

Examiners' Report/ Lead Examiner Feedback

June 2015

NQF BTEC Level 1/Level 2 Firsts in
Business

Unit 9: Principles of Marketing
(21325E)

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General Comments

This was the fourth sitting of this paper. Many more students appeared to be prepared for this paper, although there are still a significant number who struggle both with examination technique and the basic unit content. The use of the contextual information provided in the paper continues to improve, with the best responses making clear links between this data and relevant theory. There are however, still a large number of students who respond to questions by simply copying words or phrases from the stimulus material provided without linking this to the question or marketing theory. While this approach can be appropriate for questions that use the operative verb "identify", it is not appropriate for questions asking students to explain, describe, discuss, analyse or evaluate.

Where students did well, they consistently used technical vocabulary correctly and made appropriate links between theory and the contextual data included in the paper. The best students demonstrated their wider knowledge of marketing activity across the whole of the paper.

A number of students did not provide a second point for some four mark questions, despite the explicit instruction to explain two points. Others failed to read the question correctly. For example Q4c gave one benefit of a business having a web site and asked students to give two more. Some simply restated the benefit identified in the question and so scored no marks.

In this series, questions requiring an extended response were answered better than previously, although some students still provide little more than lists of bullet points or unconnected statements in their responses to 8 mark questions.

In preparation for future series, students should focus on developing their ability to use the stimulus data without directly copying elements of it. There is also a need for students to focus on reading all of the questions carefully. The introductory stem contains relevant information as well as the actual question. Students should remember that they need to present a balance argument when asked to discuss, evaluate or assess a point – it is essential that they consider more than one side of an argument, otherwise they will limit their ability to achieve a higher mark. Analytical models in the specification should be considered both in terms of their application to examples and their relative advantages and disadvantages.

Q1

A significant number of Students were able to access this question.

1 In which type of market does a business selling cooked food to its customers operate? 1 Q01

Business to consumer (B2C)

Some responses showed little understanding of the marketing concepts

1 In which type of market does a business selling cooked food to its customers operate?

Food and Grocery.

Q2

This question also proved accessible to a wide range of students who correctly identified a B2B market.

2 A business sells unique machinery to other companies.

What type of market is this?

Business to business (B2B)

Q3

This question did not perform as expected. Students were asked to identify one social influence such poverty or change in demography that could influence the marketing mix. Many provided incorrect answers such as economic influences or competition, and a number of weaker students simply failed to provide a valid response at all.

3 Give **one** example of a social issue that could influence a business's marketing mix. 0 Q03

Someone may write negative things about a business on a social networking site

A better response is shown below

3 Give **one** example of a social issue that could influence a business's marketing mix. 1 Q03

Lifestyle changes e.g. smaller families, change in spending habits

Q4 (a)

Performance on this question was good with many students able to give two forms of above the line promotion. Most students were able to state one correct method. Incorrect responses included sponsorship and sales promotions.

- 4 Town and City Style is a chain of clothing retailers with stores in major cities. It uses above the line promotional methods.

(a) Give **two** forms of above the line promotion.

(2) 2 Q04a

TV advertisements that reach a wide audience of people.

Google-per-click where people see their business online.

Both methods are expensive.

Q4 (b)

Students were asked to outline what was meant by price taking. This is one of the strategies identified in the specification by name. This question clearly differentiated between weaker and better students with many outlining penetration pricing or skimming, or by saying the business takes similar rather than the same price. Students scoring 1 or above did so for saying the business looks at competitor prices. For the second mark they needed to say these prices are then matched.

Town and City Style uses a price taking strategy when launching a new clothing range.

(b) Outline what is meant by price taking.

(2) 2 Q04b

It's when they look at what other companies who sell a similar or the same product and they charge exactly the same price as that what that company charges.

Q4(c)

This question proved challenging for a number of students who simply restated the question and said it would enable people to buy goods 24/7. Others responded that the website would enable them to close the store and so lower costs. This was not the purpose of the question and received no marks. Some students gave two benefits of using a website but failed to develop their responses and explain the benefit so scoring only half marks (see first example below). Better prepared students were able to correctly develop two benefits such as the web site would enable the business to achieve a wider presence in the market (National and Global), or that the web site could hold a larger stock range, or that the website could be used as a cheaper form of promotion.

