



**NCFE Level 2 Certificate in Business and Enterprise (601/0048/5)**

**Unit 02 Marketing for business and enterprise (R/505/2817)**

**October 2020**

**Mark Scheme**

**Additional grading for Examiner use only (this information must be kept confidential)**

This guidance should be used by NCFE Examiners to support the accurate grading of learner work.

Assessment criteria	Task No	NYA	Pass	Merit	Distinction
<b>1.1</b> Describe the different aspects of marketing  <i>Range aspects: targets, niche, mass, product-orientated, market-orientated.</i>	1	One or more of the three are described inaccurately,  or  fewer than three are described.	<b>Learners will describe the different aspects of marketing</b>	<b>Learners will provide a detailed description of the different aspects of marketing</b>	<b>Learners will provide a comprehensive description of the different aspects of marketing</b>
			<b>1a.</b> Niche, mass, market-orientated and product-orientated are four different aspects of marketing. Describe and give examples of <b>three</b> of these.		<b>1b.</b> With reference to two of the aspects you selected in <b>1a</b> describe one advantage and one disadvantage of <b>two</b> of these aspects.
			Basic definition of three of the following: Mass, niche, product-orientated and market-orientated.  Learners <b>cannot</b> be credited if they explain target marketing.  Answers could include:  <b>Mass marketing</b> – targets everyone.  <b>Niche marketing</b> – targets a small/smaller/specific/certain group of people or a gap in the market.  <b>Market orientation</b> is when a business <b>carries out market research</b> and uses this to create a product/service based on what their customers want and/or need.  <b>Product-orientation:</b> <ul style="list-style-type: none"> <li>is an approach to business that emphasizes the importance of having a good product</li> <li>is when a business focuses on their product and tries to make it the best/focuses on improving their product</li> <li>is a business approach or philosophy in which whatever a</li> </ul>	A <b>correct</b> example <b>MUST</b> be provided for two of the marketing aspects.  Examples could include:  <b>Mass marketing</b> eg toilet paper.  <b>Niche marketing</b> eg Ferrari.  <b>Market orientation</b> eg Premier Inn provide extra comfortable beds in response to customer feedback.  <b>Product orientation</b> eg Dyson Vacuum Cleaner.	See Appendix A for details of what we will accept.

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			<p>company makes or supplies is the focus of the management's attention</p> <ul style="list-style-type: none"> <li>has its primary focus on its product and on the skills, knowledge and systems that support that product</li> <li>is where a business carries out no market research.</li> </ul>		
1.2 Explain why business or enterprise needs marketing	1		<b>Learners will explain why business or enterprise needs marketing</b>	<b>Learners will provide a detailed explanation about why business or enterprise needs marketing</b>	<b>Learners will provide a comprehensive explanation about why business or enterprise needs marketing and when marketing goes wrong or does not meet the aims of the business</b>
		<b>1c.</b> Explain <b>three</b> reasons why businesses need marketing <b>and</b> how these benefit the business.			<b>1d.</b> Explain what could happen if a business's marketing goes wrong or does not meet the aims of the business.
		Fewer than <b>two</b> valid reasons given.	<p>Explains at least two <b>valid</b> reasons why business or enterprise need marketing.</p> <p>Valid reasons <b>could</b> include:</p> <ul style="list-style-type: none"> <li>to increase sales</li> <li>to identify your target market</li> <li>to gain recognition</li> <li>to gain exposure/raise awareness</li> <li>to become more competitive</li> <li>to grow</li> <li>to discover what customers are prepared to pay</li> <li>to discover the best location for your business</li> <li>to identify what customers need/want</li> <li>to identify gaps in the market</li> <li>to identify what your competitors are doing</li> <li>to launch a new</li> </ul>	<p>For at least two of the reasons identified learners must explain the benefit to the business.</p> <p>Eg:</p> <ul style="list-style-type: none"> <li>increase sales so that the business has a greater chance of success</li> <li>identify your target market so the business knows who they are aiming their products and services to and can therefore target these customers resulting in more sales</li> <li>gain recognition/exposure so that it is easier to launch new products in the future</li> <li>become more competitive which will increase the chance of people buying from them</li> <li>grow and therefore increase profit</li> <li>discover what customers are prepared to pay so they can set a</li> </ul>	<p>Learners will include a consequence that can occur should the marketing go wrong or not meet the needs of the business for the reasons identified.</p> <p>Could include references to other business to support their answer.</p> <p>Consequences could include:</p> <ul style="list-style-type: none"> <li>(The Dove TV advert/H&amp;M advert) led to complaints and damaged the reputation of the business because the ad was seen as racist</li> <li>(Toys R US) failure to make use of online services resulting in the business being less competitive, leading to the collapse of the business.</li> </ul>

