

# Examiners' Report/ Lead Examiner Feedback

June 2014

NQF BTEC Level 1/Level 2 Firsts in  
Business

Unit 9: Principles of Marketing  
(21325E)

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## **General Comments**

This was the second time that this has been sat. Learners appear to have been better prepared for this session than they were in January. All questions were attempted, but some learners still demonstrate a weak understanding of a number of the key terms in the specification. There are some improvements in the use of the contextual information provided in the paper, but learners still do not seem well prepared to use and interpret case study material.

Where learners did well, they had a good understanding of key terms and were able to relate these ideas to the case study information in the paper. The best learners had a wider awareness of marketing practice that they were able to relate to the examples given in the paper. Questions requiring an extended response tended to perform poorly. Many learners seemed to struggle developing points in detail and too many learner did not recognise the demands of command words such as "Evaluate" or "Discuss". In many cases, learners answered longer questions with one sided responses that did not fully explore the different aspects of an issue.

In preparation for future series, Learners should focus on developing their ability to interpret case studies, using this information to support their answers to extended writing tasks. More consideration should be given to the positive and negative aspects of situations so that learners have a basis for reasoned judgements.

In some cases, learners write too much for simpler questions that require them to give or identify a point. Writing long, descriptive responses to questions that simply require the candidate to write one or two words, might lead to valuable time being wasted which could be better used on longer responses.

Learners should also ensure that they understand the key terms in the specification, ensuring that they are able to define these terms and to relate to them to a range of examples.

### Q1

This question proved to be quite accessible to learners with many giving examples that related to food service. The examples of service given were quite varied.

1 Restaurants provide a service to their customers by cooking food.

1 Q01

Give one other example of a service.

a gym provides ~~the~~ a service to their customers  
by offering ~~the~~ personal training.

(Total for Question 1 = 1 mark)

1

### Q2

This question also proved accessible to a wide range of learners. Learners were able to state a range of different benefits of the development of a brand. Brand recognition tended to be a common answer.

2 State one benefit of developing a brand.

1 Q02

A benefit of developing brands is to ensure  
your product is well known and easily recognisable  
by the potential customers.

(Total for Question 2 = 1 mark)

1

### Q3

This question was not generally well answered. Many learners made simple errors in their answers, giving responses such as "Graphs" – giving methods of presenting quantitative data rather than sources of quantitative data. A number of learners were able to give correct answers which tended to identify sales figures or government census as sources of quantitative data.

3 Give one source of quantitative data.

1 Q03

one source of quantitative data  
is the government census.

(Total for Question 3 = 1 mark)

1

#### Q4

Many learners were able to achieve one mark on this question by pointing out that a gap in the market referred to customer needs that are unmet, but many learners struggled to gain a second mark for developing this point.

4 Outline what is meant by the term 'gap in the market'.

A gap in the market is an opportunity for a business to create a product or service that no other business is not currently providing and is most likely needed by customers.

#### Q5a

This question was either well answered by learners or badly answered. Many responses gave descriptions of different promotional activities that the firm might conduct without stating a life cycle stage. Other learners correctly gave two stages of the product life cycle with development and growth tending to be popular responses.

5 Boomers Ltd. regularly introduces new types of headphones to the market.

(a) State two other stages of the product life cycle that Boomers Ltd.'s headphones will go through.

1 Boomers Ltd. will go through "development" (2) 2 Q05a

2 They would also go through "Growth"

#### Q5b

This question proved accessible to a wide range of learners. Many learners were able to correctly point out that e-commerce relates to buying and selling on the internet.

Boomers Ltd. sells directly to the public using e-commerce.

(b) Outline what is meant by e-commerce.

E-commerce is the process of using online / internet to sell products. Therefore Boomers Ltd also sell their products on the internet by creating their website. (2) 2 Q05b

### Q5c

This question was not well answered by learners. Too many responses gave a single reason for the use of price skimming, which was often not well developed. Learners struggled to provide a second point.