Town and City Style's owners want to develop a website to sell the clothing ranges online. They will be able to trade 24 hours a day 7 days a week.

(c) Explain **two** other benefits of having this type of website.

(4) 2 Q04c

This would be beneficial because they will not have to pay for any storage space or premises space. Therefore, there will be less costs to cover.

Also, the business will be open and recognisable to a wider range of potential customers by using e-commerce.

This will increase customer awareness of the business and brand.

(c) Explain **two** other benefits of having this type of website.

(4) 4 Q04c

This is all about E-commerce. Another benefit would be that they can reach out to a wider audience as more people would have access to their website than their shops. Also they can target people who are on the go using apps and website browsing therefore increasing their market share. Also the business may become more well known and popular because of social media. Meaning they could increase their profit.

Q4d

This question was generally well answered by a wide range of students. Many students appeared to have a good knowledge of how the location of a business can impact on footfall, reputation and sales. Many were able to apply the theory to the business in the stimulus and commented on the success of the present location strategy. Some responses stated a series of benefits of locating in the city centre or gave a one sided response that lacked balance. Such responses typically gained three or four marks.

The owners of Town and City Style are planning to open a number of new stores. They have previously located all their stores in the centres of major cities.

(d) Discuss whether Town and City Style should continue to locate its new stores in city centre locations.

(8)6 Q04d

City centre location is a great place to locate their stores because ^{there} ~~they~~ are large amounts of people who shop there and would notice their stores. Town and City style have already developed a brand they can be recognized by, so their new shops will have many visitors. City centres are easily accessed by people so it is a good place to locate premises. They are close to big parkings and they would have a good communication. However premises in the city centre could be very expensive to rent because there are many people going there. Town and City style need to consider that they should maybe spread their shops around the city in order to reach more markets. For example there people who do not visit the city centre and prefer to shop close to their homes. Stores in the city centres may be too many. Overall I think that they should continue to locate their stores in the city centre because people know them and they will reach their target market.

This is an example of a better response which considered both the benefits and drawbacks of choosing a city centre location for new stores.

Q5

This question was not answered well. Students needed to recognise the business was market orientated. Many failed to do this and the most common error was to say they followed a market research orientation. More able students still had problems with the question and centres should consider checking student's understanding of different types of orientation. It should be noted that all that is required to gain the mark is to state the correct orientation.

5 Identify the type of orientation that describes Amy's approach to marketing.

1 Q05

Market orientation

Q6(a)

This social media question proved accessible to a wide range of students. Many students were able to correctly state two benefits of social media for this type of business

6 Amy and Robert use social media to promote their business.

(a) State **two** benefits to Amy and Robert of using social media as a form of promotion.

(2) Q06a

One benefit is that this type of promotion will not cost Amy and Robert much compared to other forms eg billboards. Another benefit is that they are able to target a wide range of potential customers.

Q6(b)

This was another question where many students could gain most of the marks but they needed to ensure they suggested other ways and not simply restate look for trends in the music press or on social media sites. Two typical responses are given below.

Amy and Robert investigate the latest trends in the market for music by reading the music press and social media sites.

(b) Outline **one** other way that Amy and Robert could keep up to date with the latest trends in this market.

(2) Q06b

They could talk to other bands and musicians to find out what's happening with them and what trends they are experiencing.

(b) Outline **one** other way that Amy and Robert could keep up to date with the latest trends in this market.

(2) Q06b

They could conduct some primary research and produce questionnaires, asking what type of music people prefer and then looking at the majority.

Q7a

SWOT and PESLE are the two situational analysis models listed in the specification, but very few Students seem to have been taught this term. Consequently many Students failed to score on this question. A wide range of incorrect responses were seen including product life cycle or responses linked to carrying out primary research

7 Amy wants to improve how the band uses marketing in order to become more successful. She thinks that the best way to start is to carry out a situational analysis.

(a) Name **one** method of situational analysis.

(1) Q07a

An example is PESTLE that looks at the external factors that could affect the business.

