



# AQA Level 3 Technical Level Business Marketing principles

Unit Number: Y/506/6086

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## Specimen Question Paper

**Time allowed:** 2 hours

### Instructions

- Use black ink or black ball-point pen
- 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

- There are two sections to this paper
- Both sections should be attempted
- Learners should spend approximately 60 minutes on Section A and 60 minutes on Section B
- There are 80 marks available on this paper
- The marks for the questions are shown in brackets

### Advice

- Please read each question carefully before starting

Please write clearly, in block capitals, to allow character computer recognition.

Centre number      Learner number

Surname

Forename(s)

Learner signature \_\_\_\_\_

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

## Section A

Answer **all** questions in this section**Total for this section: 50 marks**In the multiple choice questions, only **one** answer per question is allowed.

For each answer completely fill in the circle alongside the appropriate answer.

CORRECT METHOD WRONG METHODS    If you want to change your answer you must cross out your original answer as shown. If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. **0 1**

One role of marketing is to:

- A Increase organisational efficiency
- B Improve staff motivation
- C Satisfy customers
- D Enhance internal communications

**[1 mark]****0 2**

A fashion retailer, aiming to improve its customer retention, is most likely to:

- A Employ fewer sales staff
- B Reduce the price of items that are not selling well
- C Encourage sales staff to sell more items
- D Offer discounts to customers making repeat purchases

**[1 mark]**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

**0 3**

Internal marketing is important to the success of any business because:

A Advertising can help to communicate product benefits

B Employees can influence customer attitudes to the business

C Employees are motivated by money

D The marketing mix should be adapted to meet customer needs

**[1 mark]****0 4**

A business is planning to enter a new foreign market. The marketing department will need to share information with other departments because it needs to:

A Gather information about the foreign market

B Reduce costs of production

C Develop a coordinated marketing mix

D Increase sales

**[1 mark]****0 5**

Which of the following is an element of the **macro** marketing environment?

A Suppliers

B Customers

C Equipment

D Social

**[1 mark]****0 6**

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

A Avoiding products made by low-paid foreign workers

B Purchasing products promoted by sports celebrities

C Buying products popular with friends

D Purchasing products recommended on Facebook pages

**[1 mark]**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

**0 7**

Business buyer behaviour differs from consumer buyer behaviour because:

- A Consumers have more money to spend
- B More people are involved in a business purchasing decision
- C Consumers take longer to make purchasing decisions
- D Businesses are more likely to make impulse purchases

**[1 mark]****0 8**

A leisure centre has been criticized by a marketing consultant for not implementing an **extended** marketing mix. This is most likely due to the leisure centre

- A Setting too high a price for its services
- B Spending too little on advertising
- C Failing to provide customer service training for its staff
- D Having too few fitness classes

**[1 mark]**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

|   |   |
|---|---|
| 0 | 9 |
|---|---|

Explain **one** way in which understanding customer expectations could help a business to increase its sales.

[3 marks]

1 | 0

Explain **one** way in which a business could reduce costs by providing support to its supply chain.

[3 marks]

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

1 | 1

A second-hand car retailer has used a closed question survey to improve its understanding of customer needs and wants. For each question, 50 customers who had purchased a car from the retailer could choose from three responses: 'Very', 'Somewhat' or 'Not very'. The responses to three of the ten survey questions are shown below.

| Question   | Very | Somewhat | Not very |
|--|------|----------|----------|
| How satisfied were you with the service provided by the member of staff you mainly dealt with? | 30   | 15       | 5        |
| How satisfied are you with the style and appearance of the car?                                | 15   | 25       | 10       |
| How pleased are your family/friends with your purchase decision?                               | 10   | 33       | 7        |

The business is currently considering the extent to which it is meeting customer needs.

Use the data to analyse the importance to the business of understanding its customers' needs and wants.

[6 marks]

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

1 | 2

The owner of a local newsagent has a short term objective of increasing sales of stationery items eg pens and notepads. For two weeks they observed customers as they entered the store. At the end of the two weeks, they concluded that:

- 60% of customers go straight to the counter and purchase specific items eg lottery ticket and a newspaper
  - 40% of customers search for particular items within the store before making a purchase decision. Of these, only one quarter make a purchase.
  - If prompted by the owner, 40% of customers considered purchasing a stationery item and 20% made a purchase
  - Re-locating stationery items to an area of the store closer to the sales counter had no impact on sales.

