

## External Assessment

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

Unit 02 Marketing for business and enterprise

**Paper number:** P000417

**Assessment window:** 01 February–14 February 2018

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

#### Complete your details below:

<b>Centre name</b>		<b>Centre number</b>	
<b>Learner name</b>		<b>Learner number</b>	

**Total time allowed – 4 hours**

*Examiner use only*

#### Instructions for learners

- Read all instructions carefully and make sure that you understand what you need to do to answer each task.
- You **MUST** attempt **all** of the tasks to address all assessment criteria. You cannot achieve a Pass grade unless you meet the required standard in all of the questions.
- Write your responses to the questions in the spaces provided. If you need more space you may use extra paper.
- If you are using a word processor, you **must** make sure that all of your work is printed out.
- Make sure that any printouts or extra paper is securely attached to this assessment paper and labelled clearly with:
  - your name and learner number
  - your centre name and centre number
  - the task and question number.
- At the end of the assessment, hand all documents over to your Invigilator.

AC	Grade
2.1	
2.2	
2.3	
3.1	
3.2	
4.1	

You are **not** allowed to use the internet during this external assessment and no other resources can be used in this assessment.

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

SAMPLE

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Before you attempt Task 2 you must read **Source 1** below and use this in your responses.

**Source 1**

**Rey Murray's Bicycles**

Rey Murray was a member of the Great Britain Olympic cycling team at the London 2012 Olympics and won a gold medal. She retired soon afterwards due to a knee injury. She opened Rey Murray's Bicycles in 2013 in the town of Hoylesea, Cheshire.

Rey initially relied on her reputation to target the professional cycle rider market – her fame as an Olympic rider attracted regular visits from professional riders. They were prepared to pay high prices for the new specialist, high-quality professional racing bicycles that Rey stocked. They also need specialist equipment and repairs, such as repairs to racing gears that are not found in most cycle shops and not bought by ordinary cyclists. However, sales in this part of the business have fallen each year since 2015, although it is still very profitable.

Rey now sells more bicycles to commuters than any other customer group. Sales have risen each year since 2013. Commuters will pay high prices for new high-quality, reliable road bicycles equipped with standard road bike gears. Reliability matters, as they use their bicycles every day to commute to the railway station.

Bicycle sales to students are also an important revenue stream, accounting for 30% of the shop's total sales. As students have a limited income, they want to buy second-hand road bicycles that are of high quality and reliable but much cheaper than professional racing bicycles.

Offering customers bicycle repairs is a new but growing part of Rey's business. She began offering repairs six months ago. Most bicycle repairs are carried out for either students or commuters. Students with broken bicycles are prepared to wait several days for repairs. Commuters are less patient because they need their bicycles repaired quickly for their daily commute to the local railway station. Rey therefore offers commuters a same-day repair service but charges a higher price for this. All customers for the repair side of the business want high-quality parts used when their bicycles are repaired.

**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.** Rey Murray’s Bicycles has a number of target markets.

Identify **three** of Rey Murray’s Bicycles target markets from **Source 1**.

Explain how Rey knows that each of the chosen target markets is suitable for her business.

Target market 1:

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How does Rey know that this target market is suitable for her business?

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Target market 2:

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How does Rey know that this target market is suitable for her business?

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Target market 3:

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How does Rey know that this target market is suitable for her business?

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Assessment criteria	Pass	Merit	Distinction
<b>2.1 Identify the various target markets for an organisation</b>	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 Rey's target markets from **Source 1** and identify their needs.

These can be the same target markets you identified in 2a or different ones.

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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**2c.** Choose **two** of Rey's target markets from **Source 1** and explain how the needs of these **two** target markets are **similar** and how they are **different**.

These can be the same target markets you identified in 2a/2b or different ones.

Target market 1:.....

Target market 2:.....

How the needs are similar:

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How the needs are different:

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<b>Assessment criteria</b>	<b>Pass</b>	<b>Merit</b>	<b>Distinction</b>
<b>2.2 Compare the different needs of the target markets for an organisation</b>	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

SAMPLE



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

## **Source 2**

### **Market Research**

Before Rey opened her business, her business advisor from a local bank stressed the importance of market research. Rey used both primary and secondary market research to collect quantitative and qualitative data.