Some learners were able to give good responses which clearly linked the product life stage of the new product to the use of the pricing strategy.

Other learners were able to note the potential for extra profit that the novelty of a new product could give but few learners were able to both give and develop two points.

When Boomers Ltd. launches a new product it uses a price skimming strategy.

(c) Explain **two** reasons why Boomers Ltd. might use price skimming for this new product. (4)

① To gain as much profit as possible during the beginning stages of the product lifecycle.

② Because customers will pay the price as they are just being introduced to the headphones and therefore they will be excited to get it and therefore pay a higher price; basically taking advantage of the novelty product.

### Q5d

This question was not well answered. Most responses tended to simply list the different elements of the SMART acronym, defining each in turn without making any strong link to the context of the question.

Many learners seemed to misunderstand the question which asked them about the use of SMART objectives in the measurement of the success of a marketing mix. Learners should be prepared to use the theory covered in this unit in different ways, simply being able to define terms is not enough to achieve marks on the extended writing questions.

The manager of Boomers Ltd. is planning to set a number of SMART objectives before choosing a marketing mix for the new product.

(d) Discuss how SMART objectives could be used to monitor the effectiveness of the marketing mix.

(8)3 Q05d

S - Specific: This would enable boomers Ltd to be organised and know exactly the strategy to be used in order to promote a new product.

M - Measurable:

A - Achievable: In promoting a new product being able to achieve a certain amount of sales through the use of promotion strategies is very vital and must be met.

R - Realistic: Any marketing strategy should be realistic and should have a possibility of becoming a success.

T - Time based: Time is very important and for every business marketing a new product has a specific time and is important their aim is met before this limited time.

(Total for Question 5 = 16 marks) 7

This is an example of a slightly better than average response, where the learner has been able to earn some development marks for showing simple examples of how objectives can be used to measure the effectiveness of marketing activity.

### Q6

This question was generally well answered with most learners achieving a mark as a result of being able to suggest a plausible reason for the case study businesses owners finding marketing important.

6 Give **one** reason why marketing might be important to a business such as Distinctive Gifts. 0 Q06

Marketing might be important as the business wants to expand its range of products that it hasn't sold before.

(Total for Question 6 = 1 mark) 0

### Q7

Learners tended to answer this question badly. Learners should have recognised from the case study that the business targets a niche market or a business to consumer market. Many missed the word 'type' in the question, instead copying information from the case study, as can be seen from this example.

7 State **one** type of market that is being targeted by Carol. 0 Q07

Carol is targetting the lucrative homeware market.

(Total for Question 7 = 1 mark) 0

### Q8

This question was not well answered by Learners. Many of them did not realise that they needed to relate the different types of business model in the unit content to the description of the businesses activities in the question stem.

Many learners simply summarised or described the information in the case study rather than noting that the business is using an advertising model. This response is typical of the kind of incorrect answer given by learners.

8 Carol communicates with the public about products that she thinks will be popular. She does this to draw them into her business. 0 Q08

What type of business model is Carol using?

She is using a business model which consists of communicating and doing market research.

(Total for Question 8 = 1 mark) 0

### Q9

Similar to question 7, learners struggled with this question. Few were able to recognise that the business would purchase its supplies from a firm in a business to business or capital goods market.

It is important to prepare learners for questions that require them to interpret stimulus material. They should be able to recognise descriptions of key pieces of theory.

The response below is typical of the type of wrong answer given to this question – Learners simply copied material from the case study.

9 Carol is planning to purchase new workshop equipment to manufacture scented candles.

0 Q09

What type of market will Carol buy this equipment from?

DIY market for business equipment

(Total for Question 9 = 1 mark) 0

### Q10a

This question proved challenging for learners, many of whom did not recognise the description of a brand extension in the question stem. Being able to interpret contextual information and relate it to relevant theory is a key skill for learners sitting this paper.

This response is typical of the type of common mistake made on this question, with the learners simply listing a number of different terms from the unit content.

