

## **Business Studies**

Advanced GCE **2874**

Further Marketing

### **Mark Scheme for June 2010**

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- 1 (a) Analyse two factors which might encourage customers to buy products from BEL. [6]

A number of factors including price; quality of service; delivery times; range of products; brand loyalty; promotion; word of mouth etc.

<b>Level 3</b>	Analysis of factor(s) in the context.	<b>(6-5)</b>
<b>Level 2</b>	Application and/or understanding of factor(s).	<b>(4-3)</b>
<b>Level 1</b>	Identification of factor(s).	<b>(2-1)</b>

- (b) Giles was keen to assess the effects of the changes in advertising expenditure.

- (i) Calculate the advertising elasticity of demand from 2009 Quarter 4 to 2010 Quarter 1. [4]

Calculation:

2009 Q4 spend--£10000

2010 Q1 spend--£10500

Percentage increase =  $\frac{500}{10000} \times 100 = 5\%$  [2]

Elasticity is  $\frac{\% \text{ change in demand(sales)}}{\% \text{ change in advertising}} = \frac{7.5}{5} = 1.5$  [2]

- (ii) Evaluate how Giles might assess the effectiveness of BEL's spending on advertising. [16]

Several factors and the table might help candidates. Can the link between increased spend and sales be made? Are there other factors to consider? Could he ask customers to fill in questionnaires? How easy would that be to do? Could he trust the results? Is there a time lag between the spending and the sales? How important are external factors? Competition? The local economy etc? Does the time of the year make a difference? What about other advertising/word of mouth etc?

<b>Level 4</b>	Evaluation of the factors in relation to effectiveness of advertising, in context.	<b>(16-10)</b>
<b>Level 3</b>	Analysis of the factor(s) in the context.	<b>(9-6)</b>
<b>Level 2</b>	Application/Understanding of the factor(s).	<b>(5-3)</b>
<b>Level 1</b>	Identification of factor(s).	<b>(2-1)</b>

- 2 (a) Analyse two likely components of the marketing plan for BEL. [6]

A marketing plan tends to detail the firms marketing objectives and strategy. The plan may well involve an audit of marketing issues to include a SWOT analysis followed by the setting of clear objectives and the strategy for achieving those objectives. In the case, some consideration of the position faced by BEL and the future issues.

<b>Level 3</b>	Analysis of marketing plan in the context.	<b>(6-5)</b>
<b>Level 2</b>	Application and/or understanding of marketing plan.	<b>(4-3)</b>
<b>Level 1</b>	Identification of marketing plan/definition of planning.	<b>(2-1)</b>

**(b) Develop and justify a marketing strategy that Giles could employ for BEL.****[16]**

There is much to discuss in terms of the individual aspect of the 4 P's. The future options could form the basis of many of the answers. The strategy should reflect the type of customers (higher socio economic groupings?) and should include aspects of the options where necessary. Each of the 4 P's could be considered but stronger answers will write strategically (based on objectives etc.). Candidates who avoid the 'one size fits all' approach will score highest.

<b>Level 4</b>	Evaluation of the strategy in the context.	<b>(16-10)</b>
<b>Level 3</b>	Analysis of the strategy/aspects of the strategy, in the context.	<b>(9-6)</b>
<b>Level 2</b>	Application/understanding of the aspects of the strategy.	<b>(5-3)</b>
<b>Level 1</b>	Identification of the aspects of the strategy.	<b>(2-1)</b>

**(c) Assess the effectiveness of Ansoff's Matrix in helping BEL to decide between the selling via the website or entering the market for personal computers. [10]**

Ansoff's considers different strategies that could be employed based on whether the firm is considering Market penetration, market development, product development or diversification. The two options could be discussed in terms of which segment of the matrix they fit into. eg further investment in the website could be argued allows for greater market development. The move into PC's could be straight diversification. Others may feel it is product development. Stronger answers will consider whether Ansoff's helps—both positive and negative viewpoints might score highly.

<b>Level 4</b>	Evaluation of the use of Ansoff's Matrix, in the context.	<b>(10-9)</b>
<b>Level 3</b>	Analysis of Ansoff's in the context.	<b>(8-6)</b>
<b>Level 2</b>	Application/understanding of Ansoff's.	<b>(5-3)</b>
<b>Level 1</b>	Some knowledge of Ansoff's/discussion of the options.	<b>(2-1)</b>

## Assessment Grid

	<b>AO1</b>	<b>AO2</b>	<b>AO3</b>	<b>AO4</b>	<b>Total</b>
<b>Q1 (a)</b>	2	2	2		<b>6</b>
<b>Q1 (b)(i)</b>	2	2			<b>4</b>
<b>Q1 (b)(ii)</b>	2	3	3	2	<b>10</b>
<b>Q2 (a)</b>	2	3	4	7	<b>16</b>
<b>Q2 (b)</b>	2	2	2		<b>6</b>
<b>Q2 (c)</b>	2	3	4	7	<b>16</b>
<b>Q of W C</b>					<b>2</b>
<b>Total</b>	<b>12</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>60</b>

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