

My Question Paper

1.

Dyson Ltd is a British technology company founded in 1993 by James Dyson. The business designs and manufactures vacuum cleaners, hand dryers and other electrical products.

The Dyson brand is very important to James Dyson. He has gone to great efforts to protect his brand and technologies.

(d) (i) What is meant by the term brand? [1]

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(ii) Why do businesses such as Dyson Ltd brand their products? [3]

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2.

The Virgin Group is a complicated business organisation which means that it is divided into a number of individual private limited companies. The Virgin Group was set up by Sir Richard Branson in 1970 and he is a major shareholder in all the companies.

The Virgin Group has created more than 300 branded products. The Virgin brand is very important to the business.

(d) Why is the brand so important in the marketing of products? [4]

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3.

UK Government statistics show the following information:

	2008	2009	2010
Value of sales of audio and video equipment (i.e. home music systems and televisions) from specialist shops.	£1243m	£857m	£812m

These figures form part of the product life cycle for audio and video equipment sold at specialist electrical shops.

- (a) From which part of the product life cycle do the 2008 to 2010 figures appear to have been taken? [1]

Tick one box only.

DECLINE	1
GROWTH	2
MATURITY	3

- (b) Briefly outline possible reasons for the change in these figures from 2008 to 2010. [3]

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4.

Suggest and explain two reasons why packaging is important to manufacturers of food products. [4]

(i)

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(ii)

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5.

	<p>Unilever plc is one of the world's most successful companies with factories and offices located in many countries across the world. It provides a variety of branded products from home and personal care goods, such as Persil and Surf washing powder, to foods such as Ben & Jerry's ice cream.</p>	
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Adapted from Unilever website 2015

(a) Explain what is meant by the term branded products. [2]

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6.

Home Retail Group plc is the UK's leading retailer of products for the home. This plc owns well known retailers such as Argos and Homebase.

Today, Home Retail Group plc has 1057 stores across the UK. It employs over 47,000 people and sells over 80,000 different products, including electrical goods, home furniture and children's toys.

Throughout its Argos and Homebase stores, the Home Retail Group plc provides a wide range of different products to its customers. For example, Argos sells toys, smart televisions, DVD players, vacuum cleaners and furniture.

(d) Why do businesses such as Argos sell a wide range of products? Give reasons for your answers. [4]

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7.

Coed Deri Shopping Centre is on the outskirts of a town. It is situated at the edge of an industrial estate which has offices and workshops. Close by is a leisure centre and within half a mile is a traditional local shopping area.

Ceri's Sofa Store will need to promote the business to attract customers.

(d) Other than advertising, suggest two promotional methods Ceri could use to attract customers to the store. [2]

(i)

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(ii)




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9.

Which **two** of the following are methods of sales promotion?

[2]

*N.B. Tick (✓) **two** boxes only.*

Advertising on Social Media 	1	TV Commercial 	2
Buy One Get One Free 	3	Free Gift 	4

11.

Pizazz is a new business in the fast food industry. It has been in business for almost one year. Pizazz has one outlet selling a variety of products from burgers to pizzas.

Pizazz keeps a careful watch on the prices charged by its competitors. Some months after opening the owners drew up the table below showing the daily average prices charged for cheeseburgers in the town centre in which they operate.

COMPARISON IN CHEESEBURGER PRICES JANUARY TO JULY							
Business	Jan	Feb	Mar	Apr	May	Jun	Jul
Pizazz	£2.00	£2.20	£2.20	£2.40	£2.40	£2.40	£2.00
Great Burger	£1.99	£1.99	£1.99	£1.99	£1.99	£1.99	£1.99
Hot Doggedy	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00	£3.00

(b) Which business shows evidence of psychological pricing? Give a reason for your answer. [2]

Business

Reason

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(c) Hot Doggedy charges higher prices than the others. Explain one reason why it might charge higher prices. [2]

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13.

Ryan Davies has been a keen reader since childhood. After being made redundant from a travel agent business, where he had worked for a number of years, he decided to set up a shop selling new and second hand books.

