



External Assessment

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

Unit 02 Marketing for business and enterprise

Paper number: P000416

Assessment window: 9 October – 20 October 2017

Complete your details below:

| | | | |
|--|--|-----------------------|--|
| Centre name | | Centre number | |
| Learner name | | Learner number | |
| <p>Learner declaration: I confirm that the work contained in this External Assessment is all my own work. I have not copied work from anyone else. I have not copied work directly from handouts/internet/textbooks or any other publication. If I have used a quote, then I have referenced this appropriately. My full name above is my registered name with NCFE.</p> <p>Learner signature: _____ Date: _____</p> | | | |

This booklet should **only** be used for Tasks 2, 3, 4, 5 and 6.

Time allowed – 4 hours

Examiner use only

| AC | Grade |
|-----|-------|
| 2.1 | |
| 2.2 | |
| 2.3 | |
| 3.1 | |
| 3.2 | |
| 4.1 | |

Instructions continue on the next page, please turn over.

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Instructions for learners

- Read the Tasks and questions carefully and make sure that you understand:
 - what you need to do to complete the assessment
 - what evidence you need to submit
 - how much time you need to allow for each Task.
- You **MUST** attempt **all** of the Tasks to address all assessment criteria fully. You cannot achieve a Pass grade unless you meet the required standard in all of the Tasks.
- Write your responses to the Tasks in the spaces provided. If you need more space, you may use extra paper.
- All the work you submit for the external assessment **must** be:
 - your own work
 - clearly identified with your name, your centre name and number, your learner number and the task number so that the Examiner is able to grade it.
- All the work for this external assessment must be completed at your centre within the invigilated timed session.
- If you write your answers using a word processor, you **must** make sure that any printouts are labelled clearly with your name, your centre name, your centre number and your learner number and are securely attached to this answer booklet.
- The Invigilator will explain where you will save your work between each external assessment session.

Resources

- You may use all of the material given within this external assessment paper but no other resources should be taken into the examination room.
- You are **not** allowed to use the internet during the external assessment.

DO NOT TURN OVER UNTIL YOU ARE INSTRUCTED TO DO SO BY THE INVIGILATOR.

Before you attempt Tasks 2 - 5, you must read **Source 1** below and use this in your responses.

Source 1

The You Group (TYG)

TYG is the brand name of a hair care business founded by Isaac 10 years ago. TYG comprises You Salon, The Club, The Academy, a mobile haircare service and You Organics.

You Salon is a ladies' hair salon. There are three You Salons. These are located in Liverpool, Chester and Lancaster, all busy city centres in the North West of England. It targets women in socioeconomic groups A and B who have time on their hands and money to spend. They want to be pampered and expect a high-quality, stylish haircut. On arrival, customers are offered sparkling wine and hand-made chocolates, and the atmosphere is quiet and unhurried. Customers wanting a 'bob' haircut have the opportunity to try on a number of different styles of bob wigs at the 'Bob Bar' before making a style choice. No other salon offers this service. The number of bookings remains stable with 80% of customers returning. As there are a number of local competitors, Isaac uses a competitive pricing policy.

At first, You Salon was closed on Mondays. Then Isaac introduced 'Mad Mondays'. This offers 'no frills' appointments and is aimed at students who are on a low income but want a stylish haircut at a price they can afford. The range of services is very limited, however, use of the 'Bob Bar' is available for those students who want to 'try before they buy'. Mad Mondays prices are low. All bookings must be made online. The rapidly growing number of Mad Mondays customers' suggests that these customers are happy with the service.

The Club was opened by Isaac in response to the rise in UK sales of men's grooming products. Located in Liverpool, the salon targets professional men who have busy working lives and want a quick, efficient high-quality service. In response to customer requests, all bookings are made online or through 'The Club' app. Appointments are guaranteed to start on time and last no longer than half an hour. In addition to haircutting, The Club offers specialist services such as beard trimming. Opening hours have been extended due to heavy demand. They are the market leader in Liverpool.

