



LEVEL 3 TECHNICAL LEVEL

Business: Marketing

Y/506/6086 – Unit 2 Marketing Principles

Mark scheme

June 2018

Version/Stage: 1.0 Final

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Question	Guidance	Mark
01	B	1
02	D	1
03	A	1
04	D	1
05	A	1
06	A	1
07	A	1
08	B	1

Question	Guidance	Mark
<p>9</p>	<p>Explain one benefit of a good relationship between a business and its suppliers.</p> <p>1 mark for knowledge and understanding of the term supplier. 1 mark for a valid way in which a relationship between a business and a supplier can be demonstrated. 1 mark for a valid reason why a business would want a good relationship with a supplier.</p> <p>Suppliers are businesses that supply to other businesses (1 mark). A good relationship with them can mean that that they may benefit from credit/better terms etc (1 mark), this would be important for the business in times of poor cash flow or when items are needed quickly. (1 mark).</p>	<p>3</p>
<p>10</p>	<p>Explain one benefit of a co-ordinated marketing mix for a business.</p> <p>1 mark for knowledge and understanding of the term marketing mix. 1 mark for a valid way in which a co-ordinated marketing mix can benefit a business. 1 mark for a valid reason how a business can benefit from a co-ordinated marketing mix.</p> <p>The marketing mix is the 4 or 7 P's. (1 mark). A co-ordinated marketing mix means they can have a strong competitive advantage, benefit from synergies and have a clear brand image (1 mark), this could benefit them in more repeat custom leading to potentially higher sales (1 mark).</p>	<p>3</p>