(c) Shopkeepers such as Ryan are sometimes called retailers. Briefly describe one function of retailers. [2]

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14.

As CW Sports faces competition from large and small retailers, setting the right price is important.

(e) Evaluate the various pricing strategies that might be used by CW Sports. [10 QWC]

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15.

Delyn Packaging Ltd is a manufacturer of high quality, made-to-order packaging. The business mainly produces plastic food packaging for meat, BBQ, salads and pasta, snacks, party foods, bakery and convenience/ready meals.



(a) Suggest and explain **two** reasons why packaging is important.

[4]

1.

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2.

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Marking Scheme

1.

8. (d)	<p>(i) What is meant by the term brand?</p> <p>It is the name/logo/trade mark/image/marque/identity etc. given to a good or service</p>	1	AO1 1
8. (d)	<p>(ii) Why do businesses such as Dyson Ltd brand their products?</p> <p>Up to 3 marks for one point explained or 3 x 1</p> <p>Explanations might include:</p> <p>It differentiates products from rivals – unique - rivals cannot use same brand – copyright – associated with business – customers can recognise – ask for brand</p> <p>Used in advertising – to promote range of products made by Dyson- goods recognised - product stands out in display - repeat buying - impulse buying is encouraged -so increased sales</p> <p>Brand/customer loyalty – known image - so continued sales – customers likely to buy products with same brand</p> <p>Enables higher prices – which customers will be willing to pay – higher profits</p> <p>Global markets more likely – as business widely known – for quality</p> <p>etc.</p>	3	AO3 3

2.

	<p>(d) Why is the brand so important in the marketing of products?</p> <p>Explanations might include:-</p> <p>it differentiates products from rivals – people recognise particular brands – can ask for brands by name so used in advertising – it is unique/ USP develops brand loyalty – customers get use to the quality of certain brand – continue to ask for certain brands – use across range of products produced by particular business reputation enables higher prices – as sign of quality – so market willing to pay higher price global markets more likely – as brands recognised over larger area own brand products mentioned etc. [2x2] or [4x1]</p>	4	AO1 1 AO2 1 AO3 2
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3.

9.	<p>(a) From which part of the product life cycle do the 2008 to 2010 figures appear to have been taken?</p> <p>DECLINE</p> <p>(b) Briefly outline possible reasons for the change in these figures from 2008 to 2010.</p> <p>One reason explained [Max. 2]</p> <p>Up to three reasons [3x1]</p> <p>Possible reasons might include:-</p> <p>generally happens with product life cycle – illustrates fall in demand for products – people are buying alternatives – e.g. same quantity of goods sold – at lower price so value fallen</p> <p>goods available from alternative suppliers – supermarkets etc. – internet</p> <p>recession – loss of jobs – fall in purchasing power – all goods fallen in demand</p> <p>technological change – e.g. downloading products already owned – don't need any more</p> <p>products last longer – don't need to buy them as so often</p> <p>etc.</p>	1	AO3 1
		3	AO3 3

4.

