

Unit 3

Marketing

Categorised

Past Papers



3 Crispy Crunch is the brand name of a breakfast cereal made by Banbury. The business spends a lot of money on promoting its brands. Some Banbury managers think this spending is not cost effective. 'Perhaps modernising our factories to automate the production process would be a better use of our capital' said one manager, 'I think a lot of our marketing expenditure is wasted'.

(a) What is meant by the term 'brand name'?

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(b) What is meant by the term 'capital'?

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(c) Identify and explain **two** reasons why spending money on advertising might not be cost effective.

Reason 1:

Explanation:

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Reason 2:

Explanation:

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..... [4]

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- (d) Identify and explain **three** factors that a company should consider in deciding on the name for a new brand of breakfast cereal.

For
Examiner's
Use

Factor 1:

Explanation:

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Factor 2:

Explanation:

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Factor 3:

Explanation:

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- (e) Do you think that automation in the factory would benefit Banbury's employees and shareholders? Justify your answer.

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2 Cycles4u make a wide range of bicycles. The business is 'product orientated' as it believes that good products will sell easily. The business does not use any market research to help in decision making. However, Cycles4u does spend a lot of money on promoting its products to the target markets.

(a) What is meant by the term 'product orientated'?

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(b) What is meant by the term 'target market'?

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(c) Identify and explain **two** possible disadvantages to a business of having a wide product range.

Disadvantage 1:
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Explanation:
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Disadvantage 2:

Explanation:
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..... [4]

- (d) Identify and explain **three** channels of distribution that Cycles4u could use to help launch a new range of bicycles.

For
Examiner's
Use

Channel 1:

Explanation:

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Channel 2:

Explanation:

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Channel 3:

Explanation:

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..... [6]

- (e) Do you think that Cycles4u should use market research in the future? Justify your answer.

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2 Early Tots makes wooden toys for children. The business uses both primary and secondary market research data to decide what products to make. It has a wide range of toys but some of the products are nearing the end of their product life cycle. The managers are thinking about using extension strategies for these products.

(a) What is meant by the term 'secondary market research'?

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..... [2]

(b) What is meant by the term 'product life cycle'?

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..... [2]

(c) Identify and explain **two** methods that Early Tots could use to gather primary market research data.

Method 1:
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Explanation:
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Method 2:

Explanation:
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..... [4]

(d) Identify and explain **three** extension strategies that Early Tots could use.

Strategy 1:

Explanation:

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Strategy 2:

Explanation:

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Strategy 3:

Explanation:

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..... [6]

(e) Consider the advantages and disadvantages of **two** channels of distribution that Early Tots could use for a new range of wooden toys. Recommend which channel Early Tots should use. Justify your answer.

Channel 1:

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Channel 2:

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Recommendation:

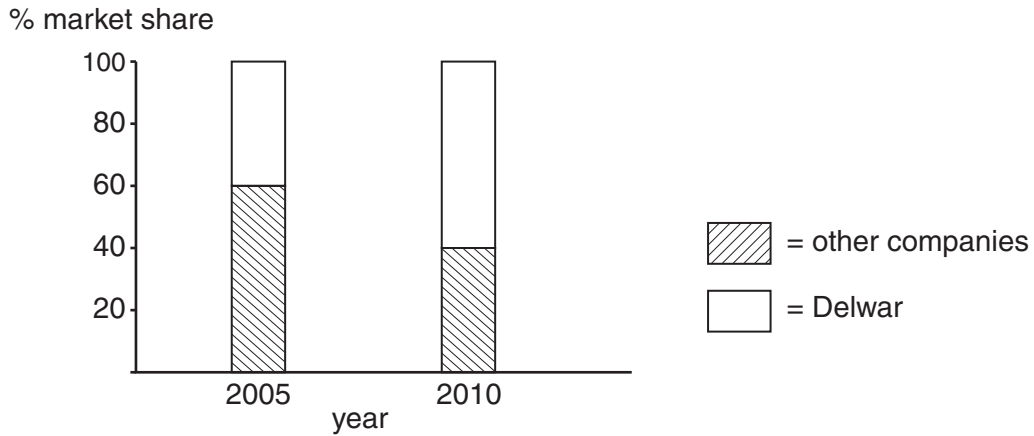
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- 4 Delwar makes car tyres. The business is located in country Z. At present, all its sales are to customers in country Z. Delwar is the market leader in this country. Fig. 1 gives data regarding its market share. The total value of car tyre sales in country Z in 2010 was \$50m. This market is no longer growing. The Managing Director of Delwar thinks that exporting tyres is the way forward. There will be both costs and benefits of exporting tyres.