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			product/service.	price that will result in them buying the product - discover the best location for your business to ensure customers can access your business - identify what customers need/want allowing the business to satisfy this, leading to customer loyalty - identify gaps in the market so the business can fill this gap which will lead to the business selling their product, giving them an advantage over the competition - identify what your competitors are doing so the business can identify what works and therefore copy this or improve on this to meet the needs of customers or offer something better which may lead to customers choosing your business over another.	
2.1 Identify the various target markets for an organisation	2	Fewer than <b>three</b> target markets are accurately identified.	<b>Learners will identify the various target markets for an organisation</b>	<b>Learners will justify reasons why the various target markets are suitable for an organisation</b>	No distinction criteria for this AC
			2a. Najma's Torches have a number of target markets. Identify <b>three</b> of Najma's Torches target markets from <b>Source 1</b> . Explain how Najma knows that each of the chosen target markets are suitable for her business.  <i>*Can be cross referenced with 2.2.</i>	Learners choose two target markets and explain how Najma knows these markets are suitable.  Justification must come from the case study.  <b>TM1:</b> <ul style="list-style-type: none"> <li>is the best seller</li> <li>customers are prepared to pay a high price</li> </ul>	
			Learners identify <b>three</b> target markets from the case study.  <b>Examples:</b> <b>TM1:</b> <ul style="list-style-type: none"> <li>men and women/people who like to go hiking and camping/hikers/campers (do not accept 'men and women' on its own).</li> </ul>		

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			<b>TM2:</b> <ul style="list-style-type: none"> <li>homeowners/people who own their own homes.</li> </ul> <b>TM3:</b> <ul style="list-style-type: none"> <li>medical professionals/doctors and nurses.</li> </ul> <b>TM4:</b> <ul style="list-style-type: none"> <li>those who work in the building industry/construction workers/builders/workers on building sites</li> <li>building companies.</li> </ul>	<ul style="list-style-type: none"> <li>feedback from customers has been very positive.</li> </ul> <b>TM2:</b> <ul style="list-style-type: none"> <li>very profitable</li> <li>sales are high.</li> </ul> <b>TM3:</b> <ul style="list-style-type: none"> <li>research showed there was a large potential market</li> <li>can charge a high price</li> <li>the torch received a very positive review/voted best buy in a medical journal.</li> </ul> <b>TM4:</b> <ul style="list-style-type: none"> <li>12 million torches sold each year</li> <li>building companies buy a new torch for their workers each year.</li> </ul>	
2.2 Compare the different needs of the target markets for an organisation	2	<i>Learners fail to identify two differences in the needs of the target markets.</i>	<b>Learners will compare the different needs of the target markets for an organisation</b>	<b>Learners will compare in detail the different needs of the target markets for an organisation</b>	<b>No distinction criteria for this AC</b>
			<b>2b.</b> Choose <b>two</b> of Najma's Torches' target markets from <b>Source 1</b> and identify their needs.  <i>*Can be cross referenced with 2.1.</i>	<b>2c.</b> Choose <b>two</b> of Najma's Torches target markets from <b>Source 1</b> and explain how the needs of these <b>two</b> target markets are <b>similar</b> and how they are <b>different</b> .  These can be the target markets you identified in 2a or 2b or different ones.	
			Learners choose <b>two</b> target markets and describe their needs.  <b>Examples:</b>  <b>Homeowners/men and women:</b> <ul style="list-style-type: none"> <li>variety of sizes</li> <li>number of colours</li> <li>lightweight</li> <li>easy to hold</li> </ul>	Learners will explain how the needs of the two target markets they have identified in 2b are similar and different.  <b>Examples:</b>  See appendix 2.	