Q7b

This question proved straightforward and many Students were able to state an example of qualitative data

(b) Give **one** example of quantitative data Amy has gathered that she could use in the situational analysis.

(1) Q07b

Checking how many people have viewed the videos they upload

Q7c

Students needed to outline one disadvantage of using qualitative data. Some mistakenly outlined quantitative data and others picked up only one mark for a simple statement such as it could be biased or out of date. A number of students gave two points rather than develop one, and so could only be allowed one mark. To gain both marks in this question the students needed to give a disadvantage and say why it was a disadvantage

(c) Amy also collects qualitative data for her situational analysis.

Outline **one** disadvantage of using qualitative data.

(2) 2 Q07c

Qualitative data is time consuming. Examples of qualitative data include interviews, surveys, phone calls or people's opinions. It takes time until all the information has been looked at or recorded on a document.

Q8a

This question proved a little challenging for some weaker students who simply restated the question saying it made the product unique. A number of responses did however demonstrated some understanding of the term and both marks could be achieved either by using the example in the stimulus to show the tee shirts were unique, or by saying how the USP helps the business. Examples of both answers are shown below.

8 Robert designs distinctive t-shirts for the band to sell at concerts. He thinks that this helps to give the band a Unique Selling Point (USP).

(a) Outline what is meant by Unique Selling Point.

(2) 2 Q08a

An Unique Selling Point means creating a special feature that will only relate to a particular business. For example Robert can ~~use~~ put the t-shirts in a gift packaging when they are sold or delivered to customers.

8 Robert designs distinctive t-shirts for the band to sell at concerts. He thinks that this helps to give the band a Unique Selling Point (USP).

(a) Outline what is meant by Unique Selling Point.

(2) 2 Q08a

* Unique Selling point means something that is unique, it's what makes a business different from other businesses that can be used to gain potential customers and sell products.

Q8b

In this question, students were given one benefit to the business of having a brand image. They were then required to outline one other benefit. Many simply repeated the benefit given in the stimulus material (recognisable) or gave synonyms of this i.e. noticeable or awareness. The question therefore provided differentiation between students

Robert wants to create a strong brand image for the band. A brand image can make a business instantly recognisable.

(b) Outline **one** other benefit to the band of creating a brand image. *

(2) Q08b

A brand image can help create a brand personality which ^{means} ~~leads~~ to what customers think when they think of the brand. If done well this can give the customer a positive feeling about the brand.

Q8c

This was a question that many students did not answer well. Students were given one way the brand image could be built i.e. through the development of a logo. Some students repeated this in their own answer whilst others tended to fail to make and develop two separate and different points. Many students stated either one or two points without any development, or developed only one of the points. For future series, students should be aware that when a question asks for two other things to be explained, they should make two different points, both of which are developed, and that they have not used the example already give in the stimulus/question. The example below shows a response where no marks are awarded for saying how the log could help, but then there is a good response bout celebrity endorsement that gains the two marks for the second point.

Robert's t-shirts have a logo displaying the band's name in elaborate writing.

(c) Explain **two** other ways that Robert can build a brand image for the band.

(4) Q08c

His logo could have a picture ^{on} ~~at~~ it of a little image this ~~word~~ would give the brand a personality and could attract the target audience. He could try to get a celebrity ~~for~~ to help promote the brand this is call celebrity endorsement. If the celebrity wears the item of clothing their fans would want to copy them and find out where they got the product and buy it ~~themselves~~ themselves this would help build the brand's ~~image~~ image and ~~even raise revenue~~ revenue.

(Total for Question 8 = 8 marks) **5**

Q9a

A number of students were able to achieve at least one mark on this question by identifying one distribution channel currently used by the band (Online website called Tune Fire). Common incorrect answers were to distribute songs through CDs and to send these through the post. The other channel used by the band was to sell direct to the customer or B2C. Answers that simply stated direct or indirect channels also received no marks.

9 (a) Identify the **two** distribution channels currently used by Amy and Robert.

(2) 1 Q09a

Music downloads and online website called Tune Fire
where they sell their CDs.

Q9b

Many students struggled to gain more than half marks in this question. Although a number of responses demonstrate some understanding of the impact of a declining market, too few responses showed any clear understanding of the implications of this i.e. that other forms of revenue streams need to be developed (downloads) and that the business may not have this expertise.

