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Centre Number					Learner Registration Number				
<b>Pearson BTEC</b> <b>Level 1/Level 2</b> <b>First Certificate</b>									

# Business

## Unit 9: Principles of Marketing

Wednesday 18 May 2016 – Morning <b>Time: 1 hour 30 minutes</b>	Paper Reference <b>21325E</b>
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<b>You do not need any other materials.</b>	Total Marks
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### 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 ►

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**PEARSON**

**SECTION A**

**Answer ALL questions.**

**1** SWOT is a form of situational analysis.

State the missing word from the list below.

- (i) Strengths
- (ii) Weaknesses
- (iii) .....
- (iv) Threats

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

**2** Supermarkets sell food to their customers.

State what type of goods food is.

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

**3** Give **one** method of collecting market research data.

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

**4** State **two** purposes of market research.

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2 .....

**(Total for Question 4 = 2 marks)**

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5 *OPUS* manufactures trainers and sportswear. *OPUS* targets its products at a mass market.

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

(2)

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(b) *OPUS* uses a number of distribution channels.

Outline what is meant by the term 'distribution channel'.

(2)

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(c) When *OPUS* launches a new product, it uses a 'cost plus' pricing strategy.

Explain **two** reasons why *OPUS* might use 'cost plus' pricing for a new product.

(4)

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(d) *OPUS* would like to expand its business to increase its market share. In order to understand the external factors that can have an impact on the business, *OPUS* carries out a PESTLE analysis.

Discuss how PESTLE factors could impact on *OPUS* as the business expands.

(8)

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**(Total for Question 5 = 16 marks)**

**TOTAL FOR SECTION A = 21 MARKS**



**SECTION B**

**Answer ALL questions.**

***Bob's Celebration Cupcakes***

*Bob's Celebration Cupcakes* is a small business that manufactures cupcakes. The business was set up by Bob Twigg two years ago. He still operates out of his kitchen. Bob sells his products in his local area, making the cupcakes to the exact requirements of his customers.

Bob wants to expand his business. He has found a small unit on an industrial estate that would be suitable to use as a bakery for the production of cupcakes. Bob currently does not carry out any promotional activity. His sales come from word-of-mouth recommendations. He is aware that he needs to promote his business to a wider target market.

Bob understands that there is a demand for gluten-free cupcakes and dairy-free cupcakes.

Bob is getting worried about an increase in competition that could affect his business. There is a growing number of local bakers offering similar products to his. Bob wants to develop a brand and a Unique Selling Point (USP). He has limited marketing knowledge and has never used branding before in his business.

- 6** Give **one** reason why marketing is important to a business such as *Bob's Celebration Cupcakes*.

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**(Total for Question 6 = 1 mark)**

- 7** Bob has decided to launch a new range of cupcakes. His research suggests that there is a demand for gluten-free cupcakes and dairy-free cupcakes. This is an example of a market orientated business.

State **one other** form of orientation.

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**(Total for Question 7 = 1 mark)**

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8 Bob is considering selling his cupcakes to other businesses.  
Give the name of this type of market.

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(Total for Question 8 = 1 mark)

9 Bob is planning to develop a brand for *Bob's Celebration Cupcakes*.

(a) State **two** dimensions of a brand.

(2)

1 .....

2 .....

(b) Describe **one** benefit of branding to a business such as *Bob's Celebration Cupcakes*.

(2)

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(Total for Question 9= 4 marks)

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10 The gluten-free and dairy-free cupcake market is fast-growing.

(a) Outline **one** implication of entering a fast-growing market.

(2)

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(b) Explain **two** reasons why a business such as *Bob's Celebration Cupcakes* would want to develop a Unique Selling Point (USP).

(4)

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**(Total for Question 10 = 6 marks)**

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11 *Bob's Celebration Cupcakes* uses a competitive pricing strategy for its products.

(a) Outline what is meant by the term 'competitive pricing'.

(2)

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(b) As Bob expands his business he is considering using ecommerce to sell his products.

Give **two** advantages of using ecommerce to *Bob's Celebration Cupcakes*.

(2)

1 .....

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2 .....

.....

(c) *Bob's Celebration Cupcakes* has developed a range of gluten-free cupcakes and dairy-free cupcakes. These are now at the introductory stage of the product life cycle.

Explain **two** implications for the business of having products at the introductory stage of the product life cycle.

(4)

1 .....

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2 .....

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(d) *Bob's Celebration Cupcakes* wants its products to stand out from those offered by its competitors. To do this Bob has researched forms of promotion. He is considering using viral marketing.

Evaluate whether viral marketing would be appropriate for *Bob's Celebration Cupcakes*.

(8)

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**(Total for Question 11 = 16 marks)**

**TOTAL FOR SECTION B = 29 MARKS**  
**TOTAL FOR PAPER = 50 MARKS**



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