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			<ul style="list-style-type: none"> <li>reliable</li> <li>reasonably priced</li> <li>does not need rechargeable batteries.</li> </ul> <p><b>People who like to go hiking and camping:</b></p> <ul style="list-style-type: none"> <li>a range of sizes</li> <li>very hardwearing</li> <li>waterproof</li> <li>reliable</li> <li>a clip on the torch</li> <li>not a range of colours</li> <li>very bright</li> <li>shine for a distance of 20 metres.</li> </ul> <p><b>Medical professionals/doctors and nurses:</b></p> <ul style="list-style-type: none"> <li>easy to wipe clean</li> <li>very lightweight</li> <li>easy to hold</li> <li>look professional</li> <li>fit in a pocket.</li> <li>have a clip</li> <li>very bright</li> <li>shine for 25 cm</li> <li>does not need rechargeable batteries.</li> </ul> <p><b>Builders:</b></p> <ul style="list-style-type: none"> <li>waterproof</li> <li>strong</li> <li>have a clip</li> <li>safe to use in hazardous conditions</li> <li>batteries must be rechargeable</li> <li>yellow</li> <li>shine for 20 metres</li> </ul>		

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			<ul style="list-style-type: none"> <li>very bright</li> <li>100% reliable.</li> </ul>		
<b>2.3</b> Describe how an organisation would research their target market  <i>Range:</i> <i>Primary – surveys, focus groups, interviews, questionnaires</i> <i>Secondary - internet, newspapers, journals, leaflets, and surveys conducted by others eg Mintel, Keynote, Office of National Statistics</i> <i>quantitative and qualitative data - difference between and why both are needed</i>	3	<i>Learners fail to describe the two methods accurately.</i>	<b>Learners will describe how an organisation would research their target market</b>	<b>Learners will describe in detail how an organisation would research their target market</b>	<b>Learners will describe how an organisation would research their target market showing critical judgement</b>
			<b>3a.</b> Najma has used primary and secondary research methods to collect quantitative and qualitative data.  Describe how any <b>two</b> of these research methods have been used by Najma and give <b>one</b> advantage and <b>one</b> disadvantage of each method.  * Advantages may also be found in 3b.		<b>3b.</b> Najma would like to improve her market research methods.  Recommend <b>two</b> ways in which Najma could improve her market research methods <b>and</b> explain how each could benefit her business.
			<b>Primary market research:</b> <ul style="list-style-type: none"> <li>focus group of medical professionals</li> <li>one- on-one interviews with construction workers at the trade fair</li> <li>feedback card with sales of Home Torches</li> <li>purchases a Medi Torch from one of her competitors.</li> </ul> <b>Secondary market research:</b> <ul style="list-style-type: none"> <li>purchased reports from Mintel</li> <li>buys magazines bought by people who like camping and hiking</li> <li>an internet search told her people taking part in outdoor pursuits was growing each year</li> <li>Google search (accept internet) told her there was only one other UK competitor.</li> </ul>	Learners provide: <ul style="list-style-type: none"> <li>one advantage</li> <li>one disadvantage</li> <li>of each method identified</li> <li>answers do not have to be applied to the case study and can be generic about the method; however, it must be about the method identified.</li> </ul> Eg if a learner gives <i>interviews at trade fair</i> as a method of primary research the advantages and disadvantages must relate to either primary research generally or to interviews in particular.  <b>See appendices 2b.</b>	Learners give two recommendations on how these can improve the market research and explain how these improvements can impact Najma's torches  <b>Critical Judgement:</b> <i>Application of a critical understanding informing decisions.</i>  <b>Examples:</b> <ul style="list-style-type: none"> <li>only holding the one focus group after a year could mean that the information she got from the medical professional could be out of date. Najma could be focussing her marketing on ease of cleaning when how easy it is to hold could now be the most important. Because of this Najma could be losing out on sales to the competition overseas. To improve she should hold focus groups at least once a year to keep more up to date</li> <li>Najma used a feedback card which</li> </ul>

