



Mark Scheme (Results)

June 2014

BTEC Level 1/Level 2 First in Business
(21325E02)

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

| Question Number | Answer | Mark |
|-----------------|--|------|
| 1 | <p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • installing a satellite dish/TV/washing machine etc • painting and decorating/plumbing repairs • building furniture • setting up a PC • providing a technical support helpline. • Repairing a car <p>Accept any other appropriate answers.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 2 | <p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • creating brand extensions • creating brand value • creating a brand personality • creating a USP • potential for greater customer loyalty • brand recognition. <p>Accept any other appropriate answers.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 3 | <p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • surveys • head/foot counts • office of National Statistics data • business information systems • sales/budget data • published research reports • questionnaires. <p>Accept any other appropriate answer that relates to numerical market research data. Do not accept types, e.g. footfall.</p> | (1) |

| Question Number | Answer | Mark |
|------------------------|--|-------------|
| 4 | <p>A set of customer needs that are not being met (1) which a business could take advantage of (1).</p> <p>When customers cannot find what they want in the market (1) for example there is currently a streetview service on map websites but there is not an allotment view service (1).</p> <p>Accept any other appropriate answers.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 5(a) | <p>Award one mark for any of the following up to a maximum of two marks.</p> <p>Development/R&D Growth Maturity Saturation/stagnation Decline Extension Withdrawal</p> <p>Accept any other appropriate answers.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 5(b) | <p>When the buying / selling (1) through the internet (1).</p> <p>Accept any other appropriate answers.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 5(c) | <p>Award one mark for each reason and one additional mark for its appropriate expansion up to a maximum of four marks.</p> <p>When a product is new some people will be willing to pay more to be the first to own it (1) which means that the business is able to make a higher profit on each item sold (1).</p> <p>When a product is first launched and it does not have many competitors (1) it will be possible to charge higher prices as customers have no alternatives to choose from (1).</p> <p>Boomers Ltd. is selling a fashion product that young people will find highly desirable and want to be seen to own (1) and so will be willing to pay a higher price for it so that they can be seen to have the latest thing (1).</p> <p>It's expensive to develop technology products such as headphones (1) so the high prices help recover the research costs before competitors enter the market (1).</p> <p>Once all of the early adopters have purchased</p> | (4) |

| | | |
|--|---|--|
| | <p>the new product/competitors enter the market sales will drop (1) which means the business will reduce its price to maintain sales/revenue (1) with lower prices it will maintain/increase its demand/revenue as its customer base is established/it is an established product and (1).</p> <p>Accept any other appropriate answers.</p> | |
|--|---|--|