3.	<p>Suggest and explain two reasons why packaging is important to manufacturers of food products.</p> <p>Suggests reasons [2x1]</p> <p>Explains/expands [2x1]</p> <p>Answers might include:</p> <p>Protection - reduce risk of damage</p> <p>Keep product fresh/clean – consumers aren't harmed</p> <p>Storage - before sale - in retailers/on shelves</p> <p>Information - name and address manufacturer -use of product - ingredients – safety – use by dates- legal</p> <p>Product known – from advertising/previous purchase - for its image/quality - enables higher prices - differentiated products from rivals - customers can tell one product from another - so product recognised - so brand loyalty - customers continue to buy</p> <p>Product stands out in display - impulse buying is encouraged</p> <p>etc.</p>	4	AO1 2 AO2 2
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5.	<p>(a) Explain what is meant by the term branded products.</p> <p>Definition [1]</p> <p>Products that have a well-known name / logo / trade mark / image / marque / identity etc.</p> <p>Development [1]</p> <p>They are trusted by consumers Products usually have a high price / premium price Products are unique / differentiated / stand out / recognised Customers are loyal to the brand – and repeat purchase etc.</p>	2	AO1 1 AO2 1
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6.	<p>(d) Why do businesses such as Argos sell a wide range of products? Give reasons for your answers.</p> <p>Suggestion(s) (1-2) Reasons / development (1-3)</p> <p>Answers might include:-</p> <p>Spreading risk – selling more goods will compensate for the products that underperform and reduces risk of failure Attract more custom – target more customers with variety of products – meet needs and wants of different types of customers - example – increased market share Competitor advantage/keep up with competitors Greater revenue – more customers results in increased sales Greater profit – greater sales could lead to more profit – reduction in costs – economies of scale due to bulk buying etc.</p>	4	AO3 4
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7.	<p>(d) Other than advertising, suggest two promotional methods Ceri could use to attract customers to the store.</p> <p>Any appropriate promotional method suggested</p> <p>Answers might include:</p> <p>Special events e.g. food festival, Christmas market Buy one get one free/multi-buy Loyalty cards/example Sales or special offers/discounts/vouchers/coupons Parking refunds Services e.g. free delivery/after sales service /interest free credit Sponsorship Public relations Free gifts Competitions PoS etc.</p> <p>NOT word of mouth/pricing strategies/social media/introduce new products/window displays/merchandising</p>	2	AO2 1 AO3 1
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8.

10	<p>(e) Should Agristore plc spend most of its advertising budget on newspaper or on television advertising? Justify your answer.</p> <p>Level 1 Advantage(s) and / or disadvantage(s) of one or both media suggested / listed.</p> <p>Information is poorly organised. There is limited use of specialist terminology / vocabulary and frequent errors in spelling, punctuation and grammar.</p> <p>Level 2 Advantage(s) and / or disadvantage(s) of one or both explained.</p> <p>Information is well organised and ideas are expressed in a logical manner. There is good use of specialist terms/vocabulary with some errors in spelling, punctuation and grammar, but these are not intrusive.</p> <p>Level 3 Advantages and disadvantages of each explained. To gain full marks answer must provide a reasoned decision based on business arguments.</p> <p>Information is very well organised and the form and style of communication is highly appropriate. There is very good use of specialist terms/vocabulary with few, if any, errors in spelling, punctuation and grammar.</p> <p>Answers may conclude that either one or the other may be suitable, that both should be used or that alternatives may be used.</p> <p>Answers might include:-</p> <p>Advantages of newspapers</p> <p>Relatively cheap – particularly local May be kept for some time – readers can be reminded – keep for reference Much information can be provided – e.g. sizes, prices, where available, contact details Can be in colour – memorable Can include promotions – discount coupons etc.</p> <p>Disadvantages of newspapers</p> <p>Small readership – decline in sales with internet Temporary – thrown away after use Limited display – no sound, movement etc.</p> <p>Advantages of television</p> <p>Big coverage – nationwide – at extended hours Various promotional devices – psychological methods to sell Use of sound – movement – colour Can have shortened reminder adverts – to reinforce message Can be aimed at specific markets / times – e.g. during gardening programmes etc.</p> <p>Disadvantage of television</p> <p>Expensive to make – and show – particularly at peak times People used to / do not like TV adverts – may be ignored / avoided Technology makes adverts easier to avoid – recorders / catch up TV</p>	10 1-3 4-6 7-10	AO1 3 AO2 3 AO3 4
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	etc.		
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9.

	<p>Which <u>two</u> of the following are methods of sales promotion?</p> <p>Buy one get one free Free gift</p>	2	AO1 2
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10.