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			<b>Qualitative market research:</b> <ul style="list-style-type: none"> <li>opinions and reviews published in magazines</li> <li>focus groups.</li> <li>asked open ended questions at trade event.</li> </ul> <b>Quantitative market research:</b> <ul style="list-style-type: none"> <li>internet search revealed statistics.</li> <li>Mintel report gave detailed statistics.</li> <li>feedback card sent to Home Torch customers.</li> </ul>		<p>asked homeowners to rate various aspects of torch from 1–5. This meant that homeowners were unable to give their opinions or include any suggestions/ideas that might have helped her design a better torch. Although sales remain high, this is a very competitive market and it could be vital that Najma understands why people choose her torch, rather than her competitors, to maintain sales</p> <ul style="list-style-type: none"> <li>Najma only ordered a torch from her one online competitor. The company she bought from may not have been a fair representation of the competition provided by the 10 European sellers of similar torches. If she had bought a torch from at least six of her competitors she would have had a clearer idea of what the competition offered so could compete more effectively.</li> </ul>
3.1 Explain the marketing mix	4	<i>Learners fail to explain all 4Ps correctly.</i>  <i>Learners not explaining one of the elements of the 4Ps will not receive marks.</i>	<b>Learners will explain the marketing mix</b>	<b>Learners will explain the marketing mix in detail</b>	<b>Learners will explain the marketing mix perceptively</b>
			4a. Explain all four elements of the marketing mix for the <b>Build Torch</b> . Give as much detail as you can.		<b>4b. Identify the correct stages in the product life cycle of the following products/services and explain your choice.</b>  (i) Build Torch (ii) Medi Torch
			Learner explains briefly the four elements of marketing mix for the Build Torch.  <b>Product:</b> <ul style="list-style-type: none"> <li>Build Torch</li> </ul> <b>Place:</b> <ul style="list-style-type: none"> <li>large DIY stores</li> <li>trade magazines.</li> </ul>	To justify the award of merit a learner <b>MUST</b> refer to at least <b>THREE</b> of the following:  <b>Product</b> <ul style="list-style-type: none"> <li>is waterproof</li> <li>is strong</li> <li>has a clip</li> <li>is safe to use in hazardous conditions</li> <li>has rechargeable batteries</li> </ul>	Learners must identify products in their correct stages of the life cycle and <b><u>provide a satisfactory explanation as to why both are placed in their respective stages.</u></b>  For the award of a Distinction grade learners must correctly identify that <ul style="list-style-type: none"> <li>Medi Torch is in Growth Stage</li> </ul>



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			<p><b>Promotion:</b></p> <ul style="list-style-type: none"> <li>trade fairs</li> <li>trade magazines</li> <li>price promotion.</li> </ul> <p><b>Price:</b></p> <ul style="list-style-type: none"> <li>cost plus pricing</li> <li>promotional pricing.</li> </ul>	<ul style="list-style-type: none"> <li>very bright</li> <li>can shine for 20 metres.</li> </ul> <p><b>Place</b> 80 % through large DIY chains OR 20% through trade magazines.</p> <p><b>Promotion</b> Trade magazine promotion lasted three months. The advert:</p> <ul style="list-style-type: none"> <li>displayed pictures and details of the torches</li> <li>did not state their prices</li> <li>did not state where the torches could be bought.</li> </ul> <p><b>Price</b> 20% off usual price.</p>	<ul style="list-style-type: none"> <li>Build Torch is in Decline stage</li> </ul> <p><b>PLUS</b> For <b>Medi Torch</b> Have <b>2</b> of the 4 following points</p> <ul style="list-style-type: none"> <li>sales are increasing at a faster rate than in the introductory stage</li> <li>sales increased by 400% in 4 weeks (after a best buy review in a medical journal)</li> <li>Najma expects sales continue to rise rapidly</li> <li>the only UK competitor went bankrupt, so sales are likely to continue to increase.</li> </ul> <p>For <b>Build Torch</b> have this point</p> <ul style="list-style-type: none"> <li>Sales of the torch continue to fall even though a discount of 20% was offered.</li> </ul> <p>eg</p> <p>The Build Torch is in the decline stage of the product life cycle. Sales are falling steadily and despite a 5% discount offered for a month, sales continue to fall. There is no indication that this is likely to change.</p> <p>The Medi Torch is in the growth stage of the product life cycle. Sales are now growing rapidly so it has moved out of the introductory stage where sales were growing, but slowly. Sales increased by 400% in 4 weeks after being voted best buy in a medical journal. Najma expects sales</p>

