

Mark Scheme (Results)

Summer 2012

PL Retail Business (RB305)  
Paper 01

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Summer 2012

Publications Code DP032983

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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
<b>1 (a)</b>	<p>Responses could include:</p> <p>Understanding the activities of competitors will provide ideas for new product ranges (1) so will help Rob to expand the variety of stock in his own stores (1) this would meet the needs of new and existing target markets (1) this would allow Rob to increase the revenue in his own stores (1)</p> <p>Rob could benchmark his own stores against his competitors (1) he would be able to see if his own ideas are as good as theirs (1) this might help him to understand why his marketing plans are succeeding or not (1) and help him to understand how to improve his business (1)</p> <p>Reward other valid responses</p>	<b>(4)</b>

Question Number	Answer	Mark
<b>1 (b)</b>	<p>Responses could include:</p> <p>Products are displayed according to the interests and concerns of customers (1) e.g. 18 certificate content is put on high shelves out of reach because a customer group are worried about this material (1) If the business was sales orientated they would not take the time to do this (1) the main focus would be on simply selling and prominently displaying the products with the best profit margin (1)</p> <p>Rob has made an effort to understand the needs of his customers (1) he uses this information to match up products with what people are interested in (1) this suggest that his business is market orientated (1) because he is not concerned with persuading people to buy whatever they have to sell</p> <p>Reward other valid responses</p>	<b>(4)</b>

Question Number		Answer
1 (c)		<p>The aim of this question is to encourage candidates to consider the features of the <i>Games Ltd</i> business that might distinguish them from their competitors.</p> <p>Arguments might include:</p> <ul style="list-style-type: none"> <li>• By providing advice to customers they can distinguish themselves from companies like ASDA that don't employ staff with specialist knowledge</li> <li>• By stocking products which have been imported from other countries such as Japan</li> <li>• By stocking vintage and retro games</li> <li>• by offering advice to less knowledgeable customers such as parents and grand parents</li> </ul> <p>However</p> <ul style="list-style-type: none"> <li>• companies like GAME and Gamestation also employ staff with specific product knowledge on games and games playing who will be able to offer expert advice to customers</li> <li>• there are a large number of other businesses and private individuals selling imported and retro games on eBay</li> <li>• parents and grand parents may feel uncomfortable in the specialist store environment</li> </ul> <p>Reward other valid responses</p>
Level	Mark	Descriptor
	0	No rewardable material
1	1-2	<p>Candidate makes a simplistic analysis of issues that might give <i>Games Ltd</i> a unique selling point</p> <p>At the top of this level the candidate will be able to demonstrate some knowledge of the concept of a USP and this will be partially developed although the evidence will be weak and may not be well linked to the case study. Argument will be one sided.</p>
2	3-4	<p>Candidate provides a reasonable analysis of issues that might give <i>Games Ltd</i> a unique selling point. Argument maybe one sided but developed at the bottom of this level. At the top of this level there will be a clear link between the theory of a USP and the activities of the business. The candidate will have made some effort to develop their response and might make some links between the achievement of a USP and the distinction of <i>Games Ltd</i> from its competitors. At this level the evidence is likely to be partially developed but with some link to the context.</p>

3	5-6	Candidate thoroughly analyses issues that might give <i>Games Ltd</i> a unique selling point providing a balanced argument. At the top of this level the candidate will have made a clear link between the activities of <i>Games Ltd</i> and the ability of customers to distinguish the business from its competitors. There will be a clear understanding of relevant theory and the response will be well grounded in the context of the question.
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Question Number	Answer	Mark
2 (a)	<p>Responses could include:</p> <p>Rob could conduct a focus group (1) where he monitors the discussion about his potential business (1)</p> <p>Rob could observe customers playing games (1) to develop an understanding of their behaviours and interests (1)</p> <p>One mark for identifying a relevant form of research and one mark for development. Do not award marks for identifying more than one type of research. Do not award marks for identifying sources of information.</p> <p>Reward other valid responses</p>	(2)

Question Number	Answer	Mark
2 (b)	<p>Responses could include:</p> <p>Secondary Data has been collected for another purpose (1) so it does not relate directly to the needs of <i>Games Ltd</i> (1) and therefore might not be an appropriate basis for making decisions (1)</p> <p>Secondary data might be out of date (1) which would mean that the activities of competitors might have changed since the data was collected (1) which would give a false impression of how they serve their customers (1)</p> <p>Secondary data might be generic across the whole of the country or sector (1) this might not reflect the unique context of the towns where <i>Games Ltd</i> is located (1) and therefore might give a false impression of customers needs and interests (1)</p> <p>Reward other valid responses</p>	(3)

