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Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

Level 3 Technical Level BUSINESS: MARKETING

Unit 2 Marketing Principles

Friday 7 June 2019

Morning

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 50 marks for **Section A** and 30 marks for **Section B**.
- 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**.

For Examiner's Use	
Question	Mark
1–8	
9	
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17	
18	
TOTAL	

Advice

Please read each question carefully before starting.



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Section AAnswer **all** questions in this section.**Total for this section: 50 marks**Tick (✓) the box next to the correct answer for questions **01** to **08**.

0	1
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 Which of the following could a business use as a measure of **customer satisfaction**?
[1 mark]**A** Customer needs**B** Customer requirements**C** Customer retention**D** Customer service

0	2
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 A new local retailer wants to find out the opinions and views of its customers regarding its service.What would be the most appropriate method of **research**?**[1 mark]****A** Face-to-face interview**B** Online survey**C** Social media research**D** Telephone questionnaire

0 3

A business provides the following over the Christmas period: free samples, buy one get one free, and a competition to win a holiday. These are examples of

[1 mark]

A advertising.

B price skimming.

C penetration pricing.

D sales promotion.

0 4

Which of the following is an example of a **personal influence** on the consumer decision-making process of buying clothes?

[1 mark]

A Avoiding buying products made using slave labour.

B Buying products that are suggested by friends.

C Seeing products advertised on Facebook and purchasing them.

D Watching reality TV shows and buying items worn by the stars.

0 5

The practice of creating and maintaining the goodwill of an organisation's customers is known as

[1 mark]

A competitive strategy.

B customer expectations.

C mass promotion.

D service quality.

Turn over ►



0 6

A business investigating elements of its **internal marketing environment** would be looking into

[1 mark]

A competition.

B general public.

C legislation.

D resources.

0 7

Waitrose has removed all takeaway cups from its cafés. Which element of the **macro environment** is the focus of this decision?

[1 mark]

A Environmental

B Legal

C Political

D Technological

0 8

What would be a benefit of a **coordinated marketing mix** for a business operating in a highly saturated market?

[1 mark]

A Competitive advantage

B Mass promotion

C Opportunity cost

D Personal selling

8



0 9

A small business operates in a competitive environment.

Explain **one** benefit to the business of understanding its **customer expectations**.

[3 marks]

3

1 0

Clothing businesses, such as Topshop, ask customers to leave reviews after their online purchases.

Explain **one** benefit to clothing businesses of customers leaving **post-purchase evaluations** when wanting to increase sales.

[3 marks]

3

Turn over ►



1	1
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A small local business has been operating for 5 years. It sells vegan food (plant-based food without any dairy, meat or fish ingredients). Increased popularity of these foods has led to a growth in competition, both online and from new cafés opening in the town.

They are considering two possible ways to respond to this competition.

- 1 Source cheaper suppliers.
- 2 Conduct customer research to better engage with customers.

Use the information above to analyse why the business is considering these two options in response to the increased **competition**.

[6 marks]

6



1 3

Patrick has finished his car maintenance course. He is planning to set up a car servicing garage. He needs to research the market and competitors. However, he has a limited budget and needs the results in the next month.

He can choose one from the following methods:

- Internet research of competitors, using their social media sites and websites
- a panel with potential customers, in return for one half-price car service a year.

Use the information to analyse how these **methods of research** would meet Patrick's needs.

[6 marks]

6



1 5

There has been an increase in customers wanting doggy day care (where dogs are looked after whilst their owners are at work).

One overnight kennels business is considering introducing half-day and full-day doggy day care options for its customers. This will involve a change to the pricing strategy.

- It will continue to price similarly to their competitors for the overnight kennel service, where customer numbers have stayed the same.
- It plans to initially charge low prices for the doggy day care and will review this, with a plan to eventually increase prices.

Use the information to analyse the impact on demand for doggy day care if they go ahead with their proposed **pricing**.

[6 marks]

6



Section B

Answer **both** questions in this section.

Total for this section: 30 marks

Read **Item A** and answer question 17.

Item A**The fall of the high street**

The British high street has always been a source of public pride, with many shops, restaurants and cafés. However, during the past 20 years the British high street has suffered from falling sales as a result of 'out-of-town' shopping centres, the recent recession and the development of technology enabling the ease of at-home shopping.

House of Fraser is a department store that was founded in Scotland in 1849. In 2018, it announced plans to close 31 of its 52 stores, including its flagship store on Oxford Street in London.

An analysis of the macro environment found the following:

Technology	The development of new digital technology and online businesses such as Amazon and ASOS impacted high street sales. House of Fraser was slow to introduce e-commerce.
Social	Customers no longer had a need to visit department stores. Fast fashion retailers such as Primark and Zara have stolen the department stores' customers.
Economic	The economic slowdown from the end of 2007 meant that, as unemployment rose and there was less disposable income in households, people were attracted to shopping at discounters.

In addition, there have been claims that weaker consumer confidence and rising overheads, such as a higher minimum wage, have contributed to a decline in high street sales.



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Read **Item B** and answer question **18**.

Item B

Sauthier Retail

Sauthier Retail (SR) is a clothing business based in Cornwall (south-west England). Phillipa and her French husband, Stefan Sauthier, started the business in 2009. SR sells clothes that are a mix of English and French design. They have a Facebook page to advertise products.

Both Phillipa and Stefan are very proud of the fact that everything is designed and made in either the UK or France. This is a unique selling point, compared to most clothing on the high street, which is manufactured in Asia.

Phillipa has used her knowledge of the industry from her fashion marketing degree to negotiate good prices and fast delivery times with her suppliers. High-quality fabrics are used for all clothes.

As with the rest of the high street, SR has experienced some very challenging trading conditions, and a reduction in the number of visitors to the UK has meant that sales at its store in Cornwall have declined steadily over the past few years.

Stefan and Phillipa have different ideas about the future of the business.

Phillipa has been doing some research into the trends on the high street and has proposed a different marketing mix for SR.

Price	Source cheaper suppliers in order to be able to reduce prices by 10% on core products.
Product	Launch a fast fashion line (designs that move quickly from catwalk to the high street) alongside their core products, to attract a larger customer base.
Place	Develop the online store to offer sales in Europe.
Promotion	Increase social media marketing to include both Instagram and Twitter. Advertise on ferries between the south coast and France.

Stefan feels that:

- it would be best to continue to manufacture and sell UK and French designs
- manufacturing should remain ethical
- a recycling option should be introduced for old clothes in return for a 10% discount on new items bought from the store.

In his mind, keeping things the same is best for the business.



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