Question	Guidance	Mark
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<p>11</p>	<p>A small business offers technical support to mobile phone users who want to make better use of their mobile phones and computers. It also fixes broken mobile phones and replaces smashed screens. The business has recruited a number of college leavers who have an interest in technology and invests heavily in the training of its employees. In addition, it prides itself on having the most up to date information, as the college leavers have knowledge of the latest technology processes. The business is aware that they have competition from major brands and therefore needs to maintain a unique selling point of highly knowledgeable and friendly employees.</p> <p>Use the information above to analyse the importance of the internal environment to the business.</p> <table border="1" data-bbox="288 813 1367 1238"> <thead> <tr> <th data-bbox="295 822 443 875">Level</th> <th data-bbox="448 822 1198 875">Descriptor</th> <th data-bbox="1203 822 1361 875">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="295 882 443 999">3</td> <td data-bbox="448 882 1198 999">Uses the information to analyse the importance of the internal marketing environment to the business.</td> <td data-bbox="1203 882 1361 999">6–5</td> </tr> <tr> <td data-bbox="295 1005 443 1122">2</td> <td data-bbox="448 1005 1198 1122">Explains the importance of the internal environment to the business.</td> <td data-bbox="1203 1005 1361 1122">4–3</td> </tr> <tr> <td data-bbox="295 1128 443 1245">1</td> <td data-bbox="448 1128 1198 1245">Demonstrates generic understanding of the internal environment</td> <td data-bbox="1203 1128 1361 1245">2–1</td> </tr> </tbody> </table> <p>Possible responses include:</p> <p>Analysis level 3</p> <p>The internal marketing environment is very important for a small business as focusing on the employees and processes will allow them to have a unique selling point against other companies. By investing heavily in the employees, the company can provide the best service possible.</p> <p>Application level 2</p> <p>The business is a small business and therefore relies on young graduate employees to bring the latest and most up to date technology processes to them. This means they can then provide a friendly service. The business is also aware that by employing graduates who have the latest knowledge they will be best placed to train the customers.</p> <p>Knowledge level 1</p> <p>The internal marketing environment is the forces and actions inside the firm that affect the marketing operation consisting of people, equipment and processes.</p>	Level	Descriptor	Marks	3	Uses the information to analyse the importance of the internal marketing environment to the business.	6–5	2	Explains the importance of the internal environment to the business.	4–3	1	Demonstrates generic understanding of the internal environment	2–1	<p>6</p>
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Question	Guidance	Mark
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<p>12</p>	<p>Alex runs a coffee and cake bar close to the university in a large city. Alex has been undertaking some research in anticipation of the new students arriving in September.</p> <ul style="list-style-type: none"> • Online survey – this was sent to 2500 current students using SurveyMonkey. The survey consisted of 10 closed questions about pricing, opening times and products. • Telephone survey – 50 potential students were telephoned and asked 10 closed questions about prices, their favourite products and competitors. <p>Use the information above to analyse the <u>usefulness</u> of Alex’s research.</p> <table border="1" data-bbox="288 759 1366 1149"> <thead> <tr> <th data-bbox="288 759 443 826">Level</th> <th data-bbox="443 759 1198 826">Descriptor</th> <th data-bbox="1198 759 1366 826">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 826 443 945">3</td> <td data-bbox="443 826 1198 945">Uses the information to analyse the usefulness of the research methods used.</td> <td data-bbox="1198 826 1366 945">6–5</td> </tr> <tr> <td data-bbox="288 945 443 1030">2</td> <td data-bbox="443 945 1198 1030">Explains the reliability of the research methods used.</td> <td data-bbox="1198 945 1366 1030">4–3</td> </tr> <tr> <td data-bbox="288 1030 443 1149">1</td> <td data-bbox="443 1030 1198 1149">Demonstrates generic understanding of quantitative market research/primary market research.</td> <td data-bbox="1198 1030 1366 1149">2–1</td> </tr> </tbody> </table> <p>Possible responses include:</p> <p>Analysis level 3</p> <ul style="list-style-type: none"> • Online surveys – these will provide Alex with a large amount of numerical data which he can easily analyse. Therefore, he can make decisions about what he has found out from the students. However, as Alex used SurveyMonkey he has no way of being able to ensure that people complete the survey. • Telephone surveys – telephone surveys are only likely to be helpful if people are willing to complete this. This could be unlikely as they are busy and may not even be attending the university. <p>Application level 2</p> <ul style="list-style-type: none"> • Online surveys – this is a large sample size, online surveys have more chance of it being completed by the students and as they are already at the university they are more likely to respond. • Telephone surveys – some people are likely to not answer the phone in this type of situation. Plus the fact that closed questions are used, it may not prove useful. <p>Knowledge level 1</p> <ul style="list-style-type: none"> • Quantitative market research is research that tends to have closed questions and provide the researcher with numerical data. • Primary market research is research that is undertaken first hand for a specific purpose by the researcher. 	Level	Descriptor	Marks	3	Uses the information to analyse the usefulness of the research methods used.	6–5	2	Explains the reliability of the research methods used.	4–3	1	Demonstrates generic understanding of quantitative market research/primary market research.	2–1	<p>6</p>
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13	<p>A boutique style health club located just outside London has been analysing the changes in the macro environment, in particular economic factors.</p> <table border="1" data-bbox="288 510 1366 779"> <tr> <td data-bbox="288 510 852 629">Interest rates have risen by 0.5%</td> <td data-bbox="852 510 1366 629">Inflation is above the government's target at 3%</td> </tr> <tr> <td data-bbox="288 629 852 779">Unemployment has risen in the local area by 5% in the last year due to a large call centre moving overseas.</td> <td data-bbox="852 629 1366 779">A new gym with fewer facilities has opened in the same area. Their memberships are 30% cheaper.</td> </tr> </table> <p>Use the information above to analyse the impact of the macro environment on the health club.</p> <table border="1" data-bbox="288 898 1366 1323"> <thead> <tr> <th data-bbox="288 898 483 972">Level</th> <th data-bbox="483 898 1211 972">Descriptor</th> <th data-bbox="1211 898 1366 972">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 972 483 1090">3</td> <td data-bbox="483 972 1211 1090">Uses the information to analyse how the information could impact on the health club.</td> <td data-bbox="1211 972 1366 1090">6–5</td> </tr> <tr> <td data-bbox="288 1090 483 1209">2</td> <td data-bbox="483 1090 1211 1209">Explains the relevance of the information to the health club.</td> <td data-bbox="1211 1090 1366 1209">4–3</td> </tr> <tr> <td data-bbox="288 1209 483 1323">1</td> <td data-bbox="483 1209 1211 1323">Demonstrates generic understanding of economic factors/macro environment.</td> <td data-bbox="1211 1209 1366 1323">2–1</td> </tr> </tbody> </table> <p>Possible responses include:</p> <p>Analysis level 3</p> <p>The information on the whole does not look positive for the health club, it's highly likely that they will lose customers to a cheaper gym as disposable incomes decrease due to negative external factors. Therefore meaning that the boutique gym could see a reduction in revenue.</p> <p>Application level 2</p> <p>The information given in the table suggests that customers are likely to have reduced disposable income. Inflation is rising so items become more expensive, interest rates have increased meaning that mortgages and other loans could be more costly. Rising unemployment and a new gym suggest that they may lose customers to a cheaper alternative.</p> <p>Knowledge level 1</p> <p>The macro marketing environment includes elements that are outside of the businesses control, such as economic data, political decision and social trends. The economic environment includes aspects such as taxation, economic activity including employment levels and interest rates.</p>	Interest rates have risen by 0.5%	Inflation is above the government's target at 3%	Unemployment has risen in the local area by 5% in the last year due to a large call centre moving overseas.	A new gym with fewer facilities has opened in the same area. Their memberships are 30% cheaper.	Level	Descriptor	Marks	3	Uses the information to analyse how the information could impact on the health club.	6–5	2	Explains the relevance of the information to the health club.	4–3	1	Demonstrates generic understanding of economic factors/macro environment.	2–1	6
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Question	Guidance	Mark
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<p>14</p>	<p>A fashion retailer selling male and female clothing targets 18–30 year olds. Students are offered a 10% discount. Matt the owner is concerned about the competition.</p> <p>Its main rival in the local area has also started a promotion. It now offers students a 20% discount in September and October and a 10% discount in other months. Matt doesn't think that they can offer 20% off for 2 months, as they already operate a promotion all year round. He has considered offering everyone £10 off all items over £30 in September instead.</p> <p>Use the information above to analyse how the competitor's student promotion could affect Matt's business.</p> <table border="1" data-bbox="288 831 1366 1207"> <thead> <tr> <th data-bbox="288 831 443 902">Level</th> <th data-bbox="443 831 1198 902">Descriptor</th> <th data-bbox="1198 831 1366 902">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 902 443 1021">3</td> <td data-bbox="443 902 1198 1021">Uses the information to analyse the impact on the business of the promotion.</td> <td data-bbox="1198 902 1366 1021">6–5</td> </tr> <tr> <td data-bbox="288 1021 443 1093">2</td> <td data-bbox="443 1021 1198 1093">Explains the impact of the promotion on the business.</td> <td data-bbox="1198 1021 1366 1093">4–3</td> </tr> <tr> <td data-bbox="288 1093 443 1207">1</td> <td data-bbox="443 1093 1198 1207">Demonstrates generic understanding of promotion/marketing mix.</td> <td data-bbox="1198 1093 1366 1207">2–1</td> </tr> </tbody> </table> <p>Possible responses include:</p> <p>Analysis level 3</p> <p>The business could suffer from a lack of customers due to the promotion which would impact on their overall revenue. It may be worth the business looking to see if they can reduce their costs so that their profit margin wasn't as affected if they did offer the 20% off too. However, the £10 off all items about £30 could work out to be a much better alternative than the competitors 20% and may sway customers away from the competition.</p> <p>Application level 2</p> <p>This could be a negative for the business as it is likely that students will be swayed by price and therefore shop with the competition. If they match the item it could mean that their profit per item would be reduced and then they wouldn't have as much to reinvest at the end of the year. If they offer the £10 off all items over £30 in September in response this may increase their footfall.</p> <p>Knowledge level 1</p> <p>The marketing mix consists of the 4ps. Product, place, price, promotion. Promotion is the ways in which a business communicates with its customers.</p>	Level	Descriptor	Marks	3	Uses the information to analyse the impact on the business of the promotion.	6–5	2	Explains the impact of the promotion on the business.	4–3	1	Demonstrates generic understanding of promotion/marketing mix.	2–1	<p>6</p>
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1	Demonstrates generic understanding of promotion/marketing mix.	2–1												

