

Business Studies

Advanced GCE

Unit **F293**: Marketing

Mark Scheme for January 2012

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All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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Annotation	Meaning
	Unclear
	Benefit of doubt
	Cross
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	No use of text
	Own figure rule
	Repetition
	Noted but no credit given
	Too vague
	Tick

Subject-specific Marking Instructions

Highlighting is also available to highlight any particular points on the script.

Please ensure that, wherever possible, annotations are placed in the margins and not over the candidate's answer. This makes it very difficult to read when the paper is printed out in black & white.

[Only the calculative question(s) should be annotated with ticks to show where marks have been awarded in the body of the text]

IT IS VITAL THAT YOU SHOW AS MUCH ANNOTATION ON EACH PAGE AS POSSIBLE. IN PARTICULAR, WHERE LEVELS ARE REACHED.

EVERY PAGE, INCLUDING BLANK PAGES (use the SEEN annotation), MUST HAVE SOME ANNOTATION

Question			Answer	Marks	Guidance	
					Content	Levels of response
1			A range of possible marketing objectives could be applied to KCL including;	6	<ul style="list-style-type: none"> increased market share; increased sales; increased customer awareness; greater diversification, etc. <p>2 factors analysed = 6 marks 1 factor analysed = 5 marks 2 factors explained = 4 marks 1 factor explained = 3 marks 2 factors stated = 2 marks 1 factor stated = 1 mark</p>	<p>Level 3 [5 – 6 marks] Candidate demonstrates analytical skills when considering the possible marketing objective(s) of KCL.</p> <p>Level 2 [3 – 4 marks] Candidate shows understanding of the possible marketing objective(s). No context required.</p> <p>Level 1 [1 – 2 marks] Candidate offers theoretical knowledge only.</p>

Question			Answer	Marks	Guidance
2			<p>Fixed costs of £80 plus 100% mark-up gives a charge of £160 {1}</p> <p>Variable costs of £100 plus a 250% mark-up gives a charge of £350 {2}</p> <p>The price charged is therefore $£160 + £350 = £510$ {1}</p>	4	<p>Up to four marks</p> <p>Note that there are two marks for the variable cost calculation</p> <p>OFR applies</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
3			<p>Prices can be set in a variety of ways. The text suggests that prices are set based on costs time, distance, wages, ie some attempt to consider likely costs. The mark up calculation in Q2 confirms this. But, there are many different aspects to this business. They provide many different services and different methods could be used for different aspects of the business. Discussion could centre on competition-based, psychological based, plus aspects of marginal / contribution given the likely fixed costs at KCL. To reach L4, it is important to discuss more than one possible method with an evaluation of those presented. Better answers will focus on the different aspects of the business and possibly the future expansion plans.</p>	13	<p>Candidates should be rewarded highly if their answer highlights a strategic approach, ie setting objectives, SWOT analysis, etc. Better answers are likely to take into account the great range of services provided and will, therefore, avoid the 'one size fits all' approach to developing the strategy.</p>	<p>Level 4 [9 – 13 marks] Candidate demonstrates evaluative skills when formulating an appropriate pricing strategy which Roberta might use to improve the position of KCL.</p> <p>Level 3 [6 – 8 marks] Candidate demonstrates analytical skills when considering element(s) of a pricing strategy which Roberta might adopt to improve the position of KCL.</p> <p>Level 2 [3 – 5 marks] Candidate is able to demonstrate knowledge and understanding of the element(s) of a marketing strategy. No context required.</p> <p>Level 1 [1 – 2 marks] Candidate offers relevant theoretical knowledge only.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
4		Several methods of promotion could be used by KCL including personal selling and sales promotion techniques such as competitions, free gifts, BOGOF, trade fairs, etc. The UK City of Culture presents a range of opportunities to exploit this. Gaining good publicity through sponsorship or good public relations could help it. Better answers will relate these ideas to KCL.	13	Candidates should not be rewarded for specific mentions of advertising media, though suggestions of mixing sales promotion with advertising may be rewarded. To reach Level 4, I would expect to see some combining and rating of different methods in different situations for the variety of activities offered by KCL.	<p>Level 4 [9 – 13 marks] Candidate demonstrates evaluative skills when considering the extent to which methods of promotion might be used by KCL.</p> <p>Level 3 [6 – 8 marks] Candidate demonstrates analytical skills when considering the use of methods of promotion by KCL.</p> <p>Level 2 [3 – 5 marks] Candidate is able to apply relevant suggestions to knowledge of promotion methods or shows understanding of them. No context required.</p> <p>Level 1 [1 – 2 marks] Candidate offers relevant theoretical knowledge only.</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
5			Desk research is the gathering of secondary data. The information has been previously collected for another purpose and could include sales figures, market trends, government statistics, etc. The Internet is a possible source of data and the information can generally be gathered quickly and cheaply. In the case, there is good information which could be gathered about the competition, the local area, from company reports, etc. The main advantage is the speed of access and the cost. The information is already available and just needs adapting into a required format.	6	Only one advantage is required on this question	<p>Level 3 [5 – 6 marks] Candidate demonstrates analytical skills when considering the advantage of desk research when applied to KCL.</p> <p>Level 2 [3 – 4 marks] Candidate demonstrates knowledge and understanding of desk research.</p> <p>Level 1 [1 – 2 marks] Candidate offers only theoretical knowledge.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
6*		<p>Candidates should bear in mind that the purchase would have a wide-ranging impact on the business as a whole. Better answers should reflect on the impact on other functional areas within the firm.</p> <ul style="list-style-type: none"> • Finance: can KCL afford to buy? How will the decision be made? Opportunity cost for £1.5m? • People: staff skills? Widen the customer base? Need for more staff? Training considerations? The mission statement focuses on customer service. who will manage it? • Operations: maintaining quality? Research? Is this too great a diversification? • Also, there is a need to consider the wider market. Is this where the business should be heading? <p>Better responses may refer to the different aspects of product development and the issues related to market development. The evaluation of the actual decision should draw on the other functional areas.</p>	18	<p>NB. An answer which only includes or does not include marketing issues should only be awarded the lowest mark in the appropriate level.</p> <p>Ultimately, a decision needs to be made. To reach Level 4, there is a need to justify the decision having argued the issues related to the other functions of business activity. A final judgement also needs to be made.</p>	<p>Level 4 [13 – 18 marks] Candidate demonstrates evaluative skills when considering whether KCL should buy the Holden Hotel. Complex ideas have been expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, have been well structured, using appropriate technical terminology. There have been few, if any, errors of spelling punctuation and grammar.</p> <p>Level 3 [7 – 12 marks] Candidate demonstrates analytical skills when considering whether KCL should buy the Holden Hotel. Relatively straightforward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.</p> <p>Level 2 [3 – 6 marks] Candidate is able to apply relevant suggestions to knowledge of impact of options. No context required. Some simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.</p> <p>Level 1 [1 – 2 marks] Candidate offers relevant theoretical knowledge only. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar, which will be noticeable and intrusive. Writing may also lack legibility.</p>

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