

Examiners' Report/  
Principal Examiner Feedback

Summer 2012

PL Retail Business (RB305) Paper 01

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## **PL Retail Business RB305/01 June 2012**

### **Introduction**

This series saw a very small entry which skews the percentages between those achieving and not achieving. The results were mostly around the pass grade with a few achieving a grade A but there were no A\* awards in this series.

The paper seemed more accessible with candidates able to generate marks across the board. There appears to be a broader knowledge base with fewer blank question entries this series.

Whilst there have been improvements in the standard of entry this time, it would appear that many candidates have still not developed exam techniques to address the requirements of the questions they are asked. Many answers were very simplistic and did not take into account either the command word or the number of marks. This was especially notable in the questions requiring candidates to 'discuss, evaluate, assess or analyse'. These questions are generally looking for two sided arguments, some of which may require a decision that needs to be justified. Questions requiring candidates to 'explain, describe or outline' were often answered in just a few words or a single sentence, despite offering opportunities for several marks. Candidates need to read the question thoroughly and be able gauge the depth and complexity of answer required in these exams.

Candidates that gave stronger answers had clearly analysed the pre-release case study and were able to apply their answers to the questions asked. Some candidates lost marks due to the very generic answers they gave. A significant number of the candidates gave very brief answers. Quite often candidates did not give enough of an answer to be able to access all of the potential marks.

The simpler questions were often the most weakly answered. Candidates lost marks on brief explanation by giving just a few word answers rather than a developed sentence.

### **Conclusion**

This exam series indicated that candidates were generally more at ease on questions about the USP of a retail business rather than location or situational analysis. There was generally a good level of understanding on how a retail business could change their marketing mix in response to external factors. One of the weakest areas was the question on positioning in the market place with a significant number of candidates linking this to physical location. Sales versus market orientation were generally well understood but the use of key performance indicators to judge the success of a store was not strongly answered. Candidates need to know how to read the question and the number of marks allocated to be guided into the depth of answer required. They need to know what is being asked of them in questions to evaluate, assess or make recommendations. Candidates need

to understand that merely repeating stimulus material in their answers does not generate marks when they are clearly required to make a decision from the material given.

### **Comments on individual questions**

#### **Question 1(a): One benefit of investigating competitor activities.**

Most candidates gave a simplistic answer that stated things such 'identify a gap in their stock' or 'copy their advertising techniques'. For a four mark question it is expected that this statement is developed to include the benefits to the games company in the case study. There were some very well developed answers that addressed items such as reviews of PESTEL issues; what they do to attract people into the store; ideas that may be adaptable to gain competitive advantage. Some candidates were able to achieve the four marks which indicate an improvement in the standard of answers than in previous series.

#### **Question 1(b): Why Games Ltd is not just sales orientated**

There were some good answers to this question that accessed all four marks. Most candidates identified needs and/or wants of customers as central to the company's ethos. Developed answers generally stated that they use offer the customer specialist products and services through the knowledge of sales staff and that it was not just about the profit for Games Ltd. The stronger answers discussed the fact that regular customer analysis through survey both online and in-store ensured the target customer groups were closely and carefully identified.

#### **Question 1(c): Analysing how Games Ltd might have a USP**

Answers were variable for this question with very few candidates accessing the higher marks in this six mark question. Most candidates were able to demonstrate some knowledge of what a USP was. Some were able to relate it to the niche products and levels of knowledge of the sales staff for one sided and partially developed answers. Disappointingly only a few were able to offer a balanced argument on, for example, how customers could distinguish Games Ltd from its competitors as a result of its USP.

#### **Question 2(a): Outline one method of research enabling investigation into customer behaviours**

Most candidates were able to pick up a mark for identifying a relevant form of research. Stronger answers were developed to identify what this type of research could pick up and sometimes the reasons any information would be of benefit to the business.

**Question 2(b): One limitation of using secondary information to investigate customer interests**

This was quite disappointing in that the majority of candidates did not identify the fact that it was information collected for a different purpose and may not be totally relevant to the research needed for the case study company. Answers were often simplistic and could access one or two of the available marks. Very few candidates were able to offer a developed answer to achieve the third mark.

**Question 2(c): Describe how key performance indicators (KPIs) of sales per square metre and customer numbers could be used to judge the success of the stores.**

This question was answered in two parts with three marks for each part. Generally, stronger answers tended to gain two marks for each section by defining the purpose of the KPI with a simple development such as 'maximise sales', compare (footfall) to how many buy something. Very few candidates were able to develop their answers enough for the full marks. There are some blank spaces for the section on customer numbers as a KPI.

**Question 3(a): Describe the purpose of gathering information on potential locations for a new store**

Most candidates were able to identify finding target customers or finding out if there is a want/need for your products as potential reasons for researching locations. Candidates that accessed all three marks were able to describe potential gaps in the market or if there were any complementary businesses in the area. Generally this was answered quite well.

**Question 3(b): Explain why selecting the right location might contribute to Games Ltd gaining a competitive advantage**

As the previous question had been so well answered, it was disappointing that this question did not achieve the level of success it could have. Some candidates were able to identify competitors as either a good (lots of target customers around) or bad thing (will try to steal your customers). Many of the answers were just not well developed enough to achieve all four marks. Traditionally this is quite a strongly answered topic but it was not the case in this series. Although there were a few high scoring answers many candidates appeared to struggle with the development of their answers.

**Question 3(c): Explain why identifying different customer groups could contribute to the success of Games Ltd**

Most candidates were able to identify that different target markets had different needs/wants. On the whole this question was quite well answered with most learners able to access at least two of the four marks available. Stronger answers included developments such as the business being able to offer different products to meet these needs/wants; including services such as specialist advice to parents/grandparents.

**Question 3(d): Analyse the positioning of Games Ltd in the computer market**

This question proved to be a good differentiator. Stronger candidates were able to demonstrate their understanding of what was meant by 'position'. Some candidates were able to discuss the concept of position in terms of prices offered compared to competitors, and take a view whether they were a specialist store or not specialist enough. Some candidates lost marks by not making links between the position of the business and customer behaviours. There were a significant number of answers that discussed position in terms of location which was disappointing.

**Question 4(a): Discuss one way in which the marketing mix could change in response to external factors**

There was a good range of marketing mix elements identified but the highest proportion of candidates opted for 'price' and political change. This stimulated discussions about the state of the economy, recession, potential changes in VAT and the effect this may have on the customers. Some candidates were able to access the Level 2 marks for partially developed answers in context. A few learners offered well developed answers that linked the influences on the business and the marketing mix. A few candidates missed the point of this question and did not answer correctly or did not answer at all.

**Question 4(b): Evaluate how a SWOT analysis will contribute to making decisions about a new marketing strategy**

This was a twelve mark question and generally was not well answered. Most candidates demonstrated some subject knowledge about marketing strategies but this was often weak and not really linked to the SWOT. Some candidates just gave an analysis of what a SWOT is. There were a few high scoring answers and these tended to link each section of the SWOT to an aspect of the marketing strategy that were well applied to the case study organisation. For example weaknesses linked to the lack of an online store compared to competitors, strengths included niche products but were also a threat as competitors could offer the same so the marketing strategy was to promote differently.

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