Use the data to analyse the importance to the store manager of understanding the consumer buying process.

**[6 marks]**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

1 | 3

A wholesale business sells frozen foods and ready meals to independent convenience stores in the North of England. Its marketing manager is planning to research the impact of consumer attitudes towards healthy eating on sales of ready meals.

The marketing manager has identified a number of sources of data for the planned research but wants to restrict this to **two** sources. They must complete their research in four days and have a budget of £2000.

| Source        | Description  |
|---------------|--|
| The Grocer    | Online magazine providing news, reports and advice to grocers, including convenience store retailers. Annual subscription fee of £150 to access reports        |
| Mintel        | A detailed market research report – 'Prepared Meals Review UK May 2014'. Price - £1750.  |
| Interviews    | Carrying out research by employing a research agency to interview a small sample of convenience store owners. Will take three days and cost the business £2000 |
| Google search | Carry out research using search phrases and collate findings. Will take one day with no cost to the business other than time taken to carry out.               |

Using the information and data, analyse which **two** sources the marketing manager should select for the research plan.

[6 marks]

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

1 | 4

A market researcher has the following information concerning response rates to closed question surveys.

|                                     | <b>Postal survey</b>  | <b>Online survey</b>   |
|-------------------------------------|---|--|
| Cost                                | £15 per usable response   | £16 per usable response  |
| Speed                               | 85% of responses gained within 2 weeks                              | 85% of responses gained within 1 day                                     |
| Response rate                       | 4.4%  | 0.75%  |
| Optimum number of questions         | 30 questions or more  | No more than 15 questions  |
| Reliability of individual responses | High - people completing the survey take time to consider responses | Can be high but can also be unreliable when people 'rush' to complete it |

Use the data to analyse why the researcher might use an online survey rather than a postal survey.

**[6 marks]**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

1 | 5

A market research report, concerning the use of mobile phones for e-commerce, contains the following information:

|   | <b>Key finding</b>                               | <b>Method of research</b>                               | <b>Data source</b>   |
|---|--|---|--|
| Percentage of UK mobile phones which are e-commerce ready | Source 1 - 65%<br>Source 2 - 85%                 | Secondary - trade publications using 2013 sales figures | Source 1 - mobile phone service provider<br>Source 2 - mobile phone manufacturer |
| Favourite e-commerce website                              | Number 1 - ebay.co.uk<br>Number 2 - amazon.co.uk | Latest data from internet webpage visits                | Web analytics based on the number of times webpages are viewed                   |

Use the data to analyse the **reliability** of the research findings.

[6 marks]

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

1 | 6

A small business, making and selling bars of handmade soap, has set itself the aim of increasing profits by 20%. It currently sells its products through a local market stall. It has identified two possible alternative marketing mixes (option A and option B).

|           | Current marketing mix  | Option A marketing mix  | Option B marketing mix                      |
|-----------|--|---|---|
| Product   | Four different fragrances<br>All handmade  | As currently plus a new range of soaps bought from a supplier in France | Eight different fragrances<br>All handmade  |
| Price     | £2 for a small bar (100g)<br>£3 for a medium bar (150g)<br>£4 for a large bar (250g) | As currently  | All prices increased by 25%                 |
| Place     | Local market stall at weekends   | As currently plus e-commerce  | Small shop on high street                   |
| Promotion | Word of mouth  | As currently  | As currently plus leafleting the local area |

Use the data to analyse which marketing mix should be used by the business in order to achieve its profit aim.

[6 marks]

**SPECIMEN MATERIAL – MARKETING PRINCIPLES**

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ANSWER IN THE SPACES PROVIDED**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

## Section B

Answer **both** questions in this section

**Total for this section: 30 marks**

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

**Item A****SP Retail**

SP Retail is a medium sized business operating six high street stores in the Midlands. It retails its own brand of health and beauty products (eg vitamins and cosmetics), focusing on providing a personalised customer service. Customers value the sales staff's product knowledge.

