

GCE

Business Studies

Unit **F293**: Marketing

Advanced GCE

Mark Scheme for June 2016

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

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.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2016

Annotations

Annotation	Meaning
	Correct
	Incorrect
	Not sure what the candidate is trying to say or it does not make sense.
BOD	Benefit of doubt given
L1 L2 L3 L4	Levels of response awarded at this point
OFR	Own figure rule
TV	Too vague
NAQ	Not answered the question
NUT	Not used the context (generic)
REP	Repetition. The candidate has merely restated what has already been said and so no further credit given.
SEEN	The page has been seen. This can be used on pages where no other annotation is appropriate.

Question	Answer	Mark	Guidance
1	<p>Calculation question(s) for total of 4 marks</p> $\text{AED} = \frac{\% \text{ change in QD}}{\% \text{ change in advertising spend}} \quad (1)$ $\% \text{ change in QD} - \frac{250-300}{250} \times 100 = (-)20\% \quad (1)$ $\% \text{ change in advertising spend} - \frac{96-62}{96} \times 100 = 50\% \quad (1)$ $= \quad \underline{\mathbf{0.4}} \quad (1)$ <p style="text-align: right;">OFR</p>	4	<p>An answer of 0.4 with no working gains full marks</p> <p><u>General guideline for marking</u></p> <p>1 mark for correct formula 1 mark for calculation of % change in QD 1 mark for calculation of % change in Advertising 1 mark for correctly calculating elasticity (based on OFR)</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
2		<p>Indicative content in this answer is likely to be utilised by candidates from the following areas of the specification:</p> <ul style="list-style-type: none"> • promotion • the marketing mix • marketing objectives • marketing strategy <p>Context is likely to have been based on:</p> <ul style="list-style-type: none"> • BRL is using TV advertising to increase brand awareness - not increased in children, but it has increased in adults and this appears to have shown a 20% increase in sales revenue - however this may be due to other circumstances, not the increase in brand awareness. • Brand awareness is high (45%) in children and this has presumably helped the success of the business in the past. • Each game has the Bib brand attached to it, but to what extent is this important to the number of downloads, or, more importantly, the revenue created from advertising and in-game sales? • The short product lifecycle of each app means that the brand is especially important because it may allow BRL to have a continuing method of promotion despite the rapid turnover in games. • The industry is dominated by big branded businesses, such as Microsoft and IBM which shows the need for a brand that can compete. However it is clear that BRL is a much smaller business, so how important is it to compete against such large competitors? • The online retailers such as Apple App Store and Google Play have over a million apps available to download, so it is important to have a brand that 	13	<p>Candidates must answer in terms of branding for BRL and/or Bib, which is the brand used on every app.</p> <p>Candidates who only refer to individual apps rather than BRL or Bib, are unlikely to be using appropriate context.</p>	<p>Level 4: 13-9 marks Candidate demonstrates evaluative skills when considering the importance of branding to the success of BRL.</p> <p>Level 3: 8-6 marks Candidate demonstrates analytical skills when considering the importance of branding to BRL.</p> <p>Level 2: 5-3 marks Candidate demonstrates understanding of branding. No context required.</p> <p>Level 1: 2-1 marks Candidate demonstrates only theoretical knowledge of branding.</p> <p><u>Default marks</u></p> <p>L4 – 11 L3 – 7 L2 – 4 L1 – 2</p> <p>The bottom mark in each level MUST only be used for a BOD answer at that level.</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
			<p>'stands out' and is searchable by consumers.</p> <ul style="list-style-type: none"> • The more well known a brand is, the more likely it will be to appear nearer the top of ranked lists of online retailers. • BRL's objective is to grow - this is unlikely to happen with one app because of the short life-cycle, so the brand is important to enable this growth and meet the objective. 			

