the introductory Figure were vital and could apply to many of the questions.

The final two questions were, as always, based upon candidates' study of actual businesses. Question 7 related to the use of below-the-line promotion and how the effectiveness of that would be monitored.

Question 8 related to a business using an extension strategy for its product range and an explanation of how competitor businesses reacted to that extension strategy.

Unfortunately, the usual perennial weaknesses remain and lead to a considerable loss of potential marks for many candidates. These weaknesses are:

- Not reading the questions carefully enough
- Not considering the context of the question in sufficient depth
- Not understanding some very basic terminologies
- Not considering the number of marks being awarded for a question
- Not writing in the space provided, especially those candidates with large handwriting.
- Not developing answers
- A poor understanding of many aspects of Section 10.3 of the syllabus.

Comments on specific questions

1(a)

Candidates had little difficulty in giving a distinction between tactical and strategic. This was usually in terms of it being long or short term. Most candidates could also give an element of the setting up process that could involve a long period of time, but very few candidates could go on to explain why it would take a long period of time. Much more thought was needed as to what Jane would be trying to achieve in setting up the salon and why that would take time, for example establishing her business in the market and the need to build her reputation and client base in a competitive market.

1(b)

This was well answered by most candidates taking the obvious strengths and weaknesses identified in Figure 1. The only candidates who failed to score well were those who confused strengths with opportunities and weaknesses with threats. Both opportunities and threats were also given in Figure 1.

2

Candidates were instructed to refer to Figure 1 when advising Jane on which part of the industry she should open a salon in. Nearly all candidates did this but some used their own knowledge of such salons and that was not the instruction in the question. Some candidates ignored the fact that 'or' was written in bold and gave their advice in terms of whether Jane should be opening a salon at all considering the market conditions. There were well argued points on this more general question and candidates were rewarded for this.

Most candidates selected valid points from Figure 1 and argued the case for favouring hairdressing or beauty well, gaining good Level 2 or Level 3. The best candidates gave full well justified reasoning, gaining high Level 3 or Level 4.

3 (a)

Nearly all candidates could give the required conditions for the Dog segment of the matrix and could generally give a reason for Jane's low market share and the markets low growth. There are still a significant minority of candidates who confuse market growth as growth of the whole beauty section of the market in this case with the growth of Jane's business within the market.

3 (b)

This question was answered very much better than in previous papers, and it was clear that candidates finally had a good understanding of the term 'dynamics of the market'. Most candidates could give examples of specific dynamics in the market that Jane should consider, but a significant proportion did not then go on to explain why she should consider these dynamics.

4 (a)

Very few candidates could not give a valid feature of secondary data, or why it was not primary, but it was expected that that would then be supported by reference to the table itself, for example: The data was not produced by Jane herself - it comes from Government statistics; The data is old - it deals with visits in 2012/13.

4 (b)

This question expected good analysis of Table 1. Most candidates had little difficulty in identifying the 16 to 24 age group as a likely group and providing basic figures to support that, but there was often little more analysis than that. Only the very best candidates considered the age ranges, 8 years for 16-24 group, 20 for the 25-44 group, 20 for the 45-64 group. Consideration of these for 'at least once a week' would suggest many more in the latter two groups would be seeing a film once a week than in the 16-14 age group. It did not help that some candidates thought that 100 people had been asked in each age group instead of this being the percentage total.

4 (c)

There were many elements of the table that Jane would have needed to be careful about taking at face value: that it was out of date; that the age ranges were uneven; that it gave no details on gender; and no details on whether these cinema visitors would be interested in hair or beauty treatments; that the figures were in percentages; etc. Most candidates could identify potential problems and give a basic reason why Jane should be careful about what was presented. Some candidates argued that because this was secondary data it would be untrustworthy and inaccurate. There was nothing here to suggest that Government statistics would be either inaccurate or untrustworthy.

5

Where candidate applied their answers to Jane's new business rather than giving general answers about the three pricing policies they tended to score well. Two factors limited many candidates' answers. The first factor was candidates giving no application to Jane's business or the situation she would face in terms of her financial position, the competition in the market, her limited experience of running a business, the market conditions, etc. The details given in the stem of the question and in Figure 1 were often ignored. The second factor was a poor understanding of the full nature of the pricing policies. Penetration pricing is not just setting the price low and skimming is not just setting the price high, there is the longer term required adjustment. There were also a number of candidates who thought that skimming was undercutting the competitors.

6 (a)

Finally a significant percentage of candidates have learnt what a sample frame is, understanding that has been notably absent when answering previous papers. For many, however, there is still confusion about the meaning of the term with some candidates naming a type of sampling and others describing the frame as those actually being surveyed. The sample frame should have included all elements stated in the stem to question 6.

6 (b)

Many candidates did not understand what a stratified sample was and gave only part of its nature, such as using random sampling. The need to find the original breakdown of the population in the first place was not understood. Many candidates also ignored the phrase 'before she could construct the stratified sample' and wrote about how it would be carried out, not constructed.

6 (c)

As with part (b) most candidates did not know what a stratified sample entailed and ignored the fact that this was about constructing the sample rather than carrying it out. The vast majority of candidates did score the mark for the meaning of a footfall count.

Q7

Most candidates understood the meaning of below-the-line promotion and could give basic details of how the promotion would be monitored.

(a) The term was generally well understood and details of the actual promotion(s) given. Only the better candidates then went on to explain why the promotion would be effective in promoting the service being provided.

(b) Where candidates knew how the business monitored its promotions they tended to give good details of the monitoring system and why it would effectively monitor the promotion. It was clear that some candidates did not know the exact system of monitoring being used and therefore found it difficult to explain why it would monitor the specific promotions, being identified in part (a), effectively.

Q8

This question was well answered by most candidates although lack of development in parts (b) and (c) did limit the marks for all but the best candidates.

(a) Very few candidates failed to score a mark for this part. There were some candidates who gave 'growth' as the stage, but that required a good explanation in part (b) as to why the business would want an extension strategy when sales were still growing.

(b) Candidates needed to give good details of the actual extension strategy, and sometimes that was very weak. Many candidates also failed to explain why the strategy they had identified would be effective in terms of extending the product range, simply stated, sometimes with figures, that is had done.

(c) Usually candidates could name a competitor and give the basic reaction of that competitor but, generally, there was little additional explanation and development in the answer.

Issues for future series

The points listed below repeat comments made in previous reports, but they are ones that are still **not** being addressed by many candidates - hence marks are being lost unnecessarily.

1. **The applied approach** - All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should, therefore, include as much study as possible of the marketing processes and the decisions real businesses take. Candidates should also be aware of the changing marketing conditions taking place through changes in the economy, society and other internal and external influences.

2. **Terminologies** - Candidates need to know all of the terms given in the syllabus **and** common terms that relate to marketing. A particular problem is candidates' very poor understanding of sampling methods and techniques.

3. **Reading the question/following instructions** - Many marks are still being unnecessarily lost, simply because candidates have not read the question carefully enough or taken the context into consideration.

4. **Questions requiring extended answers** - There will continue to be two questions with 11 marks in the future series. Students should be shown how to develop their answers so that they can provide in-depth and detailed answers to these questions.

5. **Questions based on own study** - Students must be able to use knowledge and understanding of a wide range of real marketing situations in order to answer questions on any part of the syllabus. Centres need to ensure that their students have appropriate examples that can be applied to all parts of the syllabus. Careful selection of examples will allow candidates to use the same businesses studied across a range of possible topics for these final two questions.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself. Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

