



Mark Scheme (Pre-standardisation)

June 2016

NQF BTEC Level 1/Level 2 Firsts in
Business

Unit 9: Principles of Marketing
(21325E)

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Question Number	Answer	Mark
1	Opportunity/Opportunities	1

Question Number	Answer	Mark
2	Consumer Consumer good	1

Question Number	Answer	Mark
3	<p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • Interviews • Desk research • Questionnaires • Focus groups • Observations • Surveys <p>Accept any other appropriate response.</p> <p>Do not accept use of the word internet by itself.</p>	1

Question Number	Answer	Mark
4	<p>Award one mark for any of the following, up to a maximum of two marks.</p> <ul style="list-style-type: none"> • Identify target market (1) • Understand competitor activity (1) • Get to know competitor activity (1) • Understand consumer behaviour (1) • Identify market trends (1) • Find out needs and wants of customers (1) • Inform pricing decisions (1) <p>Accept any other appropriate responses.</p>	2

Question Number	Answer	Mark
5a	<p>The largest group of consumers for a product (1) all of whom have similar needs. (1)</p> <p>Goods that are produced in large quantities (1) for example cars/or mobile/smart phones. (1)</p> <p>A second mark can be given for a suitable example.</p> <p>Do not accept trainers or sports / sportswear as examples.</p> <p>Accept any other appropriate responses.</p>	2

Question Number	Answer	Mark
5b	<p>How businesses deliver their products to customers (1) e.g. farms sell milk to supermarkets (1)</p> <p>A route to market (1) e.g. wholesale to retailer (1)</p> <p>A second mark can be given for a suitable example.</p> <p>Accept any other appropriate responses.</p>	2

Question Number	Answer	Mark
5c	<p>Award one mark for identification and one additional mark for appropriate development, up to a maximum of four marks.</p> <p>If costs increase it allows OPUS to recalculate selling price more easily (1) so it still makes the same amount of profit. (1)</p> <p>It is the simplest method to decide the price for a product (1) because it just has to add up all the costs and then add the amount of profit it wants to earn. (1)</p> <p>It reduces the risks of making a loss (1) as the business knows that each product sold will make a fixed contribution towards profit. (1)</p> <p>Accept any other appropriate responses.</p>	4

Question Number	Indicative content	Mark
5d	<p>Possible answers might include:</p> <ul style="list-style-type: none"> • P stands for Political. This tells you how much a government might influence the growth of the business. For example, the government might increase the minimum wage, which will affect the profit margins of the business. On the other hand, customers may have more disposable income. • E stands for Economic. This tells you how the economy's performance will directly impact the growth of the business. For example, a rise in economic growth rate would increase the business's revenue. On the other hand, this would lead to an increase in inflation, which would increase costs. • S stands for Social. This looks at the social environment of the market and takes into consideration things like social trends and demographics. An example for this can be an increase in demand for certain products in the run up to Christmas. On the other hand, consumer tastes can change leading to lower sales. • T stands for Technological. This looks at the changes in technology that might affect the way the business operates. An example of this could be the introduction of automation to the production process that reduces manufacturing costs. On the other hand, competitors may find a new fabric for making trainers. • L stands for Legal. Certain laws will affect the business environment and there are certain policies that businesses maintain for themselves. For example, consumer laws, safety standards etc. could increase costs. On the other hand, all competitors have to follow the same laws. • E stands for Environmental. These factors include all those that influence or are determined by the surrounding environment. The factory may have to reduce carbon emissions therefore increasing costs. On the other hand, concern about global warming might influence customers to buy British. 	8

Level	Descriptor
0 0 marks	No rewardable material
1 1-3 marks	<p>A few key points identified, or one point described in some detail. The answer is likely to be in the form of a list. Only one viewpoint considered. Points made will be superficial/generic and not applied/directly linked to the situation in the question.</p> <p>At the bottom of this level the candidate will identify one impact of a PESTLE factor.</p> <p>At the top of this level the candidate will identify three or more impacts of PESTLE factors. Or two impacts/factors identified, one of which has some development.</p>
2 4-6 marks	<p>Some points identified, or a few key points described. Consideration of more than one viewpoint but there will be more emphasis on one of them. The answer is imbalanced. Most points made will be relevant to the situation in the question, but the link will not always be clear.</p> <p>At the bottom of this level the candidate will describe two impacts of PESTLE factors. The impact will not always be clear. The response may be unbalanced.</p> <p>At the top of this level the candidate will describe three impacts of PESTLE factors. The impact will not always be clear. The response may be imbalanced.</p>
3 7-8 marks	<p>Range of points described, or a few key points explained in depth. All sides of the case are considered and the answer is well-balanced, giving weight to all viewpoints. The majority of points made will be relevant and there will be a clear link to the situation in the question.</p> <p>At the bottom of this level the candidate will explain three or more impacts of PESTLE factors. The impacts will be clear. The response will be balanced.</p> <p>At the top of this level the candidate will explain in detail three or more impacts of PESTLE factors. The impacts will be clear. The response will be balanced.</p>

Question Number	Answer	Mark
6	<p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • Gain market share • Develop brand/product awareness • Encourage customer loyalty • To promote the business • Enhanced brand recognition • To improve profits • Attract customers/attention • Gain competitive advantage <p>Do not accept answers relating to market research.</p> <p>Accept any other appropriate responses.</p>	1

Question Number	Answer	Mark
7	<ul style="list-style-type: none"> • Product • Product orientated • Product oriented • Product orientation <p>Do not accept any other answer.</p>	1

Question Number	Answer	Mark
8	<p>Business to Business (market) B2B (market)</p> <p>Accept misspellings.</p>	1

