



External Assessment

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

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

Paper number: P000677

Assessment window: 1 October – 12 October 2018

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

Complete your details below:

Centre name		Centre number	
Learner name		Learner number	

Total time allowed – 4 hours

Instructions for learners

- Read all instructions carefully and make sure that you understand what you need to do.
- 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 Tasks.
- 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 are 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.

<i>Examiner use only</i>	
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.

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

Source 1

Joe Clean

Joe Clean owns a hand car wash business. It is based in Birmingham and has grown significantly since it was started five years ago. He now employs six other people. Initially Joe operated his hand car wash business in a supermarket car park and then soon after added a mobile car wash service. The supermarket charge him rent which will double next year.

Customers at the supermarket site are car owners who want their cars washed and polished whilst they do their shopping. They like the location because it is convenient. They do not need it to be waxed but some want it vacuumed. These customers do not want to book the service in advance. The carwash is open every day from 8am until 6pm. This suits most customers as they do their shopping between these hours. The business attracts many positive reviews online, identifying the high quality service as one of the main reasons they choose Joe's car wash. Joe's sales remain constant each year and he has no plans to open any similar operations.

A number of local businesses were attracted by the mobile side of Joe's business and they want the service carried out on their own premises. They want a high quality service which includes wash, polish, wax and a full interior clean and are prepared to pay a high price for this. Joe goes on the same day every week and cleans whichever cars are available so these customers do not need to book. He is so busy he is turning business away.

40% of Joe's income comes from a large second hand car dealership. It requires a full valet of any car that has been brought in for resale. This includes shampooing of the seats and polishing the wheels. No other customers want this level of service. The dealership books the service online and expects the service to happen on its premises within 24 hours of making the booking. As the cars are for resale the dealership requires the service to be of the highest quality. This is the most profitable side of the business.

Three months ago Joe launched a new cleaning service aimed at local office owners. These customers want to have their offices cleaned daily between 10pm and 6am. At the client's request, Joe provides staff who vacuum, empty bins and clean the toilets. Customers want a high quality service. Joe is not yet sure if he will continue offering this service as sales are growing slowly.

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** to answer Task 2a.

2a. Joe Clean has a number of target markets.

Identify **three** of Joe Clean’s target markets from **Source 1**.

Explain how Joe knows that each of the chosen target markets are suitable for his business.

Target market 1:

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How does Joe know that this target market is suitable for his business?

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Target market 2:

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How does Joe know that this target market is suitable for his business?

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Target market 3:

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How does Joe know that this target market is suitable for his business?

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Assessment criterion	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

Please turn over for the next task.

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 2c.

2b. Choose **two** of Joe'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 Joe'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 and 2b or different ones.

Target market 1:.....

Target market 2:.....

How their needs are similar:

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How their needs are different:

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Assessment criterion	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

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

Source 2

Market Research

Before Joe opened his business he carried out both primary and secondary market research. A lot of local petrol stations offered automatic car wash facilities so he knew he had to provide a service that was better than the competition. He gathered both qualitative and quantitative data.

- He purchased reports from Mintel to find out about market data, consumer trends and competitor profiles. This told him that the number of hand car wash businesses was growing rapidly.
- He used the internet to find out that there were seven garages offering automatic car wash facilities within a three mile radius and only one that offered a hand wash service, called Jane's.
- Before opening, he took his own car to Jane's to see what services were offered and the prices that were charged. He also checked the quality of the car wash.
- Each year he sends questionnaires to his local businesses asking their opinion on the service he offers. Despite including a stamped addressed envelope, only 4% are returned.
- He joined the International Car Wash Association who sent him a monthly magazine with information about the industry and current trends. This told him that customers value quality of service over the price. It also told him that customers like the chance to buy additional services like screenwash top up.
- He also used the Internet to find out that 85% of people living in the local area owned cars.
- He read in a daily newspaper that the number of automatic car washes will halve in the next 20 years as the number of hand car washes rise.
- At the end of washing a car in the supermarket car park, Joe asks every customer to fill in a card that allows them to rate his business on a score from 1 to 3 in terms of value for money. 75% of customers rate Joe's business a 1 which is the best score.
- Joe did an internet search to see how many other businesses offered office cleaning. At least five companies were listed in the local area.
- Joe conducted a survey on Twitter to find out whether price or quality was most important to customers. He received only 10 responses.