- She purchased reports from Mintel to find out about market data and consumer trends. This told her that the market for bicycles was growing significantly.
- She used the internet to find out that 60% of the 5000 students attending the local university used bicycles to get from their flats to lectures.
- Before opening, she sent one of her employees to visit three rival local bicycle shops, checking out the bicycles they stocked and the prices they charged. This provided very useful information that informed Rey of the need to price her products carefully.
- In her first two months of trading, she provided each customer who bought a bicycle from her shop with a questionnaire that required just yes or no answers. Even though she provided a prepaid envelope with each one to encourage customers to post them back, the return rate was only 4%.
- She posts surveys on her Facebook page, using open-ended questions. These surveys allow customers to make a variety of suggestions, such as the services Rey should offer and when she should be open. Feedback from one of these surveys last year showed that there was a significant need in Hoylesea for a bicycle repair service.
- To encourage completion of her latest Facebook survey, she is offering a chance to win a free bicycle service for each survey completed. This has been very successful, with 150 members of her Facebook group completing the latest survey.

### 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.** Rey has used primary and secondary research methods to collect quantitative and qualitative data.

Describe how any **two** of these research methods have been used by Rey and give **one** advantage and **one** disadvantage of each method for Rey's business.

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

<b>Primary</b>	<b>Secondary</b>	<b>Quantitative</b>	<b>Qualitative</b>
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How has Rey used this method?

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**One** advantage of this method for Rey's business:

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**One** disadvantage of this method for Rey's business:

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

<b>Primary</b>	<b>Secondary</b>	<b>Quantitative</b>	<b>Qualitative</b>
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How has Rey used this method?

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**One** advantage of this method for Rey's business:

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**One** disadvantage of this method for Rey's business:

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SAMPLE





### Source 3

### Marketing Methods Part 1

For most customers who need their bicycles repaired, Rey uses a competitive pricing strategy.

Puncture repairs are £10, new brakes are £15 and a new chain is £25.

However, for the same-day repair service she uses a premium pricing strategy which adds 25% to the price, e.g. a same-day puncture repair is £12.50.

At the start of this year she tried using 'hang tags' to raise awareness of her bicycle repair service amongst rail travellers and students. An example of Rey's hang tag is shown below.



Hang tags were put onto the handlebars of all bicycles in bicycle shelters at the railway station and at the university. In the first month, this resulted in 58 new customers for the bicycle repair service. Rey thought this was better than the leaflets she had used, which would often simply blow away!

Hang tags are now placed monthly, the response has been excellent and bicycle repairs are now a growing part of Rey's business.

**Source 4****Marketing Methods Part 2**

When she first opened, Rey placed advertisements in the local newspaper each week. She did this for the first year of trading but it was expensive and attracted very few customers.

She has a weekly advertisement on a local radio station and this has been very successful, attracting many students to her shop. She plans to continue with these radio advertisements this year.

All of her products and services are promoted on the website and many of her new customers first learn about her business from the website. However, some customers have complained that the website is not updated regularly enough and sometimes find that prices in the shop are higher than stated on the website. The website allows customers to reserve items for collection but does not provide a facility for customers to pay for items they have reserved. Customers can also use the website to book a slot to have their bicycle repaired.

Rey's shop is on a busy high street. Her shop has its own small customer car park. This is important for the repair side of the business, as many customers come by car when they bring their bicycles for repair. Many customers have told Rey this is the main reason why they chose her shop for their bicycle repairs. However, the high street was closed to cars for three weeks last December due to major road works. This caused a significant fall in in the repair side of her business during that time period.

Sales of bicycles in Rey's shop peak in March and November each year. Sales are lowest in January and February. Unlike many of her rivals, Rey does not have a January sale.

The only social media platform used by Rey's business is Facebook.

**Task 4**





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SAMPLE

**4b.** Rey’s shop provides a bicycle repair service and among the products sold is a range of professional racing bicycles.