10 Carol applies her existing brand, Distinctive Gifts, to any new products she sells.

(a) What term best describes this use of the Distinctive Gifts brand to launch new products? \*

(1) 0 Q10a

Brand promotion, new product introduction  
to business enhancing product range

**Q10bi**

This question proved reasonably accessible, with many learners being able to correctly name the promotional method that was described. In many cases, learners then went on to define this term, something which would not get them any additional marks and would only serve to waste their time. Learners should be aware of the need to recognise the demands of the command word in the question – if they are asked to name a term they do not need to give any additional information. This point is illustrated well by the following example.

(b) One method that Carol uses to promote her brand is famous people talking about her products.

(i) What is the name given to this promotional method?

~~face to face promotion~~ 'celebrity endorsement' (1) 1 Q1  
using public figures in society who are famous

**Q10bii**

This question required learners to correctly identify a method of promotion from the information in the case study. Most learners were able to achieve a mark on this question, with many learners making reference to the use of posts on social media sites.

(ii) Identify one other way that Carol currently promotes her brand.

she gets well known bloggers to write and tell people about her business. (1) 1 Q10bii

### Q10c

This question required learners to give a simple definition of a term from the case study. A significant number of learners made reference to the link between brand personality and consumer perceptions without actually defining the term.

Learners should be prepared to define each of the terms in the specification and should be able to read questions carefully so that they understand what is being asked for in each response.

The example below is typical of the responses that were seen, where the candidate has either misunderstood the term or the question, providing an explanation of branding without reference to brand personality.

(c) Carol thinks that an important part of the Distinctive Gifts brand is its brand personality.

What is meant by the term 'brand personality'?

(1) 0 Q10c

This is simply either a name, logo or image that is well recognisable as your brand by potential customers / loyal customers.

(Total for Question 10 = 4 marks) 2

### Q11ai

This question required learners to correctly select information from the case study. Most learners were able to correctly recognise a method of investigating competitors, with the majority correctly selecting the sentence about visiting competitor's stores and websites, as per the following example.

11 Carol investigated the market for her new products by carrying out market research.

(a) (i) Identify **one** method that Carol currently uses to investigate her competitors in the homeware market.

(1) 1 Q11a

~~She buys her products from artists and~~  
she looks at their websites and visits their stores.

**Q11aii**

This question identified a method of research that was used by the business and asked learners to suggest ways that the research method could be used. Few learners were able to achieve any marks for this question, generally appearing to lack knowledge of what a business owner might find in a company report. Where learners were able to identify a relevant piece of information, too few were able to develop this point any further, thus failing to achieve a second mark.

One other method Carol could use to investigate her competitors is by reading annual company reports.

(ii) Describe how Carol could use this method.

(2) 1 Q11aii

One can identify the product that one selling  
The most ~~and one~~ and the products  
which arent that way one can avoid  
any loss or make more sale

Learners should be prepared to explore the type and usefulness of information that might be found through different market research methods.

### Q11b

This question proved challenging for many learners. While a number of learners appeared to have some concept of what might be involved in the process of benchmarking (e.g. that it involves a comparison with another firm), few were able to give any further development of a basic definition. Some learners were able to give a simplistic explanation which suggested that benchmarking would help the business to make improvements to things that are not done as well as competitors. The response below, which scored one mark, is typical of this approach.

her competitors.  
● (b) Explain **two** ways that Carol's business might benefit from benchmarking against its competitors. (4)

Carol's business might benefit from benchmarking because they will ~~have~~ be able to use the information to improve her business and will motivate her more knowing her competitors are doing better than her business and gives her a target to make more sales than her competitors

**11ci**

This question was generally well answered by a range of learners. The responses given were often related to either the use of technology to manufacture goods or to the use of technology to sell goods.

In some cases, learners were able to give more imaginative responses that linked the use of technology to different aspects of the marketing mix, for example, some learners gave interesting suggestions about alternative methods of promotion or the use of technology in developing enhanced versions of products.

The example below is typical of the responses seen:

Carol is considering carrying out a PESTLE analysis before she enters the homeware market.

