GCE

Business Studies

Unit **F293:** Marketing

Advanced GCE

Mark Scheme for June 2015

Annotations

Abbreviations, annotations and conventions that are used in this Mark Scheme vary from paper to paper. The following annotations are available for this paper.

Annotation	Meaning
✓	Correct
✗	Incorrect
?	Not sure what the candidate is trying to say or it does not make sense. It can also be used with a level descriptor when considering BOD
BOD	Benefit of doubt given
L1, L2, L3, L4	Levels of response awarded at this point
OFR	Own figure rule
TV	Too vague
NAQ	Not answered the question
NUT	Not used the context (generic)
REP	Repetition. The candidate has merely restated what has already been said and so no further credit given.
SEEN	The page has been seen. This can be used on pages where no other annotation is appropriate and MUST be placed on each blank page

Subject-specific Marking Instructions

Highlighting is also available to highlight any particular points on the script.

Please ensure that, wherever possible, annotations are placed in the margins and not over the candidate's answer. This makes it very difficult to read when the paper is printed out in black & white.

[Only the following questions should be annotated with ticks to show where marks have been awarded in the body of the text: Question_____]

IT IS VITAL THAT YOU SHOW <u>AS MUCH ANNOTATION ON EACH PAGE AS POSSIBLE</u>. IN PARTICULAR, WHERE LEVELS ARE REACHED.

EVERY PAGE, INCLUDING BLANK PAGES (use the SEEN annotation), <u>MUST</u> HAVE SOME ANNOTATION

Question			Answer	Mark	Guidance
1			Calculation question(s) for total of 4 marks Market share = <u>sales of an individual business</u> 　　　　　total market sales 　　x 100 　(1) £1,300,000 + £500,000 + £1,000,000 + £1,450,000 + £750,000 = £5,000,000 (1) <u>£1,000,000</u> £5,000,000 　x100 　(1) 20% 　(1)	4	Up to four marks. An answer of 20(%) with no working gains full marks <u>General guideline for marking</u> 1 mark for correct formula 1 mark for calculating total market sales (allow 5000) 1 mark for using correct figures in formula (could be inverted) 1 mark for correctly calculating market share OFR as appropriate

Question			Answer	Marks	Guidance	
					Content	**Levels of response**
2			Indicative content in this answer is likely to be utilised by candidates from the following aspects of the specification: • sampling • market research Context is likely to be based on BCL having used: • a random sample - *can the sample be truly random? Only asked 50 customers - how may customers did it have in this time period? Why not use a stratified sample to get a range of different customers?* • of customers who purchased a used car from BCL - *why only include customers who purchased? Might be more useful to find out why people DID NOT purchase. If they decided to purchase, then they are unlikely to want to criticise the business* • between October 2015 and February 2016 - *Are these representative months for sales? They avoid the months when new cars are registered (September and March)*	6	Candidate answers must be based on sampling to access marks. Generic knowledge of market research should **not** be rewarded. Only one piece of evidence of a particular skill is necessary to score the top mark in any level. The mark at the bottom of the level should only be used for a BOD answer.	**Level 3: 6-5 marks** Candidate demonstrates analytical skills when considering the sampling methods used to conduct the research in Table 2 for BCL. **Level 2: 4-3 marks** Candidate demonstrates understanding of sampling methods. No context required. **Level 1: 2-1 marks** Candidate demonstrates only theoretical knowledge of sampling methods.

Question	Answer	Marks	Guidance	
			Content	**Levels of response**
3	Indicative content in this answer is likely to be utilised by candidates from the following aspects of the specification: • consumer buyer behaviour • market research • marketing planning (strategy) • models of marketing • the marketing mix Context is likely to have been based on: • test drives - *this is likely to be a considered purchase not an impulse purchase (link to AIDA), time needed for salespeople to offer test drives, need for pre/after sales service as part of product mix* • importance of price in marketing mix - *most important aspect of the mix? Promotion should be focussed on price (ie prices on windscreen), should BCL have a basic price to entice customers and then try to 'upsell' extras?* • importance of the condition of the car - *need for pre-sales work to be done (valeting, hpi checks, etc.), added value through pre/after sales service as part of the product mix, need to be be competitive* • importance of branding - *need to be aware of current trends/fashions in market* • importance of running costs - *need to provide information for customers (link to AIDA), pre/after sales service link to product mix, link to promotion (ie further details of each car)* • importance of reputation - *link to promotion mix, need to be competitive, 20 years established in Granthorpe*	13	Candidates do **not** need to consider **all** the data in Table 2. An answer which does **not** specifically reference the findings about consumer buyer behaviour in Table 2, cannot reach Level 3. Analysis must be based on how BCL could use the data to develop the businesses marketing strategy. Therefore, there must be reference to at least one element of the marketing mix.	**Level 4: 13-9 marks** Candidate demonstrates evaluative skills when considering the use of the findings about consumer buyer behaviour in Table 2 with reference to development of BCLs marketing strategy. **Level 3: 8-6 marks** Candidate demonstrates analytical skills when considering the use of the findings about consumer buyer behaviour in Table 2 for development of BCLs marketing strategy. **Level 2: 5-3 marks** Candidate demonstrates understanding of consumer buyer behaviour and/or marketing strategy No context required. **Level 1: 2-1 marks** Candidate demonstrates only theoretical knowledge of consumer buyer behaviour and/or marketing strategy. **Default marks** L4 – 11 L3 – 7 L2 – 4 L1 – 2