Question	Guidance	Mark
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<p>15</p>	<p>A street food van sells high quality burgers and sausages at festivals around the UK. This is a highly competitive industry as there are many food sellers at festivals. Alice and Tom work with a number of key suppliers close to each of the festival venues they visit around the country. These are local farms that supply the quality meat for the burgers and sausages.</p> <p>They need to maintain a good relationship with the local farms in case they need to order at short notice. At each festival they advertise which farm the meat has come from, in case customers ever want to visit the farm and purchase for themselves after the festival.</p> <p>Use the information above to analyse the importance to the street food van of having a good supplier relationship.</p> <table border="1" data-bbox="288 837 1366 1263"> <thead> <tr> <th data-bbox="288 837 443 904">Level</th> <th data-bbox="443 837 1198 904">Descriptor</th> <th data-bbox="1198 837 1366 904">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 904 443 1023">3</td> <td data-bbox="443 904 1198 1023">Uses the information to analyse the importance of the businesses relationship with their suppliers.</td> <td data-bbox="1198 904 1366 1023">6–5</td> </tr> <tr> <td data-bbox="288 1023 443 1142">2</td> <td data-bbox="443 1023 1198 1142">Explains the importance of the business' relationship with their suppliers.</td> <td data-bbox="1198 1023 1366 1142">4–3</td> </tr> <tr> <td data-bbox="288 1142 443 1263">1</td> <td data-bbox="443 1142 1198 1263">Demonstrates generic understanding of suppliers/micro environment.</td> <td data-bbox="1198 1142 1366 1263">2–1</td> </tr> </tbody> </table> <p>Possible responses include:</p> <p>Analysis level 3</p> <p>It is vitally important for the business to have a good supplier relationship as they order often at the last minute and this can mean that if they didn't have a good relationship the food may not be delivered. It is good they advertise the suppliers and this can therefore create more custom for them.</p> <p>Application level 2</p> <p>As this is a food business they need to maintain a good relationship with their suppliers to ensure that their food is delivered promptly and it is good quality. Otherwise it could impact on their reputation.</p> <p>Knowledge level 1</p> <p>A supplier is a business that provides another organisation with a product or service.</p> <p>The micro environment are the forces that affect a firm's ability to build and maintain successful customer relationships.</p>	Level	Descriptor	Marks	3	Uses the information to analyse the importance of the businesses relationship with their suppliers.	6–5	2	Explains the importance of the business' relationship with their suppliers.	4–3	1	Demonstrates generic understanding of suppliers/micro environment.	2–1	<p>6</p>
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3	Uses the information to analyse the importance of the businesses relationship with their suppliers.	6–5												
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1	Demonstrates generic understanding of suppliers/micro environment.	2–1												