(c) The T in PESTLE stands for Technological.

(i) Describe **one** opportunity that a technological factor might create for Carol's business.

(2)2 Q11ci

She can sell her product online and also advertise her products on social networking websites - it would make it easier and cheaper for her to promote her business.

### 11cii

This question was accessible to a range of learners, although only a relatively small number were able to score marks for development. Many learners were able to suggest one way that interest rates would be a threat for the business – that it might reduce consumer spending or that it might increase business costs, but few learners were able to develop these points. The area of PESTLE analysis seems to be one that many learners have a superficial understanding of, but many did not have an in depth understanding of this concept and how it is relevant to marketing activity. The following example shows how students could achieve two marks for making a point and then developing it.

(ii) Explain two threats that interest rates might create for Carol's business.

(4)2 Q11ci

~~If Carol isn't making enough money and the interest are~~  
if the interest rates are High and Carol wants to borrow money to develop her business she might find it hard to pay back the money if she isn't making enough in her business so she might lose her business or she might go bankrupt

**11d**

This question was generally accessible to a wide range of learners. Most learners were able to make some comments about the suitability of supermarkets and a number of learners made valid suggestions of other distribution channels that might be more or less suitable.

Many learners failed to gain higher marks on this question because they were not able to give a balance answer. Many learners simply wrote about why the business should or should not use supermarkets, without showing any consideration of alternatives.

Learners could be better prepared for questions requiring an assessment or an evaluation. They should practice using case study evidence to develop answers for and against a point.

The following example shows how a learner could achieve a high mark by considering arguments for and against the use of a supermarket. This is one of two typical approaches seen in better responses. The other approach was to compare a supermarket to another distribution channel, typically, the use of an online shop – presumably because this was mentioned in the case study.

Carol has been offered a contract to supply a supermarket that is interested in selling her range of products. She is not sure if this is the best distribution channel.

(d) Assess whether a supermarket is an appropriate distribution channel for Distinctive Gifts.

(8)

If Carol decides to sell her products to a supermarket then there would be Business to Business (B2B) marketing. She would have to come to an agreement with the buyers which is time consuming but she would sell a lot of product at once when the deal is settled. Also her expenditures would be reduced since she would not have a lot of delivery, store rent and other cost. She could focus on advertising the product. However her products would have competition in the supermarket as the shelves product will be displayed is filled with the same market she is selling in. However if Carol decides not to sell to a supermarket and she has different options such as selling directly to consumers (B2C) (Business to Consumer), she could build her brand, identify her target market and advertise streamlined to grab her target customer's attention. She would also create a relationship between brand and customers which would make them loyal to her brand. However she would have to set up a shop which is costly or sell through a website. She would make few sales at once. I think Carol should not sell to a supermarket as she is building her brand therefore selling to a business would not give her full opportunity to build her brand reputation and recognition and she although she would make a lot of sales at once, she can still make few sales at once and operate in a good margin of safety. Her brand seems important to her therefore she should sell directly to consumers.

(Total for Question 11 = 21 marks)

SECTION B - 20 MARKS

## Grade Boundaries

Unit	Max Mark	D	M	P	L1	U
21325E - Principles of Marketing	50	43	31	20	9	0

### External assessment

The suite of 'next generation' NQF 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).

### Setting grade boundaries

When we set grade boundaries, we look at the performance of every learner who took the assessment. When we can see the full picture of performance, our experts are then able to decide where best to place the grade boundaries - this means that they decide what the lowest possible mark should be for a particular grade.

When our experts set the grade boundaries, they make sure that learners receive grades which reflect their ability. Awarding grade boundaries ensures that a learner who receives a 'Distinction' grade next year, will have similar ability to a learner who has received an 'Distinction' grade this year. Awarding grade boundaries is conducted to make sure learners 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 learners 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.

Grade boundaries for all papers can be found here:

<http://pastpapers.edexcel.com/content/edexcel/grade-boundaries.html>

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