| Question Number | Indicative content | Mark |
|-----------------|---|------|
| 5(d) | <p>Possible points for discussion might include:</p> <ul style="list-style-type: none"> - They could set objectives for gaining certain amounts of market share by certain dates in order to indicate how successful an advertising campaign is. - Setting an objective for a specific level of profit might help to evaluate the performance of different distribution channels. - Setting an objective for customer loyalty might give some indication of how good product design is as they can measure how many sales are to repeat customers. <p>However</p> <ul style="list-style-type: none"> - Measuring against SMART objectives would not show if market share was lost due to external factors beyond the firm's control, such as a change in fashion to smaller headphones, rather than a failure in the marketing mix. - A profit objective might be missed if the cost of raw materials such as copper increases significantly even if the firm has negotiated a good deal with its distribution channels/stockists. - Customer loyalty might be lost if a major rival firm such as Bose introduces significant price reductions undermining Boomers Ltd.'s pricing strategy. | (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>The candidate will demonstrate knowledge of the use of SMART objectives in the marketing mix.</p> <p>At the bottom of this level the candidate will identify one relevant way of monitoring.</p> <p>At the top of this level the candidate will list three or more possible ways of monitoring without any 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.</p> <p>At the bottom of this level the candidate will develop one way of monitoring illustrating how this can be used to monitor the success of the marketing mix.</p> <p>At the top of this level the candidate will develop two or more ways of monitoring illustrating how these can be used to monitor the success of the marketing mix.</p> |
| 3 7-8 marks | <p>Range of points described, or a few key points explained in depth. Both viewpoints are considered and the answer is well-balanced.</p> <p>At the bottom of this level the candidate will discuss the effectiveness of two or more SMART objectives for monitoring the success of the marketing mix in the context of the question. The response will be balanced.</p> <p>At the top of this level the candidate will discuss in detail the effectiveness of two or more SMART objectives for monitoring the success of the marketing mix in the context of the question. 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 • attract customers/attention • develop brand/product awareness • encourage customer loyalty <p>Do not accept answers relating to market research.</p> <p>Accept any other appropriate answers.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 7 | <p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • niche • consumer goods • business to customer. <p>Accept any other appropriate answers.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 8 | <p>Advertising Advertising model Advertising business model</p> <p>Accept misspellings. Do not accept any other answer.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 9 | <p>Capital</p> <p>Or</p> <p>Business to business</p> <p>Accept any other appropriate ways of expressing these concepts. Do not accept any other answer.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 10(a) | Brand extension Extension Accept misspellings. Do not award any other responses e.g. product extension/extension strategy. | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 10(b)i | Celebrity endorsement Endorsement by celebrities Accept misspellings. Do not accept any other answer. | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 10(b)ii | Award one mark for any of the following: <ul style="list-style-type: none"> • social media • public relations/product placement/fashion magazine • personal selling • blogging. Accept variations or examples of the above. Do not accept any other answer. | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 10(c) | Award one mark for any of the following: <ul style="list-style-type: none"> • the brand has lifelike traits/humanlike/animallike characteristics • the brand has features that people can associate with friends/family. Accept any other appropriate ways of expressing these concepts. Do not accept any other answer. | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 11(a)i | <p>Award one mark for any of the following:</p> <ul style="list-style-type: none"> • visiting stores/other businesses' stores • looking at websites/other businesses' websites. <p>Accept any other appropriate ways of expressing these methods. Do not accept any other methods e.g. reading annual reports.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 11(a)ii | <p>It would allow Carol to examine the published details of competitor finances (1) which would tell her about their ability to compete with her.</p> <p>It would allow Carol to examine the published details of aims and objectives (1) and future plans for their products (1).</p> <p>Accept any other appropriate answers.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 11(b) | <p>Award one mark for identification and one additional mark for appropriate expansion up to a maximum of four marks.</p> <p>Carol could identify the best practice in the industry (1) and aim to exceed the standards of the giftware industry/ her competitors (1)</p> <p>Carol might be able to identify services that she might not currently offer (1) and so extend her product range in order to meet a wider range of customer needs (1).</p> <p>Carol can identify the profit margins of rivals (1) so that she can identify that she has the right pricing strategy (1).</p> <p>Carol might be able to identify markets that she doesn't currently serve (1) and so target those markets herself/target a wider range of market/market segments (1).</p> <p>Do not accept 'get more customers' without further justification of this.</p> <p>Accept any other appropriate answers.</p> | (4) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 11(c)i | <p>Increasing access to the internet (via smartphones and Wi-Fi connections) (1) means that businesses with websites have a growing number of potential customers (1).</p> <p>Improving production processes could mean that Carol could make her products at lower cost (1) which would mean that Carol could set her prices lower than her competitors (1).</p> <p>Accept any other appropriate answers.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 11(c)ii | <p>Award one mark for identification and one additional mark for appropriate expansion up to a maximum of four marks.</p> <p>High interest rates may encourage customers to save money (1) which means that they would spend less on non-essentials such as Carol's products (1).</p> <p>Low interest rates will lead to a worsening exchange rate (1) which would make imported raw materials more expensive/ increasing the costs of making her products (1).</p> <p>If Carol has an overdraft or business loan it may make her repayments more expensive, (1) which may mean she might have to increase her prices (1).</p> <p>Customers may have less disposable income due to higher repayments. (1) May decide to cut down on non-essential items like candles (1).</p> <p>Accept any other valid response. Do not credit the same information twice e.g. impact of high and low interest rates on exchange rates. Do not credit responses such as 'go bankrupt' without further qualification.</p> | (4) |

| Question Number | Indicative content | |
|-----------------|--|-----|
| 11(d) | <ul style="list-style-type: none"> • Supermarkets will want to buy large quantities of goods and will sell them nationwide. • The business could sell the goods through its own website and keep all of the profits themselves. • Carol could look for smaller independent shops that are more like her own, which will attract customers who are more likely to buy these products. • Carol's products may sell well in the supermarket as they compare favourably to products currently stocked. • Supermarkets have large marketing budgets which may lead to Carol's brand being promoted nationwide. <p>However</p> <ul style="list-style-type: none"> • Supermarkets will want to pay a low price for the products which will result in a lower profit margin for Carol. • Selling through the website will only work if she can attract enough traffic to the site. • Selling the goods through smaller shops will require a lot of work for Carol and will not necessarily result in a high profit, depending on how well those shops market themselves. • Selling through a supermarket might damage the value of Carol's brand as her products could be distributed alongside cheaper value products. | (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 the candidate will identify an argument for or against using a distribution channel. At the top of this level the candidate will provide a list of three or more arguments for or against using one or more distribution channels. Answer is unlikely to demonstrate any use of context.</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 the candidate will develop an argument for or against using a distribution channel. At the top of this level the candidate will develop arguments for and against using one or more distribution channels. Answer might show some link to context.</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 the candidate will develop arguments for and against using one or more distribution channel(s) but may not reach a well-supported judgement. Answer will be linked to context. A supported conclusion will be present. At the top of this level the candidate will develop arguments for and against using one or more distribution channel(s). Answer will be linked to context and provide a clear supportive judgement. A fully supported conclusion will be present.</p> |

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