Question			Answer	Marks	Guidance	
					Content	**Levels of response**
4			Indicative content in this answer is likely to be utilised by candidates from the following aspects of the specification: • promotion (advertising, sales promotion, personal selling, branding, elasticity, above- and below-the-line methods) • market research Context is likely to have been based on: • above the line makes up 45% of the promotion which initially attracts customers (link to AIDA), • apart from sponsorship and above the line promotion it is the only method which BCL has control over • wide audience promotion required- BCL has a mass market product • competitive market (link to Table 1) • importance of reputation (link to Table 2) However: • expense of above the line methods of promotion relative to other promotion listed in Fig. 1 • difficult to convey much information about cars in above the line promotion • lack of dealership branding may make above their promotion method insignificant compared to branded dealerships	13	Candidates must be specific about their knowledge/understanding and analysis of promotion.	**Level 4: 13-9 marks** Candidate demonstrates evaluative skills when considering BCL's promotion strategy with reference to the context facing BCL. **Level 3: 8-6 marks** Candidate demonstrates analytical skills when considering BCL's promotion strategy. **Level 2: 5-3 marks** Candidate demonstrates understanding of promotion No context required. **Level 1: 2-1 marks** Candidate demonstrates only theoretical knowledge of promotion **Default marks** L4 – 11 L3 – 7 L2 – 4 L1 – 2

Question			Answer	Marks	Guidance	
					Content	**Levels of response**
5			Indicative content in this answer is likely to be utilised by candidates from the following aspects of the specification: • pricing • pricing strategies Context is likely to be based on: • competitor pricing - *competitive market so important, gives business a USP, importance of price to consumer (Table 2)* However - *may be expensive, time consuming, inaccurate, competitors may just follow suit leading to falling profit margins* • price guarantee - *link to promotion, does anyone really take up the offer? develops the businesses reputation as lowest priced (link to Table 2)* However - *may lead to negative publicity (if wrong), could be expensive to implement, who is employed to check prices/how often? How can another car be identical (link to marketing law)*	6	The case study specifically states that BCL uses a competitor pricing strategy. Therefore, candidates who do **not** use this in their answer may **not** be rewarded above Level 2. Level 3 responses will include an impact (positive or negative) of competitor pricing on BCL. This could include an impact on sales, profits, reputation, etc. 2 issues analysed = 6 marks 1 issue analysed = 5 marks 2 issues understood = 4 marks 1 issue understood = 3 marks 2 issues stated = 2 marks 1 issue stated = 1 mark DO NOT REWARD at full marks two advantages or two disadvantages	**Level 3: 6-5 marks** Candidate demonstrates analytical skills when considering the advantages and/or disadvantages of a competitor pricing strategy for BCL. **Level 2: 4-3 marks** Candidate demonstrates understanding of pricing and or pricing strategies No context required. **Level 1: 2-1 marks** Candidate demonstrates only theoretical knowledge of pricing and or pricing strategies

Question			Answer	Marks	Guidance	
					Content	**Levels of response**
*6			Indicative content in this answer is likely to be utilised by candidates from the following aspects of the specification: Marketing • promotion benefits of becoming a franchise, including the signage provided by Ford • importance of branding in consumer buyer behaviour (Table 2) • Ford is market leader, so likely increase in sales, reputation, etc. • expansion into a new market - risks and rewards • possibility of losing/destroying local BCL brand Finance • ford would provide accounting system - could be a cost saving to BCL • cost of expansion - would BCL require finance, likelihood of getting finance as an established business • reduced cost of new cars - could improve profit margin • initial and on-going cost of the franchise agreement Production • quality assurance of a Ford as a brand - may improve current systems and/or be a perception that systems have improved • economies of scale through expansion • diseconomies of scale through expansion • improved efficiency of administration systems	18	An answer which only includes **or** does not include *Marketing* should only be awarded the lowest mark in the appropriate level. A one-sided argument cannot achieve a Level 4 mark. Good analysis and evaluation is likely to include reference to the stated objectives of BCL. This might include expansion or the expected outcome of doubling sales turnover by becoming a Ford Dealership Poor QWC cannot prevent a candidate from accessing any level, but within any individual level QWC can affect, by up to two marks, the final mark given.	**Level 4: 18-13 marks** Candidate demonstrates evaluative skills when considering the decision as to whether BCL should become a Ford franchise dealership with reference to the context facing BCL. Complex ideas have been expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, have been well structured, using appropriate technical terminology. There may be few, if any, errors of spelling, punctuation and grammar. **Level 3: 12-7 marks** Candidate demonstrates analytical skills when considering the factors affecting the decision to become a Ford franchise dealership for BCL. Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.

Question			Answer	Marks	Guidance	
					Content	**Levels of response**
			People • cost of employing new staff • Ford to assist in training staff - may be more efficient (economies of scale) • would it affect Adrian's motivation? Loss of some control of the business. • would it affect the employees' motivation? Working within a larger corporation, could be negative or positive.			**Level 2: 6-3 marks** Candidate demonstrates understanding of the factors involved in the decision to become a franchise/expand. No context required. Some simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive. **Level 1: 2-1 marks** Candidate offers relevant knowledge only of factors involved in becoming a franchise/expansion. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive. Writing may also lack legibility. **Default marks** L4 – 16 L3 – 10 L2 – 5 L1 – 2

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