

Examiners' Report/  
Principal Examiner Feedback

Summer 2013

PL Retail Business (RB301)

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# **PL Retail Business (RB301) June 2013**

## **Introduction**

This was the fourth series in which RB301 Examining the World of Retail has been assessed and this report gives guidance to centres on the performance of students. Where appropriate we have advised centres on ways they can help their students improve their performance.

Generally this paper performed as expected and generated marks across the whole spectrum for the level. There continues to be fewer students with very low scores. Those achieving U grades were often much closer to the E grade than in previous series. Most students were able to access the questions which began with; identify, outline, describe and explain. Questions beginning with the following; analyse, assess and evaluate performed less well and helped differentiate between students and it is success on these questions that will deliver the higher grades. There was an increased number who were able to perform on the questions asking for analysis, assessment and evaluation.

It was pleasing again this series that centres have clearly taken on board feedback from the last series with identify, describe and explain questions as these continued to improve. There were significantly increased numbers who were able to access above half marks on levelled (analyse, assess and evaluate) questions. To achieve the top mark band on such questions responses often require students to give a two sided argument and to offer a supported conclusion.

## **General comments**

The examination questions were designed to cover all four Learning Outcomes (LO) and the majority of associated assessment criteria. The best students showed a sophisticated understanding of the relevant material and were able to apply this to Retail Business and specifically Mothercare. Students did less well where they failed to grasp the basic concepts or were unable to apply these to Mothercare or more generally retail.

Performance on the paper was improved overall compared to previous series. The performance on questions 1 and 2 was better than later questions because the questions tended to test lower order skills with command words including outline, describe and explain. Question 4 saw students perform less well mainly because of the higher proportion of questions testing their higher order skills with command words including assess and evaluate. A number of concepts were examined and students performed poorly. These include advantages and disadvantages of private limited companies, how functional areas including people management contribute to profits, adding value and expansion through franchising. Questions where students performed well included price reduction strategies, trade union membership, out of town formats, buyers and profitability, discrimination, training, reducing packaging, ethics and economies of scale. It is pleasing that so many questions saw students performing well.

For questions requiring higher order skills such as analyse, assess and evaluate it was often the failure to consider alternative viewpoints and to make a justified decision that limited performance. Too often students will give a one sided view and this frequently leaves them, capped at often half marks. In many cases they were demonstrating and making developed answers and had they offered the other side of the argument would have accessed the top mark band. Whilst this is the case a greater proportion of students were able to start to offer the two sided argument and to make decisions so centres are clearly preparing students to do this. Below you will find specific guidance on performance on each question.

It is necessary for students to apply their responses to the retail context and developing student's skills in understanding the requirements of the command word to enable them to provide responses that can be awarded marks at the top end.

## Q1

The context related to Mothercare and a number of problems the retailer is facing with questions relating to price reduction strategies, the benefits of trade union membership for staff and the attractiveness of out of town outlets. Responses tended to be better for price reduction strategies and although weaker the questions on the benefits of trade union membership for staff and the attractiveness of out of town outlets still performed well. A key development for centres is to ensure their students can apply to the context of the question. Those that did performed very well.

### Q1a

The concept of price reduction strategies was well understood on a theoretical level and it was a delight to see so many students referring to relevant examples in their response relating to Mothercare. 75% of students achieved full marks on this question and all students achieved at least 2 out of 3. Those achieving the higher grades were more likely to perform well and achieve full marks on this question. The best responses looked at how Mothercare could shift obsolete or seasonal products and replace them with popular and more profitable lines. Better students were able to relevant examples such as children's clothing and toys.

### Q1b

The description of advantages of trade union membership for employees was a question that differentiated between those that would pass or fail. The students that did not score on this question tended to achieve a U grade. These students tended to not focus on benefits to the employee. Many students were able to identify and develop the point about how they benefit employees. Those that then went on to link to how the trade union will help when store closure takes place performed best.

### Q1c

Most students were able to access the question on attractiveness of opening out of town outlets. The more generic responses that looked at why a retailer would want to have out of town outlets performed less well. Those that linked to families and collecting large items like pushchairs and cots clearly applied their responses and performed very well. Those that achieved full marks tended to achieve the higher A\*-C grades.

### Q2

This question focussed on Mothercare looking at people management issues and ownership. Questions focussed on discrimination, buyer's contribution to profits, problems of not providing training and the advantages and disadvantages of being a plc. The question performed well overall. The latter question was least well attempted.

### Q2a

Reasons Mothercare needs to avoid discrimination are offered and developed. Most students achieved at least half marks. There were two typical approaches to the question. One looked at how discrimination would negatively affect the business and why it needs avoiding. The other approach looked at how a discrimination free environment would help Mothercare perform better.