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					<p>continue to rise rapidly and Najma's only UK competitor went bankrupt, so sales are likely to continue to increase.</p> <p><b><u>Do not award Introductory Stage for the Medi Torch.</u></b> The Medi Torch was in the introductory stage when sales were growing slowly.</p> <p><i>Perceptively: Showing insight and understanding.</i></p>
<b>3.2</b> Explain the impact of social media and the internet on promotion  <i>Range:</i> <i>Social Media: eg blogs, Facebook, Twitter, Pinterest, LinkedIn, websites, apps</i>	<b>6</b>		<b>Learners will explore the impact of social media and the internet on promotion</b>	<b>Learners will clearly explain the impact of social media on promotion in comparison to traditional methods</b>	<b>Learners will explain the positive and negative impacts of social media on promotion</b>
		Learners fail to identify two positive impacts that social media and the internet can have on a business when promoting products and services.	<b>6a.</b> Explain in detail <b>two positive</b> impacts that social media and the internet can have on <b>any</b> business when <b>promoting</b> products and services. Compare these two impacts to the impacts that can be achieved by using traditional methods of promotion.  (A pass can be awarded if one positive impact is found here and one negative impact found in 6b).		<b>6b.</b> Explain <b>two negative</b> consequences that might arise when <b>any</b> business uses social media and the internet to promote their products/services.
			Learner identifies two positive impacts that social media and the internet can have for a business when <b>promoting</b> products and services.  General answers are acceptable.  <b>Examples:</b> <ul style="list-style-type: none"> <li>a business website makes the business' products/services available to a wider market</li> </ul>	Learners will compare their use of social media and their use with traditional methods.  Note: question paper is written such that negatives comparisons will be made – positive comparisons are acceptable too.  General answers are acceptable.  <b>Examples:</b>	Learners explain in detail two negative consequences that might arise when a business uses social media and the internet for promotion.  General answers are acceptable.  <b>Examples:</b> <ul style="list-style-type: none"> <li>social media – even a small problem that a customer posts on social media can very quickly go viral and damage the reputation of a business as it is read</li> </ul>

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			<ul style="list-style-type: none"> <li>use of social media and the internet can:               <ul style="list-style-type: none"> <li>attract more customers</li> <li>be interactive</li> <li>be cost effective</li> <li>be time efficient</li> <li>enable direct communication with customers (eg via email).</li> </ul> </li> <li>customers can access blogs, videos, newsletters and information regarding new products and services produced by a business which may lead to greater interest and sales.</li> <li>business products/services can be viewed and in some cases purchased 24x7.</li> </ul>	<ul style="list-style-type: none"> <li>traditional methods such as newspaper advertisements are more expensive as printing costs have to be paid whereas these costs do not apply when advertising on a website or social media</li> <li>traditional methods such as newspaper adverts may also only reach a smaller audience than an advert on a business' Facebook page or on its website</li> <li>traditional methods such as leaflets have to be printed and distributed. This not only restricts the number of potential customers that can be targeted but is time consuming and costly.</li> </ul>	<p>by their followers, resulting in a drop in sales</p> <ul style="list-style-type: none"> <li>update costs – customers expect a business's website and its social media to be constantly updated. If these are not updated frequently, customers may regard the information to be unreliable</li> <li>if a business website is hacked and customer email and credit card details are stolen then customers may lose money and may lose confidence in the business. This is bad for the business's reputation and may impact negatively on sales.</li> </ul>
4.1 Evaluate the effectiveness of different marketing methods	5	<i>Learner explains less than three impacts of price and/or promotion.</i>	<b>Learners will evaluate the effectiveness of the marketing of the business or enterprise methods</b>	<b>Learners will coherently evaluate the effectiveness of different aspects of the marketing of the business or enterprise methods. Learners will indicate where improvements may be made</b>	<b>Learners will comprehensively evaluate the effectiveness of different aspects of the marketing of the business or enterprise methods. Learners will show critical judgement and indicate where improvements may be made</b>
			<b>5a.</b> Explain <b>one</b> aspect that went well and <b>one</b> aspect that did not go well for both the <b>promotion</b> and <b>price</b> elements of the marketing mix.	<b>5b.</b> Suggest <b>two</b> improvements that Najma could make to her marketing mix. Give reasons for your suggestions.	<b>5c.</b> Choose <b>one</b> improvement from <b>5b</b> and explain why you think this may <b>not</b> be successful for Najma's Torches.
			<p>Learners explain what has gone well and what has not gone well for promotion and price.</p> <p>Learners will <b>explain</b> three correct impacts.</p> <p><b>Examples</b></p> <p><b>Price gone well:</b>  <u>Out Torch:</u> cost plus pricing ensures a profit is made on each torch sold.</p>	<p>Learner identifies and explains <b>two</b> improvements that Najma could make to her marketing mix (this does not have to relate to weaknesses in the pass criteria).</p> <p><b>Coherent:</b> logically connected.</p> <p><b>Examples</b></p> <p><b>Product</b></p>	<p>Learner explains their suggestion might not be successful.</p> <p><b>Comprehensive:</b> All-encompassing.</p> <p><b>Critical judgement:</b> application of a critical understanding informing decisions.</p> <p><b>Examples</b></p> <p><b>Price</b></p>