Question Number	Indicative Content	Mark
<b>2 (c)</b>	<p>Possible responses could include:</p> <p>(i) Sales per square metre divides the amount of revenue earned by the amount of space in each store it illustrates how efficiently space is used in each store (1) allowing objective comparisons to be made between stores of different sizes (1) to see which stores get the best response from promotional activity (1)</p> <p>(ii) Customer numbers could be measured by taking the number of transactions from the EPOS system and so this can be tracked over a period of time (1) so patterns can be identified such as growth or decline in numbers (1) allowing Rob to see if he is maintaining or losing customer numbers (1)</p> <p>Reward other responses.</p> <p>2x3</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>3 (a)</b>	<p>Responses could include:</p> <p>To investigate the socio-economic make up of the local area (1) which might indicate if its residents are likely to be affluent enough to afford the computer games (1) and therefore determine if there is likely to be sufficient demand to open a new store (1)</p> <p>To identify the needs of potential customers (1) which would indicate potential demand for a store (1) as it would illustrate whether or not people in the area play games (1)</p> <p>Reward other valid responses</p> <p>1x3</p>	<b>(3)</b>

Question Number	Indicative Content	
<b>3 (b)</b>	<p>Responses might include:</p> <ul style="list-style-type: none"> <li>• Choosing a location with low rent (1) might help the business to achieve cost leadership (1) this would allow them to have more money to invest in things like specialist staffing (1) to provide extra help and support to customers (1)</li> <li>• Opening a store in an area that is close to other businesses that customers use (1) would help to target this particular niche (1) by providing the goods that they are interested in (1) in a location which they choose to frequent (1)</li> </ul> <p>Award other valid responses</p>	(4)

Question Number	Indicative Content	Marks
<b>3 (c)</b>	<p>Possible responses might include:</p> <ul style="list-style-type: none"> <li>• Different customer groups will have distinct needs and wants (1) by identifying these groups promotional activity can be targeted more effectively (1) which means money will be spent efficiently (1) therefore increasing potential profits (1)</li> <li>• Different customer groups will have distinct needs and wants (1) this means that product ranges can be stocked to meet their specific requirements (1) resulting in less waste and unsold stock (1) resulting in more efficient use of floor space and other resources (1)</li> </ul>	(4)

Question Number	Indicative Content	
<b>3 (d)</b>	<p>The aim of this question is to examine the extent to which candidates understand how businesses are positioned within a market and the implications of this.</p> <p>Arguments might include:</p> <ul style="list-style-type: none"> <li>• The business is expensive relative to competitors for new lines and therefore might be less attractive to potential customers</li> <li>• The business provides a great deal of advice and guidance to customers which creates a perception of added value</li> <li>• The business serves specific market niches which distinguishes it from competitors who focus on the mass market video game products</li> <li>• <i>Games Ltd</i> are more expensive therefore younger people on a lower income might go to competitors' businesses because they have lower prices on new lines, the advice that they might be able to get from <i>Games Ltd</i> may not be worth the extra money that they have to pay and they would be able to get tips on the game from the internet anyway. Ultimately their main concern is to get good value for their limited money.</li> </ul>	
Level	Mark	Descriptor
	<b>0</b>	No rewardable material
1	<b>1-2</b>	<p>Candidate makes a simplistic analysis of the market position of <i>Games Ltd</i>.</p> <p>At the top of this level the candidate would be able to demonstrate some understanding of the relative positioning of businesses within a market and might be able to link this to the data from the case study. Weaker candidates at the bottom of the level might simply restate facts from the case study and indicate that these relate to the position of the business.</p>
2	<b>3-4</b>	<p>Candidate makes a reasonable analysis of the market position of <i>Games Ltd</i>.</p> <p>At the top of this level a candidate would be able to identify and develop issues that are relevant to the positioning of the business. The candidate might, for example, show a causal relationship between the market position of <i>Games Ltd</i> and the behaviour of a specific customer group or competitor group.</p>
3	<b>5-6</b>	<p>Candidate presents a detailed analysis of the market position of <i>Games Ltd</i>.</p> <p>At the top of this level the candidate will demonstrate a</p>