The Academy is TYG's training school. It offers a Level 2 Diploma in Hairdressing Studies. This fast track hairdressing course can be completed in 16 weeks at TYG's training salon. The majority of customers are people who have taken a break from working to look after young children and are looking for a career change. They want to spend no more than six months achieving a hairdressing qualification. The course is 1 day per week and costs £1950 which is based on cost, plus a mark-up of 20%. This course is only promoted through the website and bookings are down year on year.

TYG also offer an 'in your own home' mobile haircare service for the over 75s who cannot get to a salon. Customers want to make bookings over the phone and have a stylist who is friendly and prepared to spend time chatting. They like to feel pampered in their own home but do not want to pay high prices. Bookings are low and falling.

To build the brand, Isaac recently introduced the You Organics range of hair products aimed at people who care for the environment. Customers choose these shampoos because they are made of only natural ingredients. The You Organics range is sold at all TYG salons and online from TYG's website and Amazon. As there are few competitors, Isaac uses a price skimming policy. These products retail at approximately twice the price of other popular branded haircare products. Sales and profits are growing for all products but not those for men. Sales of these are very low and Isaac thinks it is because of the high price. The biggest seller is the children's shampoo. All salons use the You Organic range of products as many customers have said it is one of the reasons they choose to have their hair cut at TYG.

Task 2

You must ensure that your work in Task 2a addresses assessment criterion 2.1. You can refer to the assessment criterion below Task 2a.

You will need to use information from **Source 1**.

2a. TYG have a number of target markets.

Identify **three** of TYG's target markets from **Source 1**.

Explain how TYG know that each of these target markets are suitable for their business.

Target Market 1:

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How do TYG know that this target market is suitable for their business?

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Target Market 2:

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How do TYG know that this target market is suitable for their business?

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Target Market 3:

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How do TYG know that this target market is suitable for the business?

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| Assessment criteria | Pass | Merit | Distinction |
|--|---|---|-------------------------------------|
| 2.1 Identify the various target markets for an organisation | Learners will identify the various target markets for an organisation | Learners will justify reasons why the various target markets are suitable for an organisation | No distinction criteria for this AC |

You must ensure that your work in Tasks 2b and 2c addresses assessment criterion 2.2. You can refer to the assessment criterion at the end of the Task.

2b. Choose **two** of TYG's target markets from **Source 1** and identify their needs.

These can be the target markets you identified in 2a, or you can choose two other target markets.

Target Market 1:

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The needs of this target market:

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Target Market 2:

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The needs of this target market:

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How their needs are different:

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| Assessment criteria | Pass | Merit | Distinction |
|--|---|---|-------------------------------------|
| 2.2 Compare the different needs of the target markets for an organisation | Learners will compare the different needs of the target markets for an organisation | Learners will compare in detail the different needs of the target markets for an organisation | No distinction criteria for this AC |

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Please turn over for the next task.

Before you attempt Task 3, you must read **Source 2** below and use this in your responses.

Market Research

Isaac regularly carries out market research to collect both quantitative and qualitative data.

Before opening the mobile haircare service, Isaac used the internet to search Government websites that provided demographic data. He discovered that the proportion of the UK population aged 75 and over will grow from 7.9% in 2012 to 13% in 2037.

Research on the internet identified at least six local competitors to You Salon. Further research into these websites provided information on their prices and financial data.

Isaac purchased Mintel reports where graphs on market trends showed that the market for men's grooming was growing, particularly among young professionals. The report highlighted the fact that the ability to book online was an important feature to these customers when choosing a salon.

To keep up with the latest styles, industry news and details on competitors' promotions, Isaac subscribes to industry magazines such as 'Pro Hair and Beauty'. He read that in 2015 the organic health and beauty market increased by 22% on the previous year and that there was a growing market for organic shampoos for children. It also suggested that there was a growing demand for hairdressing apprenticeships.

A random sample of You Organics customers are invited to take part in focus groups twice a year. As an incentive to attend, participants are given a 25% discount voucher that can be used at any of the TYG salons. The focus groups test and give opinions on new product ideas. They agreed that the introduction of a children's range was a good idea.