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. Joe 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 Joe and give **one** advantage and **one** disadvantage of each method for Joe's business.

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

Primary	Secondary	Quantitative	Qualitative
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How has Joe used this method?

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One advantage of this method for Joe's business:

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One disadvantage of this method for Joe's business:

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Research method 2 (circle a **different** research method and circle **ONLY one**):

Primary	Secondary	Quantitative	Qualitative
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How has Joe used this method?

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One advantage of this method for Joe's business:

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One disadvantage of this method for Joe's business:

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3b. Joe would like to improve his market research methods.

Recommend **two** ways in which Joe could improve his market research methods **and** explain how each could benefit his business.

First recommendation:

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How could this benefit Joe's business?

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Second recommendation:

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How could this benefit Joe's business?

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Assessment criterion	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

Source 3**Marketing Methods Part 1**

Marketing Mix

Joe's chooses different prices for the different services he offers. At the supermarket car wash he puts his prices on a board for his customers to see. He uses a competitive pricing strategy as his market research suggested that customers choose on quality of service rather than price.

Joe Clean's Hand Car Wash Service Menu			
Car Size	Outside wash only	Outside wash and polish	Outside wash, polish and vacuum
Small	£6	£12	£15
Medium	£8	£16	£20
Large	£10	£20	£25

Joe promises the second hand car dealership a full valeting service within 24 hours of making a booking. No other company offers such a promise so he operates a price skimming policy. This will change if a competitor moves into the market.

Joe initially used a penetration pricing policy when he launched his office cleaning business but found it difficult to cover his costs. He worried that being significantly lower than his competitors suggested that he was offering a lower quality service. Joe now operates a competitive pricing policy but sales are only growing slowly.

Source 4**Marketing Methods Part 2**

When he first opened Joe paid for an advertisement in the local cinemas. This was expensive and he stopped this after three months as he could not be sure that the advert reached his target markets.

Once a month Joe places leaflets on the cars in the supermarket car park. Although this seems to have no impact on the number of customers, he continues to do this as he worries that customer numbers may fall if he stops.

At the moment the only social media platform Joe uses is Twitter. He does not have a Facebook page or advertise on any other social media. He does have a link on his webpage to a YouTube video that shows the high quality of the cleaning that he and his team do. This video gets a surprisingly large number of views every month.

Joe Clean's website promotes all of his products and services. It is regularly updated and provides information on prices and services. The local businesses love it as they book and pay for all of Joe's services online. Joe is thinking of providing the same facility for his supermarket customers.

When Joe first started he ran a loyalty scheme for all of his customers but quickly dropped it for his business customers as they said it did not influence their decision to use his services. However over 50% of his supermarket customers use the loyalty card which allows them one free wash for every nine they pay for.

In January and July, Joe runs a special promotion for his supermarket customers. All customers are entered into a grand draw and the winner receives £100 and a free car wash every month for a year. The draw receives a lot of publicity and is covered by both the local newspaper and local radio. Sales in January and July are always the highest.

Joe has the name and internet address on the side of the two vans he uses for the business. Feedback tells him that 20% of his business is generated through advertising like this.

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Please turn over for the next task.

4b. Joe Clean provides cleaning services to supermarket customers and local offices.

Figure 1.