Question	Answer	Marks	Guidance	
			Content	Levels of response
3	<p>Indicative content in this answer is likely to be utilised by candidates from the following areas of the specification:</p> <ul style="list-style-type: none"> • product life-cycle • Boston Matrix • market segmentation <p>Context is likely to have been based on:</p> <ul style="list-style-type: none"> • Using the Boston Matrix, BRL appear to have a 'gap' in their product portfolio with no stars. What will happen when the products in decline and maturity become obsolete? • Analysis would suggest that BRL should remove Bib's Strategy Saga as it is a dog, so the market share is declining as is the growth in this market. • BRL should use the revenue received from their cash cows to fund the problem child and also the development of Bib's demon decisions • Apps tend to have a short product life-cycle, so it is important to have a constantly moving product portfolio otherwise BRL may run into cashflow problems as they do not have any cash cows to bring in revenue without having to spend significantly in a growing market. • BRL only target a small segment of the market with business simulation games. Perhaps they should consider expanding their product portfolio to a new market segment, to be able to meet their objective of growth. 	6	<p>Candidates are not required to use the Boston Matrix or product life-cycle, but the use of these may facilitate marks.</p> <p>2 issues analysed = 6 marks 1 issue analysed = 5 marks 2 issues understood = 4 marks 1 issue understood = 3 marks 2 issues stated = 2 marks 1 issue stated = 1 mark</p>	<p>Level 3: 6-5 marks Candidate demonstrates analytical skills when considering how BRL could use product portfolio analysis.</p> <p>Level 2: 4-3 marks Candidate demonstrates understanding of product portfolio. No context required.</p> <p>Level 1: 2-1 marks Candidate demonstrates only theoretical knowledge of product portfolio.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
4		<p>Indicative content in this answer is likely to be utilised by candidates from the following areas of the specification:</p> <ul style="list-style-type: none"> • Sampling • Market research <p>Context is likely to be based on BCL having used:</p> <ul style="list-style-type: none"> • a quota sample based on customer submitted data - <i>to what extent can this be trusted as the customer has submitted the data themselves - are children likely to lie about their age? Some users of social may lie about their age.</i> • of customers who have downloaded an app- <i>why only include customers who have purchased before? Might be more useful to get research from people who have not downloaded an app in the past, especially since BRL wants to grow.</i> • Incentive of a new game (in advance of everyone else), may lead people to give the answers they think BRL want to hear • Age categories - <i>BRL apps are unlikely to have the same appeal to each age category (we know they are popular with children but not so much with adults), so why are all age categories being targeted? Should their be a larger number of children than adults to give a representative sample?</i> • A quota sample may take longer than a random sample and cost more <p>Any of these aspects could lead to effective analysis.</p>	6	<p>Candidate answers must be based on sampling to access marks. Generic knowledge of market research should not be rewarded.</p> <p>Only one piece of evidence of a particular skill is necessary to score the top mark in any level.</p>	<p>Level 3: 6-5 marks Candidate demonstrates analytical skills when considering the sampling methods used by BRB.</p> <p>Level 2: 4-3 marks Candidate demonstrates understanding of sampling methods. No context required.</p> <p>Level 1: 2-1 marks Candidate demonstrates only theoretical knowledge of sampling methods.</p> <p>The bottom mark in each level MUST only be used for a BOD answer at that level.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
5		<p>Indicative content in this answer is likely to be utilised by candidates from the following areas of the specification:</p> <ul style="list-style-type: none"> the marketing mix blending the marketing mix <p>Context is likely to have been based on:</p> <ul style="list-style-type: none"> Product - Does the product have a USP? Can the research be believed? Need new products to maintain an effective portfolio. Price - Only 30% of customers will make a purchase for an average of £1 - may need to use promotional/penetration pricing to encourage 70% to purchase or increase the average value of purchases from others. Promotion - below the line methods that might be appropriate, such as cross promotion through other BRL apps, direct emails to customer accounts, social media such as Facebook etc. Place - use of intermediaries in the distribution chain, such as Google Play and Apple App store. Unlikely to be successful if BRL try to sell directly to the public. Highly competitive market Importance of gaining revenue from advertising - no research completed Mainly children, but need to appeal to adults to increase revenue 	13	<p>Analysis is likely to come from considering the impact on BRL of each element of the proposed mix and/or the impact of the entire mix on BRL.</p> <p>Evaluation should be based upon a complete mix that should be recommended - one element of the marketing mix is unlikely to gain evaluation marks.</p>	<p>Level 4: 13-9 marks Candidate demonstrates evaluative skills when considering a marketing mix with reference to the context facing BRL.</p> <p>Level 3: 8-6 marks Candidate demonstrates analytical skills when considering a marketing mix for BRL.</p> <p>Level 2: 5-3 marks Candidate demonstrates understanding of marketing mix No context required.</p> <p>Level 1: 2-1 marks Candidate demonstrates only theoretical knowledge of marketing mix.</p> <p><u>Default marks</u></p> <p>L4 – 11 L3 – 7 L2 – 4 L1 – 2</p> <p>The bottom mark in each level MUST only be used for a BOD answer at that level.</p>