An online questionnaire is sent to all of The Club customers. All questions are simple, requiring 'yes' or 'no' answers but the response rate is a disappointing 5%.

At the end of their appointment, customers of You Salon are invited to complete a survey, describing the strengths and weaknesses of their visit. The response rate is

good with over 60% of customers filling in the survey. The Bob Bar was identified as a strength, although the introduction of Mad Mondays was seen as a weakness by customers in socioeconomic groups A and B as they felt that it damaged the brand image of You Salon.

Graduates from The Academy are asked to complete an end of course feedback sheet in which they are asked to rank different aspects of the course. There is no space for comments or opinions. Graduates rated the expertise of the teaching as excellent. The lack of opportunity to complete the course in the evenings and high prices were seen as the biggest drawbacks.

The only feedback from the customers of the mobile haircare service is gained through informal chats with the stylists.

Task 3

You must ensure that your work in Tasks 3a and 3b addresses assessment criterion 2.3. You can refer to the assessment criterion at the end of the Task.

You will need to use information from **Source 2**.

3a. TYG have used primary and secondary research methods to collect quantitative and qualitative data.

Describe how any **two** of these research methods have been used by TYG and give **one** advantage and **one** disadvantage of each method.

Research method 1 (please circle **one** research method):

| | | | | | | | | |
|--|----------------|--|------------------|--|---------------------|--|--------------------|--|
| | Primary | | Secondary | | Quantitative | | Qualitative | |
|--|----------------|--|------------------|--|---------------------|--|--------------------|--|

How have TYG used this method?

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One advantage of this method:

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One disadvantage of this method:

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Research method 2 (please circle a **different** research method):

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|--|----------------|--|------------------|--|---------------------|--|--------------------|--|
| | Primary | | Secondary | | Quantitative | | Qualitative | |
|--|----------------|--|------------------|--|---------------------|--|--------------------|--|

How have TYG used this method?

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One advantage of this method:

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One disadvantage of this method:

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3b. TYG would like to improve their market research methods.

Recommend **two** ways in which they could do this **and** explain how these could benefit the business.

First recommendation:

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How could this benefit the business?

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Second recommendation:

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How could this benefit the business?

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| Assessment criteria | Pass | Merit | Distinction |
|--|---|---|--|
| 2.3 Describe how an organisation would research their target market | Learners will describe how an organisation would research their target market | Learners will describe in detail how an organisation would research their target market | Learners will describe how an organisation would research their target market showing critical judgement |

Before you attempt Task 4, you must read **Source 3** below and use this in your responses.

TYG Staff Newsletter

Congratulations to our highly talented mobile team who walked away with the North West Hair and Beauty award for mobile hairdressers. These amazing stylists will feature in a double page spread in September's issue of Salon and Barbering.

Salon News

The You Salon is expanding! We plan to open a new salon in Manchester next spring and we are sure it will be every bit as successful as our existing salons. Watch out for our full page ad in the Manchester Evening News.

The Club app is a huge success. It has reached 1,000 downloads and continues to grow. Loyalty points can be claimed via the app. The Club now sponsors Liverpool Tennis Week and is looking to sponsor other events.

The You Salon says a big 'thumbs-up' to all students starting Uni this term. 'Mad Mondays' is rapidly growing in popularity and we are introducing a 10% discount to all registered students on any of our products or services.

Going Mobile - Looking good is important no matter what your age. We are having a big push to promote our mobile haircare service. We have adverts running on the local radio. Leaflets have also been placed in health

centres and hospital waiting rooms.

You Organics sales on Amazon continue to rise. 'Flash Sales' result in a 25% rise in sales on the day of the sale. The top seller is Lavender Gentle children's shampoo at £12.95. All You Organics products are now available on the TYG website.

The Extras

Competitions on Facebook continue to attract a large number of entries! Prize winners enjoy a cut and blow dry completely free so please remind clients to keep checking for further competitions.

