

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: P000678

Assessment window: 4 February 2019 – 15 February 2019

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

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.

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

Source 1

Rima Desserts

Rima Mellor is the owner of Rima Desserts. The business has been operating for 10 years. Rima began by selling handmade cheesecakes to local bakeries in North Wales. Like most cheesecakes these contain animal products. Rima's expanding business means that she is to move to a larger factory unit, on the same trading estate, next month. The bakeries want fresh, high quality cheesecakes that are delivered daily in attractive packaging. At present she supplies 30 bakeries but sales to these customers have fallen by 30% in the last three years. The bakery owners have told Rima that they have lost sales due to low priced alternatives available in supermarkets. Cheesecakes still account for 30% of her annual profits.

Five years ago, Rima began producing handmade chocolate cakes. She supplies these to six local luxury hotels. The cakes are fragile so hotels require packaging that prevents damage to the cakes. They want delivery to take place once a week. Hotels demand that these products are of high quality as they are an important part of their dessert menus. Sales have remained strong and all hotels have provided positive feedback on the quality of Rima's cakes.

Rima's research showed that there was a large potential market for handmade high quality chocolates. Two years ago she launched her range of chocolates, called ChocEx. These are expensive and only available online. They are promoted and sold on her website and she also promotes them through her Facebook pages. Her typical customer has an above average income as ChocEx are very expensive. They expect a high quality handmade product, with attractive, expensive packaging as these are often bought as presents. These customers want delivery within 48 hours of an order being placed.

Recently Rima launched a range of vegan chocolates using the brand name, ChocExND. She sells these through her website so customers need them to be securely packaged. These are aimed at vegans who want handmade, high quality chocolates that do not contain animal products. They would not buy her original ChocEx range as they contain cows' milk. Sales are slowly taking off and she has received lots of positive comments from on her Facebook page about this new product. This is a growing market and customers want delivery within seven days.

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. Rima Desserts has a number of target markets.

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

Explain how Rima Desserts know that each of the chosen target markets are suitable for her business.

Target Market 1:

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

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Target Market 2:

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

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Target Market 3:

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How does Rima know that this target market is suitable for her 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 question.

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 Rima'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 Rima'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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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

Rima conducted market research before she opened her business and continues to do so. She uses 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 provided her with detailed statistics on the market for hand-made chocolates and showed that the demand for these was growing significantly.
- Once a year, she visits each of the six hotels that stock her chocolate cakes. This enables her to get detailed feedback and to get suggestions for any improvements the hotels would like.
- Before launching her ChocEx brand she visited two shops in Cardiff that supplied hand-made chocolates. This allowed her to check out the taste, prices charged and the standard of presentation. This provided very useful information that told Rima that her chocolates needed to look as good as they tasted.
- Inside each ChocEx box sent out to online customers is a comment card which allows customers to rate the taste, presentation and packaging on a scale of 1 to 10. Unfortunately, very few of these are returned despite her enclosing a stamped addressed envelope.
- She used the internet to find out that there are only two online suppliers of handmade vegan chocolates in the UK. This encouraged her to develop her new brand of vegan chocolates with the brand name, ChocExND.
- She does not use any organised method of market research for the bakeries that purchase her cheesecakes, relying on her delivery driver to pass on any issues mentioned to them when making deliveries.

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

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

Primary	Secondary	Quantitative	Qualitative
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How has Rima used this method?

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One advantage of this method for Rima's business:

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One disadvantage of this method for Rima'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 Rima used this method?

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One advantage of this method for Rima's business:

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One disadvantage of this method for Rima's business:

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3b. Rima would like to improve her market research methods.

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

First recommendation:

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How could this benefit Rima's business?

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Source 3**Marketing Methods Part 1**

For hotels that purchase her chocolate cakes Rima uses a competitive pricing strategy. This has ensured that she hasn't lost one of these contracts as the hotels want both quality and competitive prices.

For her handmade ChocEx range of chocolates she uses a price skimming strategy. This has been very successful as the high prices reinforces her image of quality and have made this a very profitable part of her business. Many of her customers now have monthly repeat orders for their favourite treats.

ChocEx's quality image was further strengthened in January when her ChocEx chocolates were placed first in a tasting competition at an exclusive, luxury London restaurant. This generated free advertising for Rima as this success was reported on TV.

The vegan chocolate range, ChocExND, was launched three months ago. She is using penetration pricing to break into this market and the low prices she is charging are not even covering costs. She hopes to capture 1% of this fast-growing market by the end of the year. The market for vegan chocolates is dominated by two large businesses that have sufficient finance to engage in national television advertising.

Rima has encountered quality control issues with this new range of vegan chocolates. In the first three months of production she had to give away a whole day's batch on six occasions as problems with the recipe and the ingredients produced chocolates that tasted fine but had unsightly blemishes. These batches were given away to a local charity. If the production issues cannot be solved, then Rima may decide to no longer produce this product.

