



Level 3 Technical Level

BUSINESS: MARKETING

Unit 1 Competitive Business Environment
Report on the Examination

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General Comments

The examination performed as expected. Compared with previous sessions, some students revealed a worrying lack of understanding across the specification's content. Success in the examination is based on a broad coverage of the unit's content. Without this, students will struggle to pass.

However, many successful students applied their broad understanding to the contexts presented. These students read the questions carefully and, as in previous sessions, the most successful students demonstrated an ability to analyse and evaluate.

The least successful students found it difficult to apply their understanding, especially when their knowledge was poor.

Section A

Questions One to Eight (multiple-choice)

All multiple-choice questions performed as expected, with a score of 5 out of 8 on average. Questions 1, 4 and 8 proved to be the most difficult. As question 4 involved calculation, perhaps this is to be expected. However, too many struggled with the concept of a vision statement and even more did not understand the focus aspect of Porter's generic strategies.

Questions Nine and Ten

These short answer questions functioned well. Students who read the question, including the initial contextual statement (eg in Q 9 'A business is reviewing its products' prices'), and understood the concept could then gain the full three marks. This question structure will be used in the future. Less successful students tended to ignore the context, e.g. they could explain the meaning and general importance of market share but did not relate this to setting product prices. The least successful students failed to demonstrate any understanding of the concept, e.g. of internal strengths and weaknesses. These students gained no marks.

Questions Eleven to Sixteen

Success in these 6-mark data response questions required students to:

- understand the concept being examined (always shown in bold within the question)
- read and analysed the information
- address the question.

Level 1 achievement (1 to 2 marks) was restricted to those students who demonstrated some understanding of the concept being examined but who never made use of the context. For example, in Q 12, the form of business ownership eg showing some understanding of liability.

Level 2 achievement (3 to 4 marks) was awarded to students who understood the meaning of the concept in context. For example, in Q 12 the student who understood the funding limitations created by High Hat's Ltd status.

Level 3 achievement (5 to 6 marks) was awarded to students who went on to address the issue raised by the question. For Q 12, this was the benefit to High Hat Ltd of becoming a PLC eg

access to greater funds, through the stock exchange, which would allow the business to buy the rights to a wider range of music. In turn, this would allow the business to achieve sales growth.

Q12 proved to be the hardest of the 6-mark questions. It was generally answered well by those students who gained a high mark on the entire paper. Those students who gained a low mark for the entire paper tended to gain 0 or 1 marks for Q 12.

The remaining questions served to differentiate achievement in a predictable way.

To repeat, a broad coverage of the specification, an ability to use contextual information and a focus on each question's requirements is necessary for success. Less successful students tend to ignore the latter eg in Q 15, how businesses in the country might react. The least successful students evidence poor preparation for the examination, with significant gaps in their understanding.

Section B

Questions Seventeen and Eighteen

Question 17 proved to be more of a challenge than question 18. This was not surprising as students were required to consider the significance of innovation to competitive position. Nearly all students demonstrated an understanding of innovation. Many could put this into context, using the information provided, and achieve L2 (4 to 6 marks).

Most students could, at the very least, begin to explain how innovation might help the business to improve its competitive position eg by helping it to be a challenger through the differentiation offered by touch screens. This level 3 type response gained between 7 and 9 marks. However, to access the higher levels, students needed to analyse the **significance** of innovation. In other words, they needed to analyse factors affecting the ability of businesses to use innovation to improve their competitive position in the UK market for vending machines. For example, it would be difficult to see how a smaller, localised, business could move from being a follower to a challenger, no matter the nature of the innovation eg where would the necessary funds come from to scale up operations? The most successful students managed this level of analysis and a small minority went on to provide a balanced evaluation.

Question 18 proved to be more accessible. It was, inherently and intentionally, a practical question using a well-defined context of a SWOT matrix and a set of three alternative responses. Most students could get into level 3 by explaining the merit of at least one of the options as a response to the opportunities and threats shown in the SWOT matrix.

From this point, many of these students then went on to analyse the relative merits of at least two of the options. This gained these students between 10 and 12 marks (with the overall average of this question being just over 10 marks). The most successful students, achieving level 5, considered all three options and offered a balanced evaluation of which option, in their evidence supported view, stood the best chance of responding to BV Ltd's opportunities and threats. Approximately 25% of students managed to achieve this level.

Use of statistics

Statistics used in this report may be taken from incomplete processing data. However, this data still gives a true account on how students have performed for each question.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.