Question	Answer	Marks	Guidance	
			Content	Levels of response
*6	<p>Indicative content in this answer is likely to be utilised by candidates from the following areas:</p> <p>Marketing</p> <ul style="list-style-type: none"> • Growing market - faster than UK market. • Unknown brand - how easy will it be to gain brand recognition in a new market? Already some downloads in this market, so it may be easier than a totally new market • Market development on Ansoffs matrix - more risky than market penetration • Heavy promotion will be needed increasing the costs for BRL • Costs of developing the product • Distribution channels are unlikely to change • How extensive has the market research been? <p>Finance</p> <ul style="list-style-type: none"> • Increased revenue from Japanese market - perhaps at a faster rate than UK market • Need to find external finance to fund the expansion - this may be difficult to gain for a risky technology firm • How realistic is it to move into this market with a three year payback period and short product lifecycles. BRL would need three or more games in the market before any chance of payback (lifecycle 6-12 months) <p>Production</p> <ul style="list-style-type: none"> • Will add time and costs to the development process for new games • Will BRL need to release the UK and Japanese versions at the same time - will this hold up new product development? 	18	<p>An answer which only includes or does not include marketing should only be awarded the lowest mark in the appropriate level.</p> <p>A one-sided argument cannot achieve a L4 mark.</p> <p>Evaluation is likely to come through linking the arguments to the objective of BRL, which is to grow the business in terms of the number of downloads. This could be interpreted as their need to focus on the UK market to achieve this or it could be interpreted as the need to find an expanded market such as Japan (or any other valid evaluation). Therefore candidates can recommend either way and be capable of receiving full marks.</p>	<p>Level 4: 18-13 marks Candidate demonstrates evaluative skills when considering the decision whether BRL should target the Japanese market with reference to the context facing BCL.</p> <p>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 may be few, if any, errors of spelling, punctuation and grammar.</p> <p>Level 3: 12-7 marks Candidate demonstrates analytical skills when considering the factors affecting the decision to target the Japanese market.</p> <p>Relatively straight forward 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>

Question	Answer	Marks	Guidance	
			Content	Levels of response
	<p>People</p> <ul style="list-style-type: none"> • Cost of employing new staff, especially in the technology market with the need for highly skilled workers • Will the new workers need to be able to understand Japanese as well as have the technological skills - how likely is it that BRL will find workers with both skills? • Will BRL require any employees in Japan to manage the expansion? 		<p>Poor QWC cannot prevent a candidate from accessing any level, but within any individual level QWC can affect, by up to 2 marks, the final mark given.</p>	<p>Level 2: 6-3 marks Candidate demonstrates understanding of the factors involved in the decision to target a new market. No context required.</p> <p>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: 2-1 marks Candidate offers relevant knowledge only of factors involved in targeting a new market.</p> <p>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> <p>Default marks</p> <p>L4 – 16 L3 – 10 L2 – 5 L1 – 2</p> <p>The bottom mark in each level MUST only be used for a BOD answer at that level.</p>

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

OCR Customer Contact Centre

Education and Learning

Telephone: 01223 553998

Facsimile: 01223 552627

Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations
is a Company Limited by Guarantee
Registered in England
Registered Office; 1 Hills Road, Cambridge, CB1 2EU
Registered Company Number: 3484466
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)
Head office
Telephone: 01223 552552
Facsimile: 01223 552553

© OCR 2016