SP Retail has developed excellent relationships with their network of manufacturers and suppliers. This has enabled it to sell a wide range of quality products. In addition, SP Retail negotiates very good prices and delivery timescales with its suppliers.

Last year, Rachel, the Managing Director, raised concerns about the environmental and ethical impact of SP Retail's purchasing decisions. She investigated the possibility of purchasing products from sustainable sources (eg where labour is treated fairly with respect to their working conditions and pay). Rachel identified suitable suppliers and introduced a new range of 'sustainably sourced' products. In addition, she introduced new labelling for all of SP Retail's products. The labelling shows where each product is sourced and whether any of the packaging or contents can be recycled. Finally, Pritesh, the Marketing Director, introduced a scheme where customers could return product packaging, such as cosmetics containers, for SP Retail to recycle.

Three months after its launch, the new product range had achieved very disappointing sales. SP Retail's profits had declined by 12% during these 3 months, partly due to falling sales but also the additional costs incurred by implementing the new labelling. However, according to some sales staff, the recycling scheme had contributed to a small increase in repeat purchases of low to medium priced products.

At a recent meeting, Rachel defended the introduction of the new product range. She said that it would take time for customers to appreciate the new range and that economic conditions will, according to recent media reports, soon improve. In addition, she pointed out that one major competitor had recently stopped trading. In response, Pritesh asked for funds to carry out detailed research into SP Retail's marketing environment. However, Rachel said that this was no time to waste money on vague research. SP Retail already had a practical understanding of its marketing environment - certainly sufficient to make informed marketing decisions. Pritesh requested that, at the very least, he should be given resources to interview sales staff and customers about the new product range. A decision was made to allocate a small budget to this research, which had to be completed in 2 weeks.

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

17

Rachel believes that SP Retail has sufficient understanding of its marketing environment to make informed marketing decisions.

To what extent do you agree with Rachel? Use **Item A** to justify your answer.

[15 marks]

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

**SPECIMEN MATERIAL – MARKETING PRINCIPLES**

**Turn over for the next question**

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ANSWER IN THE SPACES PROVIDED**

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

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

**Item B****Changing SP Retail's marketing mix?**

Pritesh, the Marketing Director, interviewed a restricted sample of sales staff and customers. The research results indicated that SP Retail had made mistakes during the launch of the 'sustainably sourced' product range. Sales staff did not really understand the new products and customers were uncertain about the benefits of using them. In addition, the customers interviewed said that they had started to buy health and beauty products from competing online retailers.

Pritesh concluded that SP Retail needed to alter its marketing mix:

- As it was likely that competition from online retailers would continue to be a threat, he believed that SP Retail should establish its own e-commerce website. The current website provides information about the business which is of interest to suppliers but not to consumers
- SP Retail should make the most of its six high street stores by accepting that it is operating in a 'Fast Moving Consumer Goods' (FMCG) market - it should use a marketing mix more in line with this type of market
- SP Retail should 'cut its losses' and remove the 'sustainably sourced' product range from its stores. These products should be sold exclusively through the new e-commerce website

Pritesh discussed his plans for a new marketing mix with Rachel, the Managing Director. She was shocked at his proposal to remove the new product range from the stores and was less than convinced about the need for an e-commerce website. The business had a reputation for personalised customer service and she really could not see how an e-commerce website would maintain that!

Rachel said that she did not want SP Retail to become a retailer of inexpensive, low quality products. In reply, Pritesh said that SP Retail needs to focus more on fulfilling customer expectations. These were changing, partly due to the impact of online retailing, and SP retail needed to change with them. He believed that a combination of physical and online stores would help to support this change.

Rachel ended the discussion by pointing out that SP Retail simply needed to improve its promotion of the new product range. As Pritesh had found out, it was his fault that sales had been so low because staff and customers didn't understand the new products. The existing marketing mix was satisfactory – it just had to be implemented effectively.

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

18

To what extent do you agree with the changes to SP Retail's marketing mix proposed by Pritesh? Use **Item B** to justify your answer.

[15 marks]

## SPECIMEN MATERIAL – MARKETING PRINCIPLES

**SPECIMEN MATERIAL – MARKETING PRINCIPLES**

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ANSWER IN THE SPACES PROVIDED**