

Write your name here

Surname					Other names					
Pearson BTEC Level 1/Level 2 First Certificate	Centre Number					Learner Registration Number				
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<h1>Business</h1> <h2>Unit 9: Principles of Marketing</h2>										
Thursday 18 May 2017 – Afternoon						Paper Reference				
Time: 1 hour 30 minutes						<b>21325E</b>				
You do not need any other materials.									Total Marks	

### Instructions

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

### Information

- The total mark for this paper is 50.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

### Advice

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

Turn over ►

P48150A

©2017 Pearson Education Ltd.

1/1/1/1/1



  
Pearson



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



**SECTION A**

**Answer ALL questions.**

**1** State **one** stage in the product life cycle.

.....

.....

---

**(Total for Question 1 = 1 mark)**

**2** Give **one** example of a distribution channel.

.....

.....

---

**(Total for Question 2 = 1 mark)**

**3** Give **one** reason why businesses set a promotional budget.

.....

.....

---

**(Total for Question 3 = 1 mark)**

**4** Outline the meaning of the term Mark Up pricing strategy.

.....

.....

---

**(Total for Question 4 = 1 mark)**

**5** Businesses use internal data for market research.

Give **one** example of this type of internal data.

.....

.....

---

**(Total for Question 5 = 1 mark)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



6 *Nice Chocolate* manufactures chocolate bars. It sells its products to a range of retail businesses throughout its local area. The chocolate bars are flavoured using ingredients such as chilli. These flavours only appeal to a small group of customers. The owners of the business believe that it is important to be market orientated.

(a) Outline what is meant by the term 'market orientated'.

(1)

.....

.....

The owners of the business want to set SMART objectives as part of their marketing plan.

(b) (i) What does the S in SMART stand for?

(1)

.....

.....

(ii) The T in SMART stands for time-based.

Outline **one** way in which the owners of *Nice Chocolate* could make their objectives time-based.

(1)

.....

.....

*Nice Chocolate* sells its products to a niche market.

(c) Explain **two** ways that targeting a niche market might affect the marketing activities of *Nice Chocolate*.

(4)

1 .....

.....

.....

.....

2 .....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



*Nice Chocolate* carries out market research to understand the behaviour of its customers.

- (d) Discuss the importance to companies such as *Nice Chocolate* of understanding customer behaviour.

(8)

Area with horizontal dotted lines for writing the answer to question (d).

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(Total for Question 6 = 15 marks)

**TOTAL FOR SECTION A = 20 MARKS**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



## SECTION B

Answer ALL questions.

### Hamish Gordon, Organic Farmer

Hamish Gordon has owned a small farm for 30 years. He mainly produces organic meat. He keeps herds of pigs and cows that he uses to produce sausages, bacon, steaks and other products such as black pudding. These products attract a premium price. The high price and quality mean that the products only appeal to a relatively small number of customers. This is not a problem, however, as these customers are very loyal to Hamish.

Most of Hamish's products are sold through a small shop on his own farm, although he also makes some sales using a stall at a local market. The products are popular because customers like the health benefits of organic products. They also value the fact that it does not harm the environment.

Following the retirement of a neighbour, Hamish has purchased a large plot of land that will allow him to grow crops such as potatoes and broccoli. Rules about organic farming mean that Hamish would not be able to call crops grown on his new land organic for a number of years. This means that these products will be sold to a different type of market.

Hamish has no experience in selling non-organic produce and so has visited a number of other local producers in recent months to carry out benchmarking activities.

Hamish knows that selling vegetables that are not organic would not appeal to his existing customers. He is considering making a deal with a local chain of small shops to sell his new non-organic products.

These small shops would sell the fruit and vegetables under the shop's own brand and the public would not be aware of which farm the produce came from. Hamish does not think that he will make as much money selling food that is not organic.

His market research has shown that the income of customers in his area is increasing. He thinks that this means there will be more demand for organic fruit and vegetable produce in the future. However, it will take a long time before the fruit and vegetables he grows on his new land can be classed as organic.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA





7 The market for organic food is a niche market.  
Give **one** benefit of selling to a niche market.

.....  
.....

(Total for Question 7 = 1 mark)

8 Hamish has carried out a PESTLE analysis.

(a) (i) Identify **one** ethical issue that his business faces.

(1)

.....  
.....

(ii) Identify **one** economic issue that might affect Hamish's business.

(1)

.....  
.....

(b) PESTLE is one form of situational analysis.

Give **one** other form of situational analysis that Hamish could use.

(1)

.....  
.....

Hamish's new venture to sell non-organic produce will have a lot of competitors.

(c) Outline **one** way that Hamish could keep ahead of his competitors.

(2)

.....  
.....

(Total for Question 8 = 5 marks)



9 Hamish's non-organic fruit and vegetables will be sold under the chain of shop's own brand.

(a) Give **two** benefits of having a brand.

(2)

1 .....

2 .....

(b) A core product is the benefit that users get from using a product. For example, Hamish's organic food is of a very high quality.

Identify **two** other aspects of Hamish's core product.

(2)

1 .....

2 .....

Hamish is planning to carry out market research.

(c) Outline **one** benefit of using primary research to identify trends.

(2)

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(d) Explain **two** benefits to Hamish of knowing the target market for his products.

(4)

1 .....

.....

.....

.....

2 .....

.....

.....

.....

**(Total for Question 9 = 10 marks)**

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



10 Demand for organic food is normally considered to be price inelastic.

(a) Outline the meaning of the term 'price inelastic'.

(2)

.....

.....

.....

.....

By launching a range of non-organic products such as potatoes, Hamish has expanded his product portfolio.

(b) Explain **two** reasons why a business might want to maintain a wider product portfolio.

(4)

1 .....

.....

.....

.....

2 .....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



Hamish has a consistent marketing mix for his organic products.

(c) Assess the importance to a business of having a consistent marketing mix.

(8)

Area with horizontal dotted lines for writing the answer.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**(Total for Question 10 = 14 marks)**

**TOTAL FOR SECTION B = 30 MARKS**

**TOTAL FOR PAPER = 50 MARKS**



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**



P 4 8 1 5 0 A 0 1 5 1 6

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

**BLANK PAGE**

