

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

Level 3 Technical Level Business: Marketing MARKETING PRINCIPLES

Unit Number: Y/506/6086

Friday 23 June 2017

Afternoon

Time allowed: 2 hours

Materials

You will need no other materials.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.
- There are two sections to this paper.
- Both sections should be attempted.
- You should spend approximately 60 minutes on **Section A** and 60 minutes on **Section B**.

Advice

Please read each question carefully before starting.

For Examiner's Use

Examiner's Initials

Question	Mark
1	
2	
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TOTAL	



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Section A

Answer **all** questions in this section.

Total for this section: 50 marks

In the multiple-choice questions, only **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.



0 1

Which of the following would be classed as an element of the **micro marketing environment**?

A Technological

☐

B Intermediaries

☐

C Social groups

☐

D Political

☐

[1 mark]

1

0 2

A small business wants to find out recent customer opinions of its new product. Which would be the most appropriate research method?

A Focus group held in the next 3 days

☐

B Postal survey which has a 3 week response time

☐

C Email survey which has a 2 week response time

☐

D Market research reports from 2016

☐

[1 mark]

1



0 3

Which of the following is a type of **sales promotion**?

A Social media

☐

B Buy one, get one free

☐

C Merchandising

☐

D Newspaper advertising

☐

[1 mark]

1

0 4

What would be the main reason for businesses **marketing internally** within an organisation?

A To provide competitors with information

☐

B To provide support to the supply chain

☐

C To satisfy customers' needs and wants

☐

D To provide information and communicate with employees

☐

[1 mark]

1

0 5

Which of the following is an element of the **extended marketing mix**?

A A business focusing on developing new technology products to include more memory

☐

B A business changing the way it distributes to include online delivery services

☐

C A business developing a new technology to speed up the check-in process at hotels

☐

D A business using a price skimming strategy with new technology items

☐

[1 mark]

1

Turn over for the next question

Turn over ►



0 6

Carey Griffiths runs a personal training service. She likes to wear gym clothes that haven't been cheaply produced overseas.

When shopping for her fitness clothing, what element will influence her buying decision the most?

A The conditions in factories where the clothes are manufactured.

☐

B The location of the clothing stores.

☐

C The price of the items in comparison to the competition.

☐

D The fact that celebrities are wearing the items in magazines.

☐

[1 mark]

1

0 7

Which of the following would be an element of the **macro economic environment**?

A Taxation

☐

B Employees

☐

C Personal selling

☐

D Opportunity cost

☐

[1 mark]

1

0 8

A soft drinks manufacturer operates in the FMCG industry. Which of the following would be an important consideration to them in terms of marketing?

A Service quality

☐

B Legislation

☐

C Government policy

☐

D Mass promotion

☐

[1 mark]

1



0 9

Explain **one** way in which **understanding customer expectations** could help a small business to increase its revenue.

[3 marks]

3

1 0

Explain **one** reason why it is important for a business to understand the **consumer buying process**.

[3 marks]

3

Turn over for the next question

Turn over ►

[illegible]

6



Customer one	'They should have more weekend deals in the local area to entice customers'
Customer two	'Prices are too high, despite good customer service I can get the same product from online retailers at 10% cheaper'
Customer three	'I am happy to pay a bit more for a local customer-friendly service, but there should be better after-care support'

[6 marks]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

3

6



A local café has been operating for 18 months. It has reviewed its objectives and has set a new objective to generate a 10% increase in revenue by the end of May 2018. To achieve this it is considering two different marketing mixes.

Marketing mix one	Marketing mix two
Place – offer an online delivery service for lunches as well as their local café	Place – open new cafes in new locations
Product – focus on favourites such as cheese and ham sandwiches, cheese pasties	Product – focus on organic, healthy alternatives to pasties and sandwiches
Price – match the local competition with special offers during school holidays	Price – 10% more than the local chain pasty and sandwich shop
Promotion – 20% discount if shopping there during the school holidays	Promotion – introduce a loyalty card for customers to receive % off on every fifth visit to the cafe

Use the information above to analyse the **contribution** made by each **marketing mix** to achieving the café's revenue objective.

[6 marks]

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6

Turn over ►



A hotel has carried out a **SWOT analysis**. It is trying to identify new ways to promote the hotel.

Strengths	Weaknesses
Experienced staff who have been with the hotel a long time, who know the local area and understand the target market	Some staff due to their age are reluctant to change and adapt to using social media sites
Opportunities	Threats
A local surfing group wants to use the hotel for two weeks in July during a surfing competition in the area	Large hotel chains such as Travelodge and Premier Inn can offer lower prices

Use the information above to analyse the importance of **SWOT analysis** when making promotion decisions.

[6 marks]

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6



1 1

Section B

Answer **both** questions in this section.

Total for this section: 30 marks

Read **Item A** and then answer question

1	7
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Item A**‘Horses in Need’**

‘Horses in Need’ is a horse sanctuary business, set up as a charity by Alice Taylor. In the three years it has been operating, the business has grown and now has three volunteers caring for 10 horses. To provide an efficient service to customers, all volunteers are provided with training in customer service.

Alice is a qualified riding instructor, and in order to generate funding for the business she offers birthday parties to children with the opportunity to ride a horse. She also offers riding lessons to people in the local area. As there are other riding instructors in the area, Alice uses competitive pricing for her riding lessons. Also relying on donations from the local community, she is fortunate to be located in a wealthy area. Income from these activities and the community ensure that the charity can afford to run.

To publicise the charity, Alice has set up a ‘Just Giving’ page, as well as Facebook and Twitter accounts. She regularly posts videos of the horses on YouTube. Having built good relations with many of her customers, the sanctuary benefits from the positive reviews which are helping to gain more customers.

Alice believes that promotion of the business is the most important marketing factor, dedicating her time to raising awareness and advertising through social media. Her volunteers disagree. They feel it is more important to look at other aspects of marketing the business in order to meet customer needs.



[15 marks]

[illegible]

[illegible]

Turn over for the next question

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ANSWER IN THE SPACES PROVIDED**

Turn over ►



Read **Item B** and then answer question

1	8
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Item B

Michael Brown has been running the local gluten-free restaurant for the last 15 years ever since he discovered that he was allergic to gluten and read about the health benefits of eating clean (ie no highly processed food). Initially the idea was slow to show growth in sales as the cost of gluten-free items is higher and the recession had meant that many people were lacking disposable income to eat out at more expensive restaurants.

Michael has carried out a review of the micro marketing environment and found the following.

Customers	Over the past few years there has been a huge increase in websites and bloggers dedicated to eating healthier and clean. Initially this was a benefit to Michael as customer trends showed that demand was higher for gluten-free items in the local areas, and his sales increased.
Competition	As demand has increased for gluten-free products, competition has increased. Large chains such as Pizza Express and Zizzi have started to offer gluten-free menus in their restaurants. Due to the size of the chains they are able to benefit from economies of scale (ie buying in bulk), and can therefore pass on cost savings to customers in the form of cheaper prices than Michael can offer.
Suppliers	Due to demand increasing, more suppliers have entered the market for gluten-free products. There is more choice for businesses when needing gluten-free items. However, as the cost for these items is still relatively high due to the demand, small businesses such as Michael's restaurant struggle to benefit.



8

[15 marks]

[illegible]

[illegible]

15



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