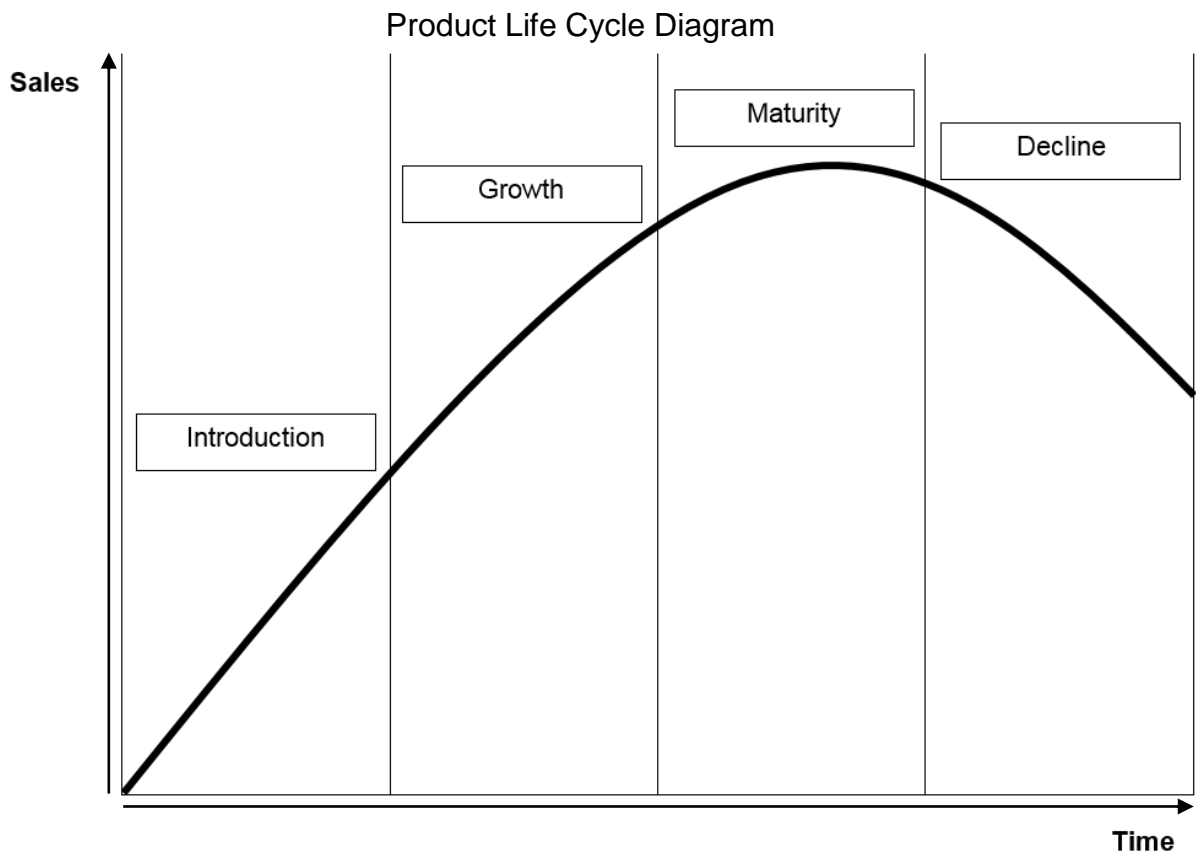


Figure 1 shows the product life cycle diagram.

Using the information in Figure 1, identify the correct stages in the product life cycle for the following products/services provided by Joe Clean.

Car wash for supermarket customers

Stage:.....

Office cleaning

Stage:.....

4c. Explain how and why the price element of the marketing mix will be different for the car wash provided for supermarket customers and for the office cleaning.

Assessment criterion	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

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 Joe Clean’s services.

You will need to use information from **Source 1**, **Source 3** and **Source 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 **Price** 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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Price

One aspect that went well:

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One aspect that did not go well:

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5b. Suggest **two** improvements that Joe could make to his 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 criterion	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 two impacts to the impacts that can be achieved by using traditional methods of promotion.

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

First negative consequence:

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Second negative consequence:

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Assessment criterion	Pass	Merit	Distinction
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 of your work, including any extra paper, is clearly identified with your name, your learner number, your centre name and your centre number.