## Q2b

The question required students to explain how buyers contribute to profitability. Most students were able to identify the importance of buyers and students achieving the higher grades were able to make the connection to how they reduce costs or contribute to increasing revenues. Those that were able to achieve top marks made an explicit link to Mothercare and the buying of relevant products.

## Q2c

This question needed students to analyse the problems for Mothercare if they fail to provide appropriate training. The problems caused by a lack of training were well understood and this enabled students to access marks on this question. Weaker students focused on theoretical problems caused by a lack of training but a significant number this year were able to pick out relevant examples linked to Mothercare and therefore helped them perform well. This question differentiated well and those students that achieved the highest grade overall performed well on this question typically accessing the top level. When students see the trigger word analyse they must be reminded that we are looking for a detailed development of the consequences or causes of something. In this case they need to look in detail at the consequences for the retailer of not training appropriately.

## Q2d

The question on the advantages and disadvantages of a private limited company was found to be very difficult for many students. Not one student was able to access the top mark band on this question. More people than in previous series did offer a two sided argument as explicitly directed in the question. However in evaluating advantages and disadvantages they need to develop both the advantage and disadvantage to enable them to access the higher scores. Additionally most students failed to make a decision as to whether the advantages or disadvantages were greater and where they did they rarely supported their view. So whilst students typically can identify and offer some development of advantages and disadvantages these need to be more detailed and students need to be directed towards offering a conclusion.

## Q3

The context related to Mothercare and CSR. The concepts covered included reducing packaging, ethical behaviour and added value. This question saw students perform well and they were able to access the questions and perform well on the first two sections. Part c was more of a challenge.

## Q3a

Most were able to identify benefits to Mothercare of reducing packaging and were able to offer good development. Most students were able to achieve very well with the majority scoring 3 or 4 on this question. Every student accessed marks on this question.

Q3b

Students were able to identify why Mothercare might require its suppliers to behave ethically. Development was typically good and the better students linked to why Mothercare would want ethical suppliers and how this could attract customers and build reputation. Students understand ethics well which is pleasing.

Q3c

Students were able to assess why the achievement of Carbon Trust Awards would add value but few were able to actually offer an assessment that offered some balance. Looking at how Carbon Trust award would help but also how it might be less important. If students see they need to assess they will need to offer more than one argument and will often benefit from offering two opposing views.

Q4

The next context was focussed on expansion. It covered concepts including economies of scale, people management, franchising and opening stores on India.

Q4a

There was a good understanding of economies of scale. It was good to see students giving appropriate examples linked to purchasing greater quantities of supplies and marketing. Far fewer this series were linking to manufacturers rather than retailers. The development of how the economies of scale generate lower costs per unit was effective.

Q4b

Many could talk about relevant points about people management but struggled with the link to how they support international expansion. The main responses looked at recruiting the right staff with the right skills and training them up.

Q4c

The question on franchising was a challenge for students and most students scored half marks or less. Some struggled to apply this to how Mothercare benefits from expanding through franchise. Those that did discussed the ability to expand without the expenditure, the fact the franchisee bears the risk of failure and the fact they have local knowledge that will help them be successful. The question differentiated well and those achieving the higher mark overall did very well on this question.

Q4d

The question was about justifying the decision to enter the Indian market for Mothercare. Most students were able to identify benefits of the decision and offer some development of them. Students need to offer more argument and more detail in the arguments to offer the detail to access the higher marks.

Q5

The question looked at evaluating the decision for Mothercare to focus online. Many students offered a one sided look at the decision and considered either the benefits or problems of the decision and few looked at both elements. Even when they did their performance was limited by not offering a conclusion as to whether it was a good or bad decision. When concluding students also need to support their conclusion. Most students used the context to identify points but it is important that they do not just identify the points from the context but actually develop the points.

### **Recommendations**

- Ensure students can develop advantages and disadvantages of private limited companies.
- Make sure students know how functional areas including people management contribute to successful expansion.
- Ensure students understand how retail business can add value
- More work need to be done to explain the benefits of expansion through franchising
- Ensure students follow instructions as to how many points to discuss- if it says explain one only explain one. They will only be rewarded for their best response
- Ensure students use the marks available for each question to consider how many development points to offer
- Ensure students understand that analyse needs a more in depth look at either consequences of causes
- Ensure students understand that assess will need a two sided discussion
- Ensure students understand the command word evaluate requires them to offer a two sided argument and then offer a conclusion that they can justify.

## **Grade Boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

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