Question	Guidance	Mark
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<p>16</p>	<p>Tilly is the director of a local hospice that provides care for the terminally ill. It raises funds by holding events in the local community, promoting their work on social media and through a local charity shop. Tilly prefers to communicate directly with the local community on a personal level.</p> <p>Use the information above to analyse the importance to a not-for-profit organisation of using a direct channel of marketing.</p> <table border="1" data-bbox="288 631 1366 1055"> <thead> <tr> <th data-bbox="293 638 443 698">Level</th> <th data-bbox="443 638 1198 698">Descriptor</th> <th data-bbox="1198 638 1361 698">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="293 698 443 819" style="text-align: center;">3</td> <td data-bbox="443 698 1198 819">Uses the information to analyse how important it is for a not-for-profit organisation to direct marketing</td> <td data-bbox="1198 698 1361 819" style="text-align: center;">6–5</td> </tr> <tr> <td data-bbox="293 819 443 938" style="text-align: center;">2</td> <td data-bbox="443 819 1198 938">Explains the importance of direct marketing to a not-for-profit organisation</td> <td data-bbox="1198 819 1361 938" style="text-align: center;">4–3</td> </tr> <tr> <td data-bbox="293 938 443 1055" style="text-align: center;">1</td> <td data-bbox="443 938 1198 1055">Demonstrates generic understanding of the marketing mix/direct channel marketing</td> <td data-bbox="1198 938 1361 1055" style="text-align: center;">2–1</td> </tr> </tbody> </table> <p>Possible responses include:</p> <p>Analysis level 3</p> <p>A direct channel of marketing is so important for a charity as it is the main way of attracting donations. Emotional marketing this way is vital for Tilly to gain more donations than the larger charities. If people in the local community can hear from her how the hospice touches people’s lives they will be more likely to donate.</p> <p>Application level 2</p> <p>It’s important for Tilly to deal directly with supporters so that they can empathise with the charity, by appealing to the emotions of supporters it is likely that they will donate more to the charity. Customers may otherwise be more likely to donate money to larger national charities such as Cancer Research etc.</p> <p>Knowledge level 1</p> <p>The marketing mix consists of the 4ps, for a not-for-profit business, there are additional factors to consider. Direct channel means that you will focus on dealing with customers/supporters directly.</p>	Level	Descriptor	Marks	3	Uses the information to analyse how important it is for a not-for-profit organisation to direct marketing	6–5	2	Explains the importance of direct marketing to a not-for-profit organisation	4–3	1	Demonstrates generic understanding of the marketing mix/direct channel marketing	2–1	<p>6</p>
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3	Uses the information to analyse how important it is for a not-for-profit organisation to direct marketing	6–5												
2	Explains the importance of direct marketing to a not-for-profit organisation	4–3												
1	Demonstrates generic understanding of the marketing mix/direct channel marketing	2–1												