Question Number	Answer	Mark
9a	<p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • Logo • Colours • Symbols • Images • Celebrity endorsements • Strapline/slogan • (Brand) personality <p>Accept any other valid responses.</p>	2

Question Number	Answer	Mark
9b	<p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • Recognition of the brand (1) is likely to lead to purchase / repeat purchase (1) • Loyalty to the brand (1) is likely to make the brand more profitable/competitive (1) • Can create an image of quality (1) adding value to products (1) • Helps develop a brand personality (1) which makes the brand distinctive compared to rivals (1) <p>Do not accept 'well known'.</p> <p>Accept any other valid response.</p>	2

Question Number	Answer	Mark
10a	<p>Award one mark for identification and one additional mark for appropriate expansion, up to a maximum of two marks.</p> <ul style="list-style-type: none"> • Many firms will be attracted to the market (1) by the potential for high profits/making the market highly competitive (1) • It will be difficult to predict sales (1) therefore making it difficult to plan production (1) • Production capacity will need to be expanded (1) in order to meet growing demand (1) <p>Accept any other valid response.</p>	2

Question Number	Answer	Mark
10b	<p>Award one mark for identification and one additional mark for appropriate expansion, up to a maximum of four marks.</p> <p>It distinguishes the business from its competitors (1) because this product cannot be sold by them (1).</p> <p>Customers are attracted to the unique features of the product (1) allowing the company to gain a greater market share/loyalty/charge a higher price (1).</p>	4

Question Number	Answer	Mark
11a	Setting the price of a similar product or service (1) at or below what the competition is charging. (1) Accept any other valid response.	2

Question Number	Answer	Mark
11b	Award one mark for any of the following, up to a maximum of two marks. <ul style="list-style-type: none"> • Online ordering • 24/7 ordering • Wider customer base • Increased revenues • No need to rent retail premises / employ staff Do not award 'international sales'. Accept any other appropriate answers.	2

Question Number	Answer	Mark
11c	Award one mark for identification and one additional mark for appropriate expansion, up to a maximum of four marks. <p>At the introductory stage the sales volume will be low (1) and the development costs need to be recovered/ prices will need to be higher. (1)</p> <p>At the introductory stage the business needs to spend more on advertising (1) to stimulate demand/because the customers don't know the products exist. (1)</p> <p>At the introductory stage there is more risk for the business (1) because the customer response is unknown/unless there has been sufficient market research. (1)</p> <p>If the business does not provide enough resources for marketing (1) it would give competitors a chance to develop their own range of new products. (1)</p> Accept any other appropriate responses.	4

Question Number	Indicative content	Mark
11d	<p>Possible answers might include:</p> <ul style="list-style-type: none"> • Viral marketing uses the network effect of the internet so that the marketing messages can reach a mass audience rapidly and effectively. • Low costs that are appropriate for a small business. • Allows greater reach to a wider customer base, which is appropriate as the business is expanding. • Low/no costs and a wider reach lead to highly efficient marketing. • Opportunity to make continuous promotion adjustments as he develops further ranges. • It takes little time and resources, he won't be distracted from running the business. • It's an effective online form because once a buzz is created, there are some incentives such as discounts for liking/sharing the message with others. <p>However:</p> <ul style="list-style-type: none"> • Viral marketing is a high-risk marketing communications technique, since it could require significant initial investment in the viral campaign. • There is no guarantee that the campaign will 'go viral' in the targeted location, in which case the investment will be wasted. • Although positive viral marketing can spread rapidly, negative sentiments about a business can be also spread. • Viral marketing could mean the business and its customers have an increased risk of getting unsolicited emails. 	8

Level	Descriptor
0 0 marks	No rewardable material
1 1-3 marks	<p>Basic arguments on both sides identified, or only one side considered. The answer is likely to be in the form of a list. Points made will be superficial/generic and not applied/directly linked to the situation in the question. No conclusion produced or the conclusion a consequence of only one side of the argument being considered.</p> <p>At the bottom of this level one point is identified. The answer is likely to be in the form of a list.</p> <p>At the top of this level there will be three points identified or two points, one of which has some superficial development. The answer will be generic and not applied to the situation in the question. The answer is likely to be imbalanced and without a conclusion.</p>
2 4-6 marks	<p>Arguments for and against are described, but there will be more emphasis on one side than the other. The answer will be unbalanced. A conclusion is present, but this is either implicit or as a result of unbalanced consideration of the arguments. There is little or unfocused justification of the conclusion. Most points made will be relevant to the situation in the question, but the link will not always be clear.</p> <p>At the bottom of this level both sides of the appropriateness of viral marketing will be considered with two points having some development. The answer is likely to be imbalanced. An unsupported conclusion is present. There will be tentative links to the scenario.</p> <p>At the top of this level the answer may be imbalanced. At least three points will be developed, and relevant to the situation in the question, but the link will not always be clear. There will be some attempt at drawing a conclusion but this may be implied / unclear / unsupported.</p>
3 7-8 marks	<p>Balanced explanation of both sides for and against. A conclusion is produced which is justified clearly linked to the consideration of arguments for and against, and their relative importance to the situation. The majority of points made will be relevant and there will be a clear link to the situation in the question.</p> <p>At the bottom of this level there will be a detailed development of the appropriateness of viral marketing. The answer will be balanced. There will be a conclusion but not fully justified.</p> <p>At the top of this level both sides of the case for the appropriateness of viral marketing are considered in detail. The answer is well balanced, giving weight to different viewpoints. The majority of points made will be relevant and there will be a clear link to the situation in the question. There will be a fully justified conclusion.</p>

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