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			<p><u>Out Torch</u>: cost plus pricing sales are still growing/<u>sales are still growing</u>.</p> <p><u>Medi Torch</u>: skimming is very profitable.</p> <p><b>Price not gone well</b>  <u>Out Torch</u>: cost plus pricing is now priced higher than competitor and growth in sales are slowing down (will accept sales are slowing down).</p> <p><u>Build Torch</u>: tried promotional pricing but sales continue to fall.</p> <p><b>Promotion gone well:</b>  <u>Home Torch</u>: competition, a lot of entries, increased sales.</p> <p><u>Home Torch</u>: TV advert at Christmas doubles sales in November and December.</p> <p><b>Promotion not gone well</b>  <u>Out Torch</u>: voucher in hiking and camping magazines resulted in only 1% of customers using the voucher, did not stimulate sales.</p> <p><u>Build Torch</u>: adverts in trade magazines for three months. Sales did not increase.</p> <p><u>Medi Torch</u>: direct mail drop low response cost was more than income from additional sales.</p>	<p>Najma needs to ensure that all of the Build Torches work every single time they are switched on. It could be the unreliability that is responsible for the low sales. Customers have said that reliability is a very important feature so this could help improve the sales.</p> <p><b>Price</b>  <u>Out Torch</u>: could use competitive pricing. The drop in sales may be due to the low-priced competitor. Setting the price similar to the competition could result in an increase in sales as customers will choose to buy the Out Torch rather than the competitor as it has an established brand name associated with quality.  Najma could offer a promotional price on the Out Torch. This could be for a limited period of time only, to maintain the brand image and may persuade people to buy as sales may be slowing due to the high prices.  Promotional pricing can also be accepted for promotion but not both. Do not accept psychological, dynamic pricing or price skimming.</p> <p><b>Place</b>  Najma could use the website to allow customers to buy any of the Out/Medi/Home Torches online. As she already sells the Build Torch online the technology and skills are already in the business. This would make them more widely available increasing the opportunity to sell more increasing revenue and possibly profit.</p> <p><b>Promotion</b></p>	<p>Out Torches: Offering a promotional price may have no impact on sales at all. This may not be the reason that the sales have fallen. If it isn't Najma will have sacrificed revenue unnecessarily. In addition, the lowering of price, even for a short time, could suggest a drop in quality and lower rather than increase sales.</p> <p><b>Place</b>  Selling all the torches through the website may increase the number of torches sold but will incur a large additional cost as additional staff and possibly training will need to be undertaken. There is no guarantee that the torches will sell through the website; at the moment they are sold in places where the target market is likely to be. It could be that the increase in sales is outweighed by the increase in costs so would not be worth it.</p> <p><b>Promotion</b>  Promoting through Facebook (or Instagram/YouTube/Twitter etc)  Najma does not currently promote this way so has no experience in how to do this. She will need additional staff to manage the promotion through one or more platforms which will increase her wages bill. She doesn't know that any of her customers will respond to promotion through social media, especially if she does not move to selling online. It may be that the costs incurred will far outweigh the benefits.</p> <p><b>Product</b>  Improving the quality of the Build Torch may require additional testing or improvement in the manufacturing process. This will increase the cost of the torch to</p>

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				<p>The advert for the Build Torch should include the web address and the prices of the torches. This may have a positive impact on the sales of the Build Torch as customers would know where to look to find out more information, as many people now look online to find out about a product. Najma could promote the Out Torch on Facebook (or Instagram/YouTube/Twitter etc). In this way she can directly target her market. She can put a link to her website where customers can find out more about the torch and this could increase her sales especially if she starts to sell online.</p> <p>Accept placing an ad on social media for any of the torches, but only accept once.</p>	<p>Najma. She is only just covering her costs on this torch and an increase in costs may result in a loss if improvements do not increase the sales.</p> <p><b>Accept promotional price as an improvement to price OR promotion but not both.</b></p>