Fig. 1: Bar chart showing market share



- (a) What is meant by the term 'market leader'?

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 [2]

- (b) Calculate the value of Delwar's sales in 2010.

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 [2]

- (c) Identify and explain **two** possible reasons why the market for car tyres in country Z is no longer growing.

Reason 1:

Explanation:

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Reason 2:

Explanation:

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 [4]

- (d) Identify and explain **three** methods Delwar could use to increase its market share in country Z.

For
Examiner's
Use

Method 1:

Explanation:

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Method 2:

Explanation:

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Method 3:

Explanation:

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- (e) Do you think Delwar's profits would increase if the business were to export its tyres? Justify your answer.

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2 Party Pops is a business that sells products such as cakes and balloons for childrens' birthday parties. The Marketing Director thinks that the demand for the company's products is price elastic. Party Pops advertises on television. The products are sold through the company's own retail shops. However, the Marketing Director is thinking of changing this to selling only on the Internet.

(a) Identify **two** aims of advertising.

Aim 1:

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Aim 2:

..... [2]

(b) Identify **two** methods of pricing that Party Pops could use.

Method 1:

Method 2: [2]

(c) Identify and explain **two** reasons why the demand for the company's products is likely to be price elastic.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

..... [4]

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- (d) Identify and explain **two** methods of promotion (other than advertising) that Party Pops could use to increase sales.

For
Examiner's
Use

Method 1:

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Explanation:

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Method 2:

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Explanation:

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- (e) Do you think Party Pops should stop selling through shops and sell only on the Internet? Justify your answer.

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3 Yura is the Managing Director of a company that sells holidays. The company organises hotels, air flights and car hire for customers. For the first time, the company is going to do some market research. Secondary sources will be used and a sample of customers will be selected for primary research.

(a) What is meant by 'market research'?

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..... [2]

(b) Identify **two** advantages of using secondary sources.

Advantage 1:
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Advantage 2:
..... [2]

(c) Identify and explain **two** methods of sampling that the company could use.

Method 1:
Explanation:
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Method 2:
Explanation:
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..... [4]

- (d) Identify and explain **two** ways of segmenting the market for holidays that the company could use.

For
Examiner's
Use

Way 1:

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Explanation:

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Way 2:

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Explanation:

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..... [6]

- (e) Yura believes that the price is the most important part of the marketing mix for holidays. Do you think that he is correct? Justify your answer.

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2 B&G manufactures a popular hair shampoo called Slick. The Managing Director thinks that Slick is near the end of its product life cycle. He believes it would be better to use extension strategies rather than develop a new product. The Operations Director thinks quality control can help the business comply with new consumer protection laws.

(a) What is meant by 'quality control'?

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.....[2]

(b) Identify **two** stages of the product life cycle.

Stage 1:
Stage 2: [2]

(c) Identify and explain **two** ways in which consumer protection laws could benefit B&G's customers.

Way 1:
.....
Explanation:
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Way 2:
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Explanation:
..... [4]

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(d) Identify and explain **three** possible problems for B&G when developing a new product.

For
Examiner's
Use

Problem 1:

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Explanation:

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Problem 2:

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Explanation:

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Problem 3:

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Explanation:

..... [6]

(e) Explain **two** possible extension strategies that B&G could use for Slick. Recommend which strategy the company should use. Justify your answer.

Strategy 1:

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Strategy 2:

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Recommendation:

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2 Gayle's Soaps is a business which manufactures health and beauty products. Its market share has remained constant at 15% despite new businesses entering this market. The business uses market segmentation. Most of its customers are women. The Marketing manager believes the company could increase its profits if it increases the price of each of its most popular products.

(a) What is meant by 'market share'?

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..... [2]

(b) Identify **two** ways (other than gender) that Gayle's Soaps could segment its market.