Source 4**Marketing Methods Part 2**

Rima does not advertise directly to bakery owners. She has 30 regular customers most of whom heard of her cheesecakes from word of mouth recommendations.

When she first began producing chocolate cakes, Rima sent out direct mail advertisements to all the local hotels in her area. However, this only resulted in one order in the first month of trading.

She quickly found that 'personal selling' was more effective – she made appointments to visit managers at 10 hotels. At these appointments she was able to explain her business and provide samples of her cakes. Six of the hotels are now regular customers.

Rima's ChocEx brand is only promoted on the website and Facebook. She has never advertised it in a magazine. 95% of new customers for ChocEX first learn about her business from the website and Facebook. The other 5% come from word of mouth recommendations.

For the ChocExND chocolates Rima has placed advertisements each month since its launch in three specialist magazines read by vegans. When ordering online customers for ChocExND are asked where they first heard of the brand and so far over 85% have said it was from a magazine advertisement. As a result, Rima intends to continue with these advertisements for a further three months.

The website allows customers to place orders, but many customers have complained that each time they want to place an order they have to enter all their details from scratch including their name, address and bank or credit card details.

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

Task 4

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

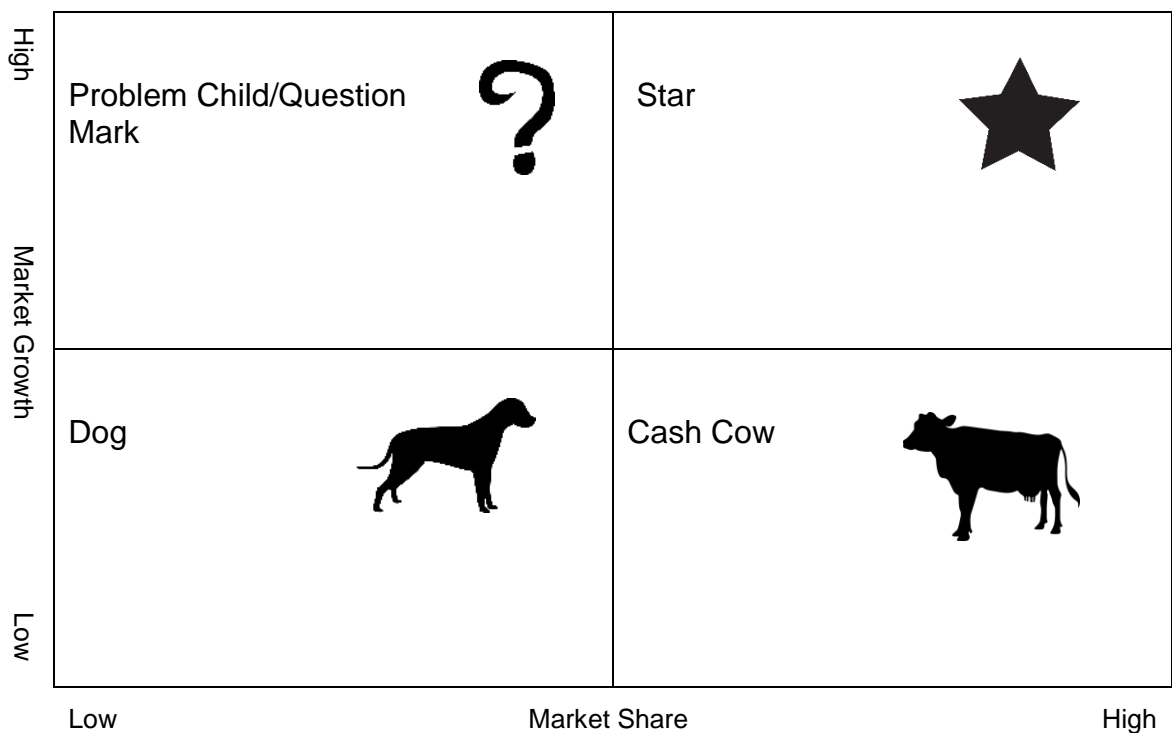
You will need to use information from **Source 1**, **Source 3** and **Source 4**.

4a. Explain all four elements of the marketing mix for Rima's **ChocEx brand of chocolates ONLY. Give as much detail as you can.**

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4b. Below is a Boston Matrix. Rima's latest product is the **vegan chocolate brand, ChocExND**.

Write the name of **this product** in its correct category in the matrix below.



This image shows a full page of handwriting practice paper. It features multiple sets of three horizontal dashed lines, each set providing a guide for letter height and placement. The lines are evenly spaced across the entire page, leaving ample room for practicing various writing styles and sizes. There are no margins, text, or other markings present.

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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 Rima's products.

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 the **Product** and **Price** elements of the marketing mix for any of Rima's product range.

Product

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 Rima 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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This image shows a full page of primary-ruled paper. It features approximately 20 horizontal dashed lines spaced evenly down the page, providing a guide for handwriting practice. The paper is otherwise blank, with no margins, text, or other markings.

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.

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