

### **Application Marking Exercise – Paper 1 – June 2023**

- (c) Analyse the impact on *Lili Heating Ltd* of using the internet to collect secondary market research.

(6)

#### **Response 1**

One impact of Lili Heating using the internet to collect secondary market research is that it is cheap. This will help to keep overall costs low, meaning that the business will have a lower breakeven point, which leads to a greater chance of success.

Another impact is that she can find out what the population of the local community is. Therefore, the owner will see whether there are sufficient people to have enough potential customers. This will help Lili Heating Ltd assess their likely chances of success.

<b>Application</b>			<b>Analysis</b>		
L0		No context	L0		0 linked strands
L1		Limited context	L1		1 linked strand
L2		Some but not throughout	L2		2-4 linked strands
L3		Throughout	L3		5+ linked strands
<b>Overall score:</b>					

#### **Response 2**

Amalie could find out how many females live in Birmingham, this would tell her how many potential customers she may have. She could also find out what the average incomes are for the population of Birmingham. Using the internet will be cheaper than other forms of research, this means that Amalie will be able to keep the price of her plumbing services low. Finally Amalie will be able to see what other plumbing services are located in her area, this will help her to see if there is any other female plumbing businesses.

<b>Application</b>			<b>Analysis</b>		
L0		No context	L0		0 linked strands
L1		Limited context	L1		1 linked strand
L2		Some but not throughout	L2		2-4 linked strands
L3		Throughout	L3		5+ linked strands
<b>Overall score:</b>					

### Response 3

Amalie could use the internet to see if there how many other plumbing businesses there are in Birmingham This would enable her to see the level of competition, particularly if there are any other female only plumbing services. This would tell Amalie whether there are enough people who would potentially need their sinks and boilers repairing. This would give an indication as to whether she is likely to be successful.

However it could have a negative impact as may be out of date. Therefore, there could be more female plumbers in existence than she could find online, this is because new businesses may have set up recently, This would mean that Amelia might think she has less competition for plumbing repairs than she actually has. This could lead to fewer sales than she anticipated which could increase the risk of failure.

Application			Analysis		
L0		No context	L0		0 linked strands
L1		Limited context	L1		1 linked strand
L2		Some but not throughout	L2		2-4 linked strands
L3		Throughout	L3		5+ linked strands
Overall score:					