
Level 3 Technical Level

BUSINESS: MARKETING

Unit 1 Competitive business marketing

Unit K/506/6075

Report on the Examination

6075

June 2018

Version: 1.0

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General Comments

The examination performed as expected. Virtually all students demonstrated at least a basic understanding of the unit's content, with apparent gaps in knowledge residing chiefly within AO1 and 'Forms of business ownership' in particular. Successful students could apply their understanding to the contexts presented. As in past sittings, these students took time to read the questions and the most successful students demonstrated an ability to analyse and evaluate. The least successful students, as usual, found it difficult to apply their understanding.

Section A

Questions 1-8

All multiple-choice questions performed as expected, with most students gaining at least 5 of the 8 marks available. Questions 4 and 5 proved to be the most difficult. As question 4 related to interest rates, perhaps this is to be expected. Calculating market share, question 5, also proved challenging.

Question 9

Successful students defined a way in which innovation can be protected (eg patents), provided an example and explained how its use could benefit the business given its innovation. Less successful students could identify a method of protection, but often struggled to this in context.

Question 10

Porter's cost leadership strategy proved to be a challenging concept for many students. Successful students understood that this meant gaining an advantage by focussing on efficiency and cost reduction. These students went on to explain how this would help the fashion retailer to compete against the budget retailer. Less successful students tended to muddle the concept, often considering it to refer to price competition ie 'price' leadership. The least successful students struggled to understand any aspect of the concept.

Question 11

Successful students understood the meaning and purpose of objectives. They used the information available to analyse whether the farm was close to achieving the given objectives. Less successful students could access the information but tended to avoid considering the suitability of the set objectives. The least successful students, a very small minority, failed to use the information in any productive way.

Question 12

Successful students understood the meaning of human resources. They recognised that this related to managing the allocation and training of staff, given the statement that no new staff could be employed. They went on to identify the comparatively poor performance of staff and often analysed the management to store ratio, pointing out that this was inequitable and reallocation of a manager from the south to the midlands would be sensible. Less successful students understood the meaning of the performance data but struggled to go beyond briefly referencing the need for

training. The least successful students failed to use the information within the table or stated that more managers should be recruited.

Question 13

This question was successfully answered by most students. They recognised the need to control costs, but also referenced the significance of the 'made in the UK' badge. These students then went on to analyse the benefits of relocating, often concluding that a move to China was, on balance, sensible. Less successful students struggled to balance the conflicting information but could demonstrate an understanding of factors affecting location in context. The least successful students, constituting a very small proportion, failed to use the information provided.

Question 14

It continues to be the case that students struggle to analyse trends in data. This requires an analysis of the way in which data changes. Having done this, a succinct trend can be stated eg a pay gap still exists, but the percentage size has fallen. Successful students did this. Less successful students tended to focus on absolute gaps, incorrectly stating that inequality was rising. The least successful students struggled to identify any trends but did provide definitions of income.

Question 15

This proved to be the most accessible of the 6-mark questions. Many successful students understood the meaning of economic and social trends. They could use the data to suggest, for example, that Petra should move 'up-market' by using more expensive environmentally friendly ingredients and charge higher prices (which would be supported by the economic trend). Less successful students understood the meaning of the data but struggled to provide a supported recommendation. The least successful students struggled to demonstrate an understanding of economic and/or social trends and failed to make sense of the data provided.

Question 16

This was the least well-answered question on the paper. It was surprising to see so many students struggling with the meaning of sole traders, partnerships and private limited companies. The most successful students understood the forms of ownership and explained why a Ltd was a sensible choice given the risks involved. Less successful students understood the forms of ownership but struggled to support the choice of Ltd. The least successful students, of which there were far too many, conflated the forms of ownership and presented a highly confused understanding of this area of the specification eg Ltds are run by the government. An area for improvement.

Section B

Question 17

Successful students had a good understanding of market segmentation as a concept. They recognised the need different ways in which car manufacturers can segment the European market, often contrasting the approach used by VW and BMW. They analysed issues relating to success, contrasting market share with profitability, and considered other factors affecting success eg innovation and partnerships. Finally, they arrived at a balanced conclusion supporting the view that segmentation is important but without effective products it is of limited value. Less successful students tended to provide a one-sided view. This resulted in restricted analysis which meant that the responses were characterised as either explanatory or, at best, limited analysis. The least successful students struggled to go beyond 'VW is the best in the market', failing to use the information beneath the data table.

Question 18

This proved to be accessible to most students. Differentiation, inevitably, resulted from each student's ability to analyse the problems faced by manufacturers of electric cars, consider competitor and VW responses and evaluate the suitability of these responses eg significant investment in battery technology, which is essential given the concerns about range, but risky given possible uncertainty around reducing costs and range. Successful students methodically analysed the problem and evaluated VW's responses in turn. Less successful students tended to limit themselves to commenting on the purpose of VW's responses, never considering their likely success or problems with competitor reactions. The least successful students did little more than define SWOT analysis and copy information from the item.

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.

Converting Marks into UMS marks (*delete if appropriate*)

Convert raw marks into Uniform Mark Scale (UMS) marks by using the link below.
[UMS conversion calculator](#)