The Academy will be closed while we review our promotional strategy. All advertising on our website and in the local press has been withdrawn.

What do you think? Should we launch a Youtube channel? Let us know.

An **extra special** promotion for autumn.

Clients having their hair cut at any of our salons will be entered into a prize draw. First prize is a year's

supply of You Organics shampoo and conditioner.

Price update! We have had to increase our prices across the group. The new prices are shown below.

| You Salon | £ |
|--------------------|-----|
| Wash and blow dry | 35 |
| Cut and blow dry | 75 |
| Colour | 120 |
| Conditioning | 30 |
| The Club | |
| Cut and blow dry | 55 |
| Wet shave | 45 |
| Beard trim | 20 |
| Eye brow trim | 20 |
| Mad Mondays | |
| Cut and blow dry | 35 |
| Colour | 45 |
| Mobile | |
| Wash and blow dry | 25 |
| Cut and blow dry | 45 |
| Colour | 50 |

Task 4

You must ensure that your work in Tasks 4a and 4b addresses assessment criterion 3.1. You can refer to this assessment criterion at the end of the Task.

You will use information from **Source 1** and **Source 3**.

4a. Explain the marketing mix for **one** of TYG's products or services. Give as much detail as you can.

Product/Service:.....

Explanation:

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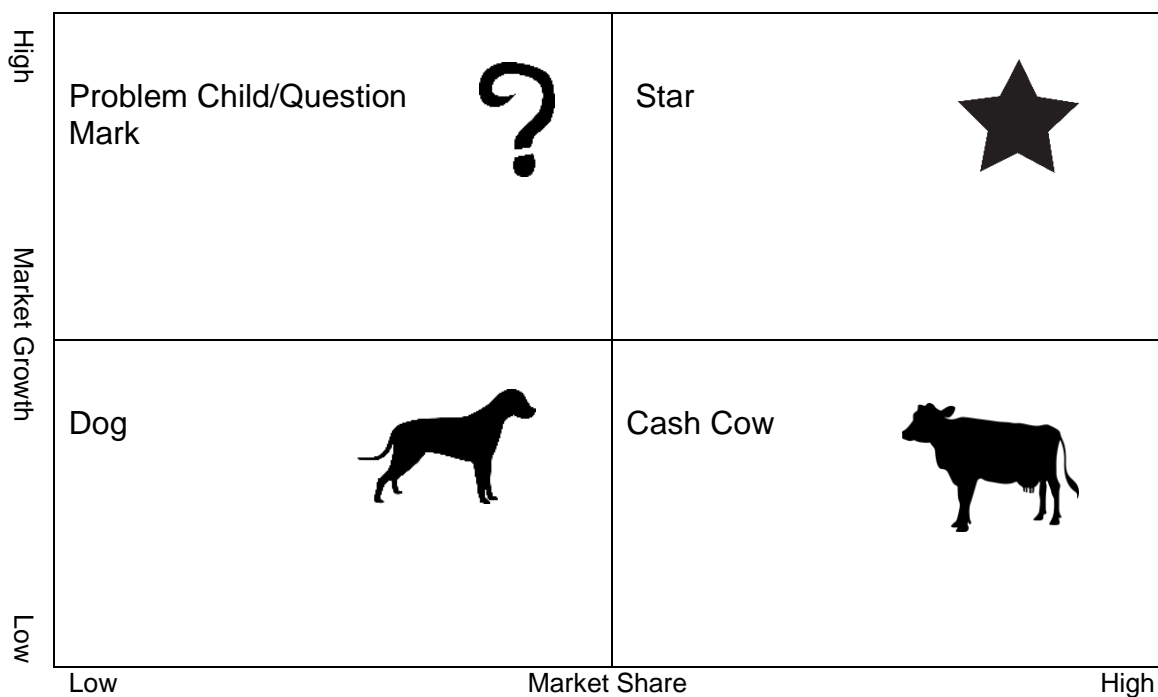
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4b. Write the following product/service in the correct boxes of the Boston Matrix below.