## Appendix A (1.1 Q1b)

Marketing aspects	Advantages	Disadvantages
<b>Niche</b>	<ul style="list-style-type: none"> <li>You can advertise specifically to your target market allowing you to create more innovative campaigns without wasting money trying to appeal to the masses.</li> <li>You can tailor your products to suits the needs of your target market.</li> <li>It is easier to communicate with your target market.</li> <li>Few competitors.</li> <li>It is easier to achieve brand loyalty.</li> <li>You will have a greater insight into your target market, allowing you to learn about their desires and tailor your products/services to suit this.</li> <li>Great for overall branding and building name recognition.</li> <li>You can often charge a higher price.</li> </ul>	<ul style="list-style-type: none"> <li>There are limited growth opportunities, due to the smaller target market.</li> <li>Risk of over dependence on a single product or market.</li> <li>Vulnerable to changes in the market. For example it is risky to put all of your eggs in one basket.</li> <li>Easier for competitors to join the market.</li> <li>Vulnerable to being taken over by larger companies.</li> <li>Larger companies may choose to make products/services.</li> </ul>
<b>Mass</b>	<ul style="list-style-type: none"> <li>Marketing costs per customer reduced.</li> <li>You may find new customers.</li> <li>Great for overall branding and building name recognition.</li> <li>Potential opportunities for growth.</li> <li>Potential opportunities for greater sales/profit (cannot state guaranteed profits/sales).</li> <li>Do not accept mass production/economies of scale).</li> </ul>	<ul style="list-style-type: none"> <li>The needs and wants of customers vary and therefore your product/service may not appeal to everyone.</li> <li>Mass marketing is very costly.</li> <li>There is lots of competition and customers will look for value for money.</li> <li>Once your customers switch to another brand, it is difficult to get these customers back.</li> </ul>
<b>Product-Orientated</b>	<ul style="list-style-type: none"> <li>Once a successful product/technology has been created this can be further developed into different products.</li> <li>Money/time is not wasted on market research.</li> <li>Innovation is encouraged.</li> </ul>	<ul style="list-style-type: none"> <li>You are always at risk of a new competitor creating a more superior product.</li> <li>You may end up producing a product that customers do not want and therefore time and money has been wasted.</li> </ul>
<b>Market-Orientated</b>	<ul style="list-style-type: none"> <li>As your product is focused on the needs of the customer, there is a greater likelihood of happy customers and repeated business.</li> </ul>	<ul style="list-style-type: none"> <li>You always need to be prepared to change quickly as the demands of the market changes. If you are unable to change quickly there is a risk of losing out to competitors who can do this more efficiently.</li> <li>You need to be prepared to spend a lot of time and money researching your market.</li> </ul>