Way 1:
Way 2: [2]

(c) Identify and explain **two** advantages of market segmentation for Gayle's Soaps.

Advantage 1:
.....
Explanation:
.....
Advantage 2:
.....
Explanation:
..... [4]

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- (d) Identify and explain **three** problems that a business might have when trying to enter a new market.

For
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Use

Problem 1:

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Explanation:

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Problem 2:

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Explanation:

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Problem 3:

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Explanation:

..... [6]

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- (e) Do you think that if Gayle's Soaps decides to increase prices then this will lead to higher profits? Justify your answer.

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3 Kruger manufactures advanced technology products such as computers and mobile (cell) phones. Some of its products are in the maturity stage of their product life cycle. Technology markets are very competitive. Rival businesses are always introducing new products. Kruger’s Marketing Director would like to see better market segmentation and increased brand awareness of products. She also wants the company to launch new products.

(a) What is meant by ‘the maturity stage’ of a product life cycle?

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.....[2]

(b) Identify **two** costs to Kruger of launching a new product.

Cost 1:
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Cost 2:
.....[2]

(c) Identify and explain **two** ways Kruger could increase consumers’ brand awareness of its mobile phones.

Way 1:
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Explanation:
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Way 2:
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Explanation:
.....[4]

(d) Identify and explain **two** ways of segmenting the mobile phone market.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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..... [6]

(e) Recommend an appropriate pricing strategy to Kruger for a new mobile phone. Justify your answer.

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1 Anouk is a sole trader. She designs and makes jewellery at home, using hired (rented) equipment. Anouk enjoys selling the jewellery at local markets. Last year her sales revenue increased by \$500 to \$3000. She plans to use \$50 for a marketing budget. Anouk would like to do some primary market research when she has time. Anouk thinks she should have a business partner.

(a) What is meant by a 'marketing budget'?

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.....[2]

(b) Identify **two** methods of primary market research that Anouk could use.

Method 1:
Method 2:[2]

(c) Identify and explain **two** possible advantages for Anouk of **hiring** equipment.

Advantage 1:
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Explanation:
.....
Advantage 2:
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Explanation:
.....[4]

(d) Identify and explain **two** disadvantages to Anouk of having a business partner.

Disadvantage 1:

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Explanation:

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Disadvantage 2:

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Explanation:

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..... [6]

(e) Anouk could use either leaflets or local newspaper advertising as methods of promoting her jewellery. Recommend which method you think Anouk should use. Justify your answer.

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1 Walt owns a company which has developed a new computer game for adults. A focus group report shows customers like it. Walt has been considering the marketing mix, including the packaging for this product which is likely to be sold in many countries. 'I don't want to use a wholesaler as it would affect my profit margin' he said.

(a) What is meant by a 'focus group'?

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(b) Identify **two** reasons why packaging might be important for the new computer game.

Reason 1:
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Reason 2:
.....[2]

(c) Explain why the profit margin might be important for Walt's business.

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- (d) Identify and explain **two** advantages to Walt if he decided to use a wholesaler to distribute his products.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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.....[6]

- (e) Consider **two** possible methods of promotion that Walt could use for the new game. Recommend which method he should use. Justify your answer.

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3 Mabel wants to set up her own hairdressing business. She will need to build good customer relationships. She has done some secondary market research to find out possible demand and what methods of promotion to use. She has decided to buy her inventory (stock) from a wholesaler. Mabel is now looking for the right location for her business. She thinks that location will be more important than price charged to the success of her business.

(a) Identify **two** ways that a business could build good customer relationships.

Way 1:

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Way 2:

..... [2]

(b) What is meant by 'secondary market research'?

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..... [2]

(c) Identify and explain **two** methods of promotion (other than promotional pricing) that Mabel might use.

Method 1:

Explanation:

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Method 2:

Explanation:

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..... [4]

- (d) Identify and explain **two** possible disadvantages to Mabel of buying her inventory from a wholesaler.

Disadvantage 1:

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Explanation:

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Disadvantage 2:

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Explanation:

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..... [6]

- (e) Do you think that the right location is more important than the prices she charges to the success of Mabel's business? Justify your answer.

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