Two good examples are shown below, both of which identify the need to find other products to sell.

Amy is concerned that the market for music CDs is declining.

(b) Explain **two** reasons why a reduction in the size of this market might concern Amy.

(4) 4 Q09b

It shows less people are interested in buying CDs
and if they're new to the market it makes it harder
to sell and become successful as they risk losing money.
If she cannot compete or keep up to date with new
ways of music sharing, she will miss out on sales and
their music won't be as popular. She may be concerned
that her money on making CDs and selling them will
be wasted.

Amy is concerned that the market for music CDs is declining.

(b) Explain **two** reasons why a reduction in the size of this market might concern Amy. ~~4~~ (4) 4 Q09b

A reduction in the size of the market would mean she wouldn't receive many sales from selling CDs, which means she would be losing money from making CDs.

Her only other option is publishing music downloads which she doesn't know how to do and it has a low profit margin. This could mean they wouldn't receive much money making it harder to promote.

Q9c

This question worked as expected with many weaker students collecting two or three marks for listing features of secondary research, and more able students getting into mark band two or higher by taking the points made and developing these. Few students achieved more than six marks because the response was unbalanced with more emphasis placed on the positives of this form of research and less on the negatives. Sometimes a conclusion was omitted. The sample response below is an example of this type of answer. This response could have gained more marks had there been a more balanced argument and a clear conclusion.

Amy would like to make the band more successful. She has carried out secondary research to help her achieve this goal.

(c) Evaluate the usefulness of secondary research to Amy.

easy to obtain
cheap.
not specific
diff questions
reliable?
(8) 6 Q09c

Secondary research is to use someone else's research but apply it to your business. It may be useful to Amy as it doesn't cost money unlike primary research and in a new business money may be sparse, it is also easy to obtain from search engines or National statistics so is a lot less time consuming than primary ^{research} allowing Amy to focus on other components of her business. It may not be specific enough to what she needs to know about making her brand more successful, for example, if the data ~~was~~ had different questions or ^{is} related to another business, it wouldn't be as useful as questions she'd designed herself. ~~paper~~ Although it may be easier to obtain, it may not be reliable, dependent on the source, as statistics of facts may be false or inaccurate. Although secondary may be less specific and unreliable it is useful to Amy as it is cheaper than primary research and less time consuming ^{so} ~~and~~ ^{she} ~~still~~ still help her to make her band more successful.

(Total for Question 9 = 14 marks) **11**

The response below show the type of response gaining just a few marks by listing some points or repeating the same point in different ways

(c) Evaluate the usefulness of secondary research to Amy.

(8)2 Q09c

The Secondary ~~research~~ research will help because it has already been found out for you. e.g. Amy wants to know if social media helps so she asks other bands and find out if it helped them, the information has already been found out. And she just needs to be told it. This would be the same with CD sales and whether they sell easily or not.

Secondary research would help a bit because it has already been done, meaning other bands will know if it works.

Grade Boundaries

Unit	Max Mark	D	M	P	L1	U
20537 Unit 6: Citizenship, Society and the Public Services	50	41	31	21	11	12 and under

External assessment

The suite of 'next generation' NOF BTECs include an element of external assessment. This external assessment may be through a timetabled paper-based examination, an onscreen, on demand test or a set-task conducted under controlled conditions.

What is a grade boundary?

A grade boundary is where we 'set' the level of achievement required to obtain a certain grade for the externally assessed unit. We set grade boundaries for each grade (Distinction, Merit, Pass and Level 1 fallback).

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When our experts set the grade boundaries, they make sure that students receive grades which reflect their ability. Awarding grade boundaries ensures that a student who receives a 'Distinction' grade next year, will have similar ability to a student who has received an 'Distinction' grade this year. Awarding grade boundaries is conducted to make sure students achieve the grade they deserve to achieve, irrespective of variation in the external assessment.

Variations in externally assessed question papers

Each exam we set asks different questions and may assess different parts of the unit content outlined in the specification. It would be unfair to students if we set the same grade boundaries year on year because then it wouldn't take into account that a paper may be slightly easier or more difficult than the year before.

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