		<p>secure grasp of theory and will illustrate a clear causal link between the market position of the business and customer behaviour.</p> <p>This will be clearly linked to the context of the business.</p>
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Question Number		Indicative Content
<b>4 (a)</b>		<p>The aim of this question is to examine how well learners understand factors which can influence the marketing mix of a retail business.</p> <p>Arguments might include:</p> <ul style="list-style-type: none"> <li>• The growth of new technology which allow gaming such as smartphones has contributed to a decline in the use of old fashioned toys and games amongst young people and is also a substitute for video games.</li> <li>• The growth in the availability of the internet has made it easier for people with specialised interests to meet and discuss their interests and so it might encourage people who are interested in role playing games, which are relatively specialised products. This might encourage Rob to add these to his product range.</li> <li>• People are increasingly cash rich and time poor, e.g. Rob's customer group one, and so might not feel that they have time to indulge in lengthy role playing games or video games.</li> </ul> <p>Reward other valid responses which are relevant to the content of the pre-release material</p>
Level	Mark	Descriptor
	<b>0</b>	No rewardable material
1	<b>1-2</b>	<p>Candidate make a simplistic analysis of factors influencing the marketing mix.</p> <p>At the top of this level the candidate will have demonstrated some understanding of one or more P and will have been able to demonstrate how this will influence the working practices of <i>Games Ltd</i> in a very simple way – their development may be weak and one sided that may not be fully grounded in the context.</p>
2	<b>3-4</b>	<p>Candidate partially develops their analysis of the marketing mix</p> <p>At the top of this level the candidate demonstrates good knowledge of at least one of the Ps which is partially developed in the context of the answer although at this level the evidence may have some weaknesses and may only partially reflect the context.</p>
3	<b>5-6</b>	<p>Candidate thoroughly analyses at least one factor which influences the marketing mix</p> <p>At the top of this level the candidate will demonstrate a</p>

		secure knowledge of one or more of the Ps of the marketing mix which will be clearly linked to the context and will be well developed with clear links being drawn between influences on the business and the design of the marketing mix.
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Question Number		Indicative Content
<b>4 (b)</b>		<p>The aim of this question is to consider how a business can utilise a situational analysis to inform their marketing planning process</p> <ul style="list-style-type: none"> <li>• SWOT considers factors which are both internal and external to the business and therefore allows Rob to see <i>Games Ltd</i> in its wider context.</li> <li>• By examining the strengths of <i>Games Ltd</i> it is possible to see what it is doing well and this might provide some ideas on how to build on these strengths for the future for example using new technology to gather data on the customers / use of specialist staff</li> <li>• By examining the weaknesses of <i>Games Ltd</i> it might be possible to find solutions to problems that could hinder the implementation of the marketing strategy or to prevent implementing a marketing strategy that the business was not adequately prepared for e.g. no deals from suppliers / limited niche markets.</li> <li>• By identifying opportunities in the market it is possible to see what the marketing strategy should target or it might identify gaps in the market that had previously not been apparent e.g. new stores / fantasy role play products</li> <li>• By identifying threats in the market the marketing strategy can take steps to minimise the risks that they pose e.g. competition from large stores offering to buy pre-owned titles for more money.</li> </ul> <p>Do not award answers which offer an evaluation of SWOT as an analytical model.</p>
Level	Mark	Descriptor
	<b>0</b>	No rewardable material
1	<b>1-3</b>	The candidate makes a simplistic assertion without any substantive supporting evidence or links to the context. At the top of this level the candidate will have demonstrated some subject knowledge although this may be weak. Their knowledge will lead to a conclusion that is not backed by relevant evidence but still has some relevance to the importance of SWOT analysis for making a business decision.
2	<b>4-7</b>	The candidate develops some relevant arguments without making a clear conclusion. Some links are made to the context. At the top of this level the candidate will demonstrate some relevant knowledge of SWOT analysis and/or marketing planning which will have been partially developed with a relevant conclusion or the candidate will provide a good

		development of their responses with no clear conclusion. At the top of this level the response will be reasonably well linked to the context of the question.
3	<b>8– 12</b>	The candidate evaluates the use of situational analysis by a small retail business. At the top of this level the candidate will form a cogent argument which is well supported by appropriate evidence from the case study. The candidate will develop their response in detail providing a conclusion with clear link between different aspects of theory and the specific issues in the case study.

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Order Code DP032983 Summer 2012

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