Question	Guidance	Mark									
17	<p style="text-align: center;">Item A</p> <p style="text-align: center;">Organic clothing and accessories</p> <p>Organic clothing is made from materials that are grown in compliance with organic agricultural standards. Organic cotton is grown without the use of any chemicals.</p> <p>Jenny's daughter is allergic to most modern clothing. For years Jenny shopped around spending lots of money on organic, 100% cotton clothes. Having realised that many parents at the local playgroup have the same problem, she decided to set up her own anti-allergen clothing company. Research online suggests that this is a growing market.</p> <p>Jenny aims that her business should offer stylish clothing that has been made fairly and sustainably. She sources her items from suppliers that produce baby and children's clothing from 100% organic cotton. She also sells washing liquid that is allergen free.</p> <p>In order to fund her business Jenny accepted money from a friend, David, to start the enterprise. He provided 70% of the start-up capital. Initially, David said he would be a silent partner. However, as the business has grown, he has become more involved with decision making.</p> <p>David thinks that Jenny should focus on selling lower-quality items at a reduced price to target a larger consumer group. Jenny disagrees and only wants to sell items that fit with her aim. David has approached some cheaper local suppliers that pay employees a fair wage but do not produce organic, 100% cotton clothes.</p> <p>David wants Jenny to sell these items at a cheaper price alongside her organic items. Jenny has refused, saying it will mean she no longer has a competitive advantage.</p> <p>To what extent do you think that Jenny has made the right decision in just targeting ethical consumers with her clothing? Use Item A to justify your answer.</p> <table border="1" data-bbox="288 1576 1366 2045"> <thead> <tr> <th data-bbox="288 1576 443 1644">Level</th> <th data-bbox="443 1576 1198 1644">Descriptor</th> <th data-bbox="1198 1576 1366 1644">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 1644 443 1865">5</td> <td data-bbox="443 1644 1198 1865"> Uses Item A to develop a balanced analytical response. Analyses key aspects of whether Jenny has made the right decision in targeting ethical consumers. Evaluation of suitability supported by analysis. </td> <td data-bbox="1198 1644 1366 1865">15–13</td> </tr> <tr> <td data-bbox="288 1865 443 2045">4</td> <td data-bbox="443 1865 1198 2045"> Uses Item A to develop an analytical response. Analyses key points of whether Jenny has made the right decision of targeting ethical consumers. Judgement of suitability supported by analysis. </td> <td data-bbox="1198 1865 1366 2045">12–10</td> </tr> </tbody> </table>	Level	Descriptor	Marks	5	Uses Item A to develop a balanced analytical response. Analyses key aspects of whether Jenny has made the right decision in targeting ethical consumers. Evaluation of suitability supported by analysis.	15–13	4	Uses Item A to develop an analytical response. Analyses key points of whether Jenny has made the right decision of targeting ethical consumers. Judgement of suitability supported by analysis.	12–10	15
Level	Descriptor	Marks									
5	Uses Item A to develop a balanced analytical response. Analyses key aspects of whether Jenny has made the right decision in targeting ethical consumers. Evaluation of suitability supported by analysis.	15–13									
4	Uses Item A to develop an analytical response. Analyses key points of whether Jenny has made the right decision of targeting ethical consumers. Judgement of suitability supported by analysis.	12–10									

3	<p>Uses Item A to develop an explanatory response. Explains whether Jenny has made the right decision in targeting ethical consumers. One-sided judgment supported by an explanation.</p>	9–7
2	<p>Uses Item A to support response. Describes whether Jenny has made the right decision in targeting ethical consumers.</p>	6–4
1	<p>Demonstrates generic understanding of ethics/macro marketing environment</p>	3–1

Example responses:

Analysis, judgement and evaluation L4 and L5

Overall, it would be a bad decision if Jenny should allow David to sell lower quality items in her store. It could put customers off and reduce customer loyalty. She would ultimately lose her competitive advantage from selling unique items.