	<p>(c) Evaluate ways in which the retailers of audio and video equipment can use pricing strategies to maintain the sales of their products.</p> <p>Level 1 Pricing strategies suggested with no justification. Information is poorly organised. There is limited use of specialist terminology / vocabulary and frequent errors in spelling, punctuation and grammar.</p> <p>Level 2 Pricing strategies explained with one-sided reasoning. Information is well organised and ideas are expressed in a logical manner. There is good use of specialist terms/vocabulary with some errors in spelling, punctuation and grammar, but these are not intrusive.</p>	<p>10</p> <p>1-3</p> <p>4-6</p>	<p>AO1 3 AO2 3 AO3 4</p>
	<p>Level 3 Balanced evaluation considering both the advantages and disadvantages of at least 3 strategies. Information is very well organised and the form and style of communication is highly appropriate. There is very good use of specialist terms/vocabulary with few, if any, errors in spelling, punctuation and grammar.</p> <p>Most pricing strategies acceptable e.g. penetration, skimming, cost plus, psychological, competitive pricing, price discrimination (if qualified) demand and supply but answers should relate to the question so e.g. loss leaders / buy one get one free / destroyer pricing / not acceptable as answers.</p> <p>Advantages might include:</p> <p>right strategy will increase sales – increase revenue – profits will rise prices can be applied to specific niche – market segment prices can reflect the market for the product – skimming may work in some markets i.e. high income and penetration in others prices can take into account actions of competitors – stopping switching / etc. etc.</p> <p>Disadvantages might include:</p> <p>competitors may follow pricing strategy – so no effect – no increase in sales competitors may not follow pricing strategy – customers not attracted need for expensive advertising to promote pricing strategy – so profits not as expected some segments may not be happy with pricing strategy – allowing less well-off to afford expensive products etc.</p>	<p>7-10</p>	

11.

11	<p>(b) Which business shows evidence of psychological pricing by one of the firms? Give a reason for your answer.</p> <p>Great Burger [1]</p> <p>Great Burger has a price just below a whole pound / includes 99p – gives an impression that their product is much cheaper than others. [1]</p>	2	AO2 1 AO3 1
11	<p>(c) Hot Doggedy charges higher prices than the others. Explain one reason why it might charge higher prices.</p> <p>Valid reason suggested [1]</p> <p>Explanation/development [1]</p> <p>Answers might include</p> <p>Higher costs / better ingredients / higher rent / cost plus Wants more exclusive market / customers willing to pay higher price May “skimming” / define – may reduce price in future May be well known / quality brand – people willing to pay higher prices High marketing costs – need to be regained from sale of product etc.</p>	2	AO2 1 AO3 1

12.

<p>(e)</p>	<p>Discuss whether or not selling on the internet would be a good idea for a retailer such as PrettyinPink Ltd.</p> <p>Level 1 Advantage(s) and / or disadvantage(s) stated with no explanation.</p> <p>Level 2 Advantage(s) and / or disadvantage(s) discussed.</p> <p>Level 3 At least 1/2 advantages and 2/1 disadvantages discussed.</p> <p>Conclusion required for full marks.</p> <p>Advantages might include:-</p> <p>Wider market - so PrettyinPink Ltd will be able to attract more customers – 24/7 – geographical benefits – more sales Expansion/growth possible - without having to locate/fund new sites Internet advertising - might encourage customers to the shops Possible lower costs - of labour - fitting/running shops Keep up with competitors – example Convenience - who cannot travel to the shop – shop outside business hours etc.</p> <p>Disadvantages might include:-</p> <p>Effects on current business - with time - efforts spent with website Reputation may be diminished – website crashes / problems with delivery Costs of setting up website - particularly if professional designer employed More storage space may be needed - so higher warehouse costs Some higher costs – maintenance / special packaging / delivery / returns Possible fraud - related to payments Customer resistance - from people who would want to see the goods before buying (Social aspect) Competition etc.</p>	<p>8</p> <p>1-2</p> <p>3-5</p> <p>6-8</p>	<p>AO1 2 AO2 3 AO3 3</p>
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13.