- (i) The Club
- (ii) The Academy



Explain your choice.

- (i) The Club:

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(ii) The Academy:

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| Assessment criteria | Pass | Merit | Distinction |
|--------------------------------------|---|---|--|
| 3.1 Explain the marketing mix | Learners will explain the marketing mix | Learners will explain the marketing mix in detail | Learners will explain the marketing mix perceptively |

Before you attempt Task 5, you must read **Source 4** below and use this in your responses.

Marketing Methods

In addition to the marketing methods already identified, Isaac advertises both The Club and You Salon on the sides of local buses. They are the only local haircare business to do this. Isaac believes it's a great way of reaching a large number of potential customers. Isaac took out a weekly quarter page advert in a free North West newspaper, but stopped when he realised how few sales this generated.

Gift vouchers are available to purchase online or at the salons for any of the business's products or services. These are promoted through the TYG website and salons. The gift vouchers have sold very well for the You Salon, less well for other services.

Mintel research shows that spending on men's haircare is forecast to grow by 11% over the next five years. TYG's own primary research has shown that there is a big increase in the number of men's salons opening up in city centres.

In their interviews, You Salon customers said they especially liked the Bob Bar. They also wanted other beauty services to be available. A full day 'pamper package' will be introduced. Research suggests that customers would be prepared to pay £200 for this. The Salon does not employ a nail technician or offer wedding day services.

In response to feedback from the focus group, a range of children's hair care products was added to the You Organics range. This range is now the best seller. As yet, there are no products targeted at men.

At the start of the university year, You Salon distributed flyers to students, advertising 'Mad Mondays'. A discount voucher entitles students to a 10% discount. Records show that only 5% of new student customers used this voucher.

Followers of their Facebook page and Twitter feeds are nearly all customers of the You Salon. No customers of their mobile haircare service are followers. This has made it difficult to keep this group up to date with offers and new services.

Task 5

You must ensure that your work in Tasks 5a, 5b and 5c addresses assessment criterion 4.1. You can refer to the assessment criterion at the end of the Task.

This Task is about the marketing mix for TYG. You will need to use information from **Sources 1, 3 and 4** when responding to this Task.

5a. Explain what went well and what did not go well for the **Promotion** and **Price** elements of the marketing mix.

Promotion

What went well?

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What did not go well?

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Price

What went well?

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What did not go well?

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5b. Suggest **two** improvements that TYG could make to their marketing mix. Give reasons for your suggestions.

Improvement 1:

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Reasons:

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Improvement 2:

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Reasons:

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| Assessment criteria | Pass | Merit | Distinction |
|--|---|--|---|
| 4.1 Evaluate the effectiveness of different marketing methods | Learners will evaluate the effectiveness of the marketing of the business or enterprise methods | 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 | 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 |

Task 6

You must ensure that your work in Tasks 6a and 6b addresses assessment criterion 3.2. You can refer to the assessment criterion at the end of the Task.

6a. Explain in detail **two positive** impacts that social media and the internet can have on **any** business when **promoting** products and services.

Compare these to the impact that traditional methods can have.

First positive impact of social media and the internet:

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Comparison to traditional methods:

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Second positive impact of social media and the internet:

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Comparison to traditional methods:

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6b. Explain in detail **two negative** consequences that might arise when **any** business uses social media and the internet for promotion.

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| Assessment criteria | Pass | Merit | Distinction |
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| 3.2 Explain the impact of social media and the internet on promotion | Learners will explore the impact of social media and the internet on promotion | Learners will clearly explain the impact of social media on promotion in comparison to traditional methods | Learners will explain the positive and negative impacts of social media on promotion |

This is the end of the external assessment.

What you need to hand in after your external assessment

At the end of the timed external assessment you will hand in the following to your Invigilator:

- this external assessment paper
- any extra paper you have used, securely attached to this assessment paper.

Make sure that:

- all your work, including any extra paper, is clearly identified with your name, your learner number, your centre name and your centre number
- you've signed the learner declaration on the front page of this external assessment paper.