Explanation and judgement L3

Yes, at the moment she differentiates her products from the competition by selling only organic and 100% cotton items. This is what is unique about her business and is solving a problem that other parents have too. She would dilute the culture of her business if she allowed David to do this.

No, it would allow her to target a larger market and bring new customers into the business who would not normally shop there. By only targeting ethical consumers she could be losing out on a large amount of revenue.

Description L2

Jenny has created a business with a unique selling point which will allow her to target a niche but growing market. She’s correct as she has found out that other parents suffer from the same problem and has a good way of targeting consumers at the playgroup.

Understanding L1

Ethics are moral guidelines that govern behaviour.
The macro marketing environment are the factors outside of a business’ control.

Question	Guidance	Mark															
18	<p style="text-align: center;">Item B</p> <p style="text-align: center;">Taco Palace</p> <p>Simon runs a Mexican restaurant in the South of England that specialises in tacos, burritos and fajitas. Due to competition from large brands such as Barburrito and Las Iguanas, Simon’s revenue has been slowly falling over the last few months. These large chains offer meal deals and the same menu across the UK, therefore meaning familiarity for customers.</p> <p>Simon has undertaken a market analysis, as well as both primary and secondary research in order to find out what his target market is looking for. His research found that 80% of those customers surveyed want 2 key things when they eat out: value for money and quality. He also found out that a small proportion, 15%, want something unique and different from their restaurants. One person stated “I want a break from the norm, good local food and friendly service, not what these large chains offer!”</p> <p>Simon has therefore come up with two marketing mixes that he thinks will encourage customers to re-visit his restaurant.</p> <table border="1" data-bbox="288 1070 1366 1917"> <thead> <tr> <th></th> <th>Marketing Mix 1</th> <th>Marketing Mix 2</th> </tr> </thead> <tbody> <tr> <td>Product</td> <td> <ul style="list-style-type: none"> Source local ingredients from local farmers. Have a small high quality menu. </td> <td> <ul style="list-style-type: none"> Source cheaper, but still good quality ingredients from large suppliers. Expand the menu to offer some similar products as the competition. </td> </tr> <tr> <td>Place</td> <td> <ul style="list-style-type: none"> Only offer food at the restaurant and local farmers’ markets. </td> <td> <ul style="list-style-type: none"> Expand into take-out using Deliveroo and Just Eat. </td> </tr> <tr> <td>Price</td> <td> <ul style="list-style-type: none"> Maintain prices at the current level. Offer an early bird 2 course meal for those people ordering before 6 pm. </td> <td> <ul style="list-style-type: none"> Cut prices by 5%. Offer a loyalty card to customers. 10% discount off all take-out orders. </td> </tr> <tr> <td>Promotion</td> <td> <ul style="list-style-type: none"> Promote on social media, in local schools, colleges and businesses. </td> <td> <ul style="list-style-type: none"> Use the Just Eat and Deliveroo websites to advertise. Hand out flyers in the local town. </td> </tr> </tbody> </table> <p>Simon wants to increase the revenue of his restaurant.</p> <p>Use Item B to evaluate which marketing mix you think he should use.</p>		Marketing Mix 1	Marketing Mix 2	Product	<ul style="list-style-type: none"> Source local ingredients from local farmers. Have a small high quality menu. 	<ul style="list-style-type: none"> Source cheaper, but still good quality ingredients from large suppliers. Expand the menu to offer some similar products as the competition. 	Place	<ul style="list-style-type: none"> Only offer food at the restaurant and local farmers’ markets. 	<ul style="list-style-type: none"> Expand into take-out using Deliveroo and Just Eat. 	Price	<ul style="list-style-type: none"> Maintain prices at the current level. Offer an early bird 2 course meal for those people ordering before 6 pm. 	<ul style="list-style-type: none"> Cut prices by 5%. Offer a loyalty card to customers. 10% discount off all take-out orders. 	Promotion	<ul style="list-style-type: none"> Promote on social media, in local schools, colleges and businesses. 	<ul style="list-style-type: none"> Use the Just Eat and Deliveroo websites to advertise. Hand out flyers in the local town. 	15
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Level	Descriptor	Marks
5	Uses Item B to develop a balanced analytical response. Analyses key aspects of the marketing mixes available to Simon. Evaluation of suitability supported by analysis.	15–13
4	Uses Item B to develop an analytical response. Analyses some key aspects of the marketing mixes available to Simon. Judgement of suitability supported by analysis.	12–10
3	Uses Item B to develop an explanatory response. Explains some reasons why the marketing mixes are appropriate for Simon. One-sided judgment supported by an explanation.	9–7
2	Uses Item B to support response. Describes the marketing mixes available to Simon.	6–4
1	Demonstrates generic understanding of the marketing mix.	3–1