**Figure 1.**

**Product Life Cycle Diagram**

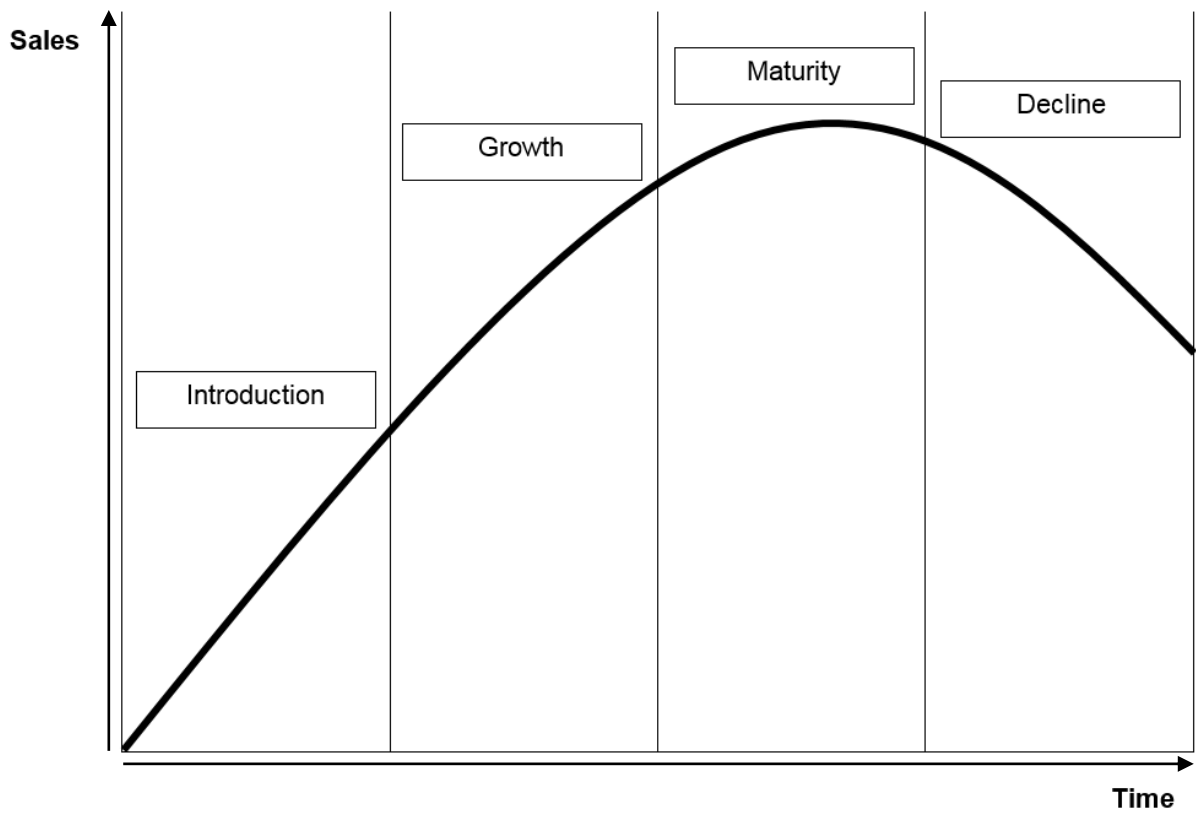


Figure 1 shows the product life cycle diagram.

Using the information in Figure 1, identify the correct stages in the product life cycle for the following products/services provided by Rey Murray's Bicycles.

**Bicycle repair service**

Stage:.....

**Professional racing bicycles**

Stage:.....



**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 Rey's products or services.

You will need to use information from **Sources 3** and **4** when responding to this task.

**5a.** Explain **one** aspect that went well and **one** aspect that did not go well for both the **Promotion** and **Place** elements of the marketing mix.

**Promotion**

One aspect that went well:

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One aspect that did not go well:

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**Place**

One aspect that went well:

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One aspect that did not go well:

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SAMPLE

**5b.** Suggest **two** improvements that Rey could make to her 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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<b>Assessment criteria</b>	<b>Pass</b>	<b>Merit</b>	<b>Distinction</b>
<b>4.1 Evaluate the effectiveness of different marketing methods</b>	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

SAMPLE



**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 the impact that social media and the internet can have when promoting products and services to the impact traditional methods can have.

First positive impact of social media and the internet when promoting products/ services:

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Comparison to traditional methods:

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Second positive impact of social media and the internet when promoting products/ services:

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Comparison to traditional methods:

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SAMPLE

**6b.** Explain **two negative** consequences that might arise when **any** business uses social media and the internet to promote its products/services.

First negative consequence:

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Second negative consequence:

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<b>Assessment criteria</b>	<b>Pass</b>	<b>Merit</b>	<b>Distinction</b>
<b>3.2 Explain the impact of social media and the internet on promotion</b>	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.

SAMPLE