8.	<p>(c) Shopkeepers such as Ryan are sometimes called retailers. Briefly describe one function of retailers.</p> <p>Suggestion [1]</p> <p>Explanation / description / expansion [1]</p> <p>Answers might include:</p> <p>Sell (1) to customers (1) Buy(1) from wholesalers/manufacturers (1) break bulk – buy in large quantities / sell in small sell the producers' goods – closer to customers / local give customers(1) advice(1) – on technical goods – on food products / books display goods – on shelves / windows / internet – aid choice promote goods – to benefit producers – increase profits deal with faulty goods / complaints distribute goods etc.</p>	2	AO1 2
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Question No.	Question & Answer	Mark Allocation	Assessment Objective
7. (e)	<p>Evaluate the various pricing strategies that might be used by CW Sports.</p> <p>Level 1 Suggests relevant pricing strategy / strategies that could be used with no or limited explanation.</p> <p>Information is poorly organised. There is limited use of specialist terminology/vocabulary and frequent errors in spelling, punctuation and grammar.</p> <p>Level 2 Suggests relevant pricing strategy / strategies that could be used, with some explanation and / or provides advantage(s) or disadvantage(s).</p> <p>Information is well organised and ideas are expressed in a logical manner. There is good use of specialist terms/vocabulary with some errors in spelling, punctuation and grammar, but these are not intrusive.</p> <p>Level 3 Suggests relevant pricing strategies showing how each will help the business and provides advantages and disadvantages.</p> <p>Information is very well organised and the form and style of communication is highly appropriate. There is very good use of specialist terms/vocabulary with few, if any, errors in spelling, punctuation and grammar.</p> <p>(MAX 2 for a list) (MAX 5 for 1 pricing strategy fully evaluated)</p> <p>Answers could include:</p> <p>Cost plus pricing - adding profit to cost so profit is made on each good but may not work in sportswear market/competitive market / depends on margins</p> <p>Psychological pricing - the prices appear to be lower than whole pounds to attract customer but some may not be convinced to buy so revenue may not rise / customers may not be attracted to the business</p> <p>Price skimming – setting a high price to recoup costs of providing goods – attracts early adopters e.g. new football boots but some customers unable to / unwilling to pay the high prices</p> <p>Penetration pricing – the goods have a low price to attract customers but when prices rise people may not be willing to purchase - questions over quality</p> <p>Market orientated/competitive pricing - where prices are similar to those of other sports retailers (shops) but customers may be used to buying from competitors so revenue might not change / customers may not switch from rivals</p>	<p>10</p> <p>1-3</p> <p>4-6</p> <p>7-10</p>	<p>AO1 3 AO2 3 AO3 4</p>
	<p>Loss leader - involves selling at below cost to encourage sales of other goods - unlikely in this case – mainly used by supermarkets rather than sports retailers (shops)</p> <p>Market pricing - where prices are set at level market can stand/demand and supply but changes in price may or may not change revenue / demand</p> <p>Promotional pricing – e.g. discount/sales pricing - will encourage sales but costs will rise / revenue might not increase in the long run</p>		

	<p>increase in the long run</p> <p>Premium pricing – setting a high price to give the image of high quality – for example selling branded sportswear/equipment but customers may not be willing or able to pay the high prices.</p> <p>Price discrimination – charging different prices to different customers (market segments) – e.g. discounted pricing to students - customers attracted to lower pricing but some customers excluded and may choose rival sports retailers (shops)</p>		
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15.

Question No.	Question & Answer	Mark Allocation	Assessment Objective
9. (a)	<p>Suggest and explain <u>two</u> reasons why packaging is important.</p> <p>Suggests reasons [2x1] Explains/expands [2x1]</p> <p>Answers might include:</p> <p>Protection - reduce risk of damage - ensure the product is of a high quality</p> <p>Keep product fresh/clean – prevent contamination - consumers aren't harmed</p> <p>Storage - before sale - in retailers/on shelves</p> <p>Information - name and address of manufacturer - use of product - ingredients – safety – use by dates - legal</p> <p>Identifies product from advertising/previous purchase - for its image/quality - enables higher prices - differentiated products from rivals - customers can tell one product from another - so product recognised - so brand loyalty - customers continue to buy - product stands out in display - impulse buying is encouraged etc.</p>	4	AO1 2 AO2 2