## Appendix B1 (2.2 Q2b)

Target Market	Similarity	Difference
<b>TM1:</b> homeowners/men and women  <b>TM2:</b> people who like to go hiking and camping	<ul style="list-style-type: none"> <li>Variety of sizes.</li> <li>Reliable.</li> </ul>	<ul style="list-style-type: none"> <li>Number of colours/not a choice of colours.</li> <li>Reasonably priced/happy to pay a high price.</li> <li>Do not need rechargeable batteries/need rechargeable batteries.</li> </ul>
<b>TM1:</b> homeowners/men and women  <b>TM3:</b> medical professionals/doctors and nurses	<ul style="list-style-type: none"> <li>Easy to hold.</li> <li>Reliable.</li> <li>Lightweight.</li> <li>Do not need rechargeable batteries.</li> </ul>	<ul style="list-style-type: none"> <li>Variety of colours/black.</li> <li>Reasonably priced/will pay a high price.</li> <li>Variety of sizes/fit in a pocket.</li> </ul>
<b>TM1:</b> homeowners/men and women  <b>TM4:</b> those who work in the building industry/	<ul style="list-style-type: none"> <li>Variety of sizes.</li> <li>Reliable.</li> </ul>	<ul style="list-style-type: none"> <li>Number of colours/black.</li> <li>Do not need rechargeable batteries/need rechargeable batteries.</li> <li>Reasonably priced/prepared to pay a high price.</li> </ul>
<b>TM2:</b> people who like to go hiking and camping  <b>TM3:</b> medical professionals/doctors and nurses	<ul style="list-style-type: none"> <li>Black.</li> <li>Reliable.</li> <li>Clip.</li> <li>Bright.</li> </ul>	<ul style="list-style-type: none"> <li>Range of sizes/only one size (pocket sized).</li> <li>Rechargeable/not rechargeable batteries.</li> </ul>
<b>TM2:</b> people who like to go hiking and camping  <b>TM4:</b> those who work in the building industry	<ul style="list-style-type: none"> <li>Hardwearing.</li> <li>Waterproof.</li> <li>Reliable.</li> <li>Different sizes.</li> <li>Rechargeable batteries.</li> </ul>	<ul style="list-style-type: none"> <li>Clip/no clip.</li> <li>Colour not important/yellow.</li> </ul>
<b>TM3:</b> medical professionals/doctors and nurses  <b>TM4:</b> those who work in the building industry industry/	<ul style="list-style-type: none"> <li>Reliable.</li> <li>Bright.</li> </ul>	<ul style="list-style-type: none"> <li>Black/yellow.</li> <li>One size/different sizes.</li> <li>Not rechargeable/rechargeable.</li> </ul>

## Appendix B2 (2.3 Q3b)

Research Method	Advantage	Disadvantage
<b>Primary</b>	<ul style="list-style-type: none"> <li>Primary research allows you to gather details from your target market.</li> <li>Focus groups allow for detailed opinions/told her what most important factors were to the medical professionals so she can make her marketing more successful by highlighting these factors.</li> <li>One-on-one interviews provided information on what was and was not the most important factors when choosing a torch.</li> </ul>	<ul style="list-style-type: none"> <li>Primary research can be very time consuming.</li> <li>Primary research can be expensive.</li> <li>Focus groups may not be representative of all the medical professionals who buy torches so results may not be reliable.</li> <li>Only holding one focus group after the first year could mean the information is now out of date.</li> <li>Building workers may rush their answers as they want to go round the rest of the trade fair.</li> <li>Feedback cards got a very poor response.</li> </ul>
<b>Secondary</b>	<ul style="list-style-type: none"> <li>Secondary research is easily accessible, and it is quick to locate information and therefore less time consuming.</li> <li>Some secondary research can be free.</li> <li>Magazines bought by people who like outdoor pursuits helps Najma keep up to date with the changing needs of the hiking and camping market.</li> <li>Magazines bought by people who like outdoor pursuits helps Najma keep up to date with what the competition are offering.</li> </ul>	<ul style="list-style-type: none"> <li>The use of Mintel reports can be very useful; however, this could be out of date or an appropriate sample size may not have been used.</li> <li>May not be relevant to Najma's particular business.</li> <li>Mintel reports are very expensive.</li> </ul>
<b>Quantitative</b>	<ul style="list-style-type: none"> <li>Data from feedback cards is quick to collate and is easy to analyse.</li> <li>Quick to complete and therefore the response rate may be higher than open ended questions.</li> </ul>	<ul style="list-style-type: none"> <li>The restrictive questions can result in a 'best fit' response and therefore not reflect the true opinions of customers.</li> </ul>
<b>Qualitative</b>	<ul style="list-style-type: none"> <li>Qualitative data (such as interviews) allows customers to make their own suggestions on the improvements that they may want to see that may not be identified in closed questions.</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative data can be time consuming and may deter customers from leaving feedback.</li> <li>Qualitative data is difficult to analyse.</li> </ul>

## Appendix B3 (3.1 Q4a) All of the answers below are Pass limiting as question asks specifically about the Build Torch

Product	Home Torch	Out Torch	Medi Torch	Build Torch
<b>Place</b>	Retail/large supermarkets/DIY stores.	Shops (that specialise in selling camping and outdoor equipment).	Online/through website.	Large DIY stores/specialist magazines.
<b>Price</b>	Competitive.	Cost plus.	Skimming.	Cost plus/promotional pricing.
<b>Promotion</b>	Competition/TV/website.	Advert in hiking and camping magazines/5% off.	Direct mail drop/positive review.	Trade magazines/trade fairs.