Example responses:

Analysis, judgement and evaluation L4 and L5

- Ultimately either of the marketing mixes could be viable for the business as they could both potentially look to increase sales. However, if Simon is looking to offer a more local and unique experience he should choose marketing mix 1, as this is likely to appeal to local consumers, and as his prices are staying the same, the only extra costs he could incur are any losses in the early evening meal deal that he is offering.
- Whereas using Just Eat and Deliveroo will cost much more to use their service and advertise on their websites. Despite the fact that more customers may use the restaurant – this is take-out and not a restaurant service. It really does depend on the mission of the business and in which direction Simon wants the restaurant to go. However basing the decision just on the research Simon did he should go for marketing mix 2 as customers want value for money and quality, and this will allow him to do this more easily.

Explanation and judgement L3

- **Marketing mix 1** – marketing mix one allows Simon to create a unique selling point for the business, differentiating it from the chains that have provided him with competition. Only a small proportion of his research supports this USP however and this would be something that he would need to take into account.

	<ul style="list-style-type: none"> • Marketing mix 2 – marketing mix 2 allows Simon to be more competitive with the big chains and compete on price. This is something that the majority of his research supports. However, he would also have to ensure that he provides quality items as well to match customer needs. <p>Description Level 2</p> <ul style="list-style-type: none"> • Marketing mix 1 – marketing mix 1 allows Simon to focus on the quality of his food, something that all people surveyed wanted. He will also be able to offer an early bird menu which could draw in some more customers. • Marketing mix 2 – marketing mix 2 allows Simon to reduce prices and maybe target more customers that are looking for value for money. However there is no guarantee that quality won't be affected when he changes suppliers. <p>Understanding Level 1</p> <ul style="list-style-type: none"> • The marketing mix can be the 4ps product, place, price, promotion or it can include the 7ps which has process, physical environment and people included. • Marketing is anticipating and satisfying customer needs profitably. 	
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Assessment outcomes coverage

Assessment Outcomes	Marks available in section A	Marks available in section B	Total Mark
AO1: Investigate the role and function of marketing within organisations	5 marks 6.25%	0 marks 0	5
AO2: Assess key components of the marketing environment and the factors that influence consumer behaviour	20 marks 25%	15 marks 18.75%	35
AO3: Investigate how to collect relevant information about the marketing environment	17 marks 21.25%	0 marks 0%	17
AO4: Assess the concept and elements of the marketing mix and how it is applied in different contextual settings	8 marks 10%	15 marks 18.75%	23
Total	50 marks	30 marks	80

Question	AO1	AO2	AO3	AO4
1			1	
2	1			
3				1
4			1	
5		1		
6		1		
7				1
8	1			
9	3			
10			3	
11		6		
12			6	
13				6
14		6		
15		6		
16			6	
17				15
18		15		
Total	5	35	17	23

Assessment objectives coverage

Question	Knowledge and Understanding	Application	Analysis and Evaluation	Total
1	1			
2	1			
3	1			
4	1			
5	1			
6	1			
7	1			
8	1			
9	1	2		
10	1	2		
11	2	2	2	6
12	2	2	2	6
13	2	2	2	6
14	2	2	2	6
15	2	2	2	6
16	2	2	2	6
17	3	3	9	15
18	3	3	9	15
Totals	8	42	30	