

## Question 3(a)

### Candidate A

3a) Field research takes place outside of the business/workplace and involves the collection of ~~first~~ first-hand<sup>a</sup> information meaning that it is more specific and up to date<sup>b</sup> for the business. Desk research occurs within the workplace and involves using second-level<sup>a</sup> information through websites, competitors information or government publishing etc to

1

use the information. This may contain bias or may be out of date<sup>b</sup> but is much more inexpensive as it is mainly done online.

1

2/3



**Candidate C**

3a) [Field research is primary information that has been gathered first-hand by the business where as desk research is secondary information that already exists.]	
{ Field research includes things such as postal surveys, street surveys and hall tests whereas desk research is government reports, sales figures and newspapers.	
[Field research is new information that is fresh where as desk research may be old and could be out dated.]	

1

1

2/3

## Question 3(b)

### Candidate A

3) b) <del>Answer</del> One benefit of having a varied product portfolio is that you can enter different markets.	1
Another benefit of having a varied product portfolio is that <del>you can</del> the risk is spread inbetween markets.	1
One more benefit of having a varied product portfolio is that new customers can be attracted. REP	

Another benefit of having a varied product portfolio is that when experiencing loss on one product another product can make up for it. REP	
One disadvantage of having a varied product portfolio is that entering a new market costs money and has a high risk.	1
Another disadvantage of having a varied product portfolio is that if all the products are experiencing a loss the overall loss increases.	

3/5

**Candidate B**

b) One benefit of having a large <sup>varied</sup> product portfolio is [that the risk of failure is spread] across. This is good as it ensures if one product fails there is more to fall back on. <sup>REP</sup>	
[Another benefit of this is that it increases market share as there are more products on sale] which is good as this can result in an increase of profits	1
[Another benefit of a varied portfolio is that consumers may recognise the brand which will encourage them to try the <sup>other</sup> product] allowing more	1

recognition to be given to these products.	
However, a disadvantage to a wide varied product portfolio is that [Market research and advertising costs may be higher as there are more products being developed and on sale] <del>which</del> which means less money being spent on production.	1
Another disadvantage is that [if one product gets a bad reputation it could result in the brand getting a bad reputation] causing a decrease in profits due to a decrease in sales.	1

5/5

## Candidate C

3b. [One benefit of having a varied product portfolio is that having different products can spread risk between different markets.]	
This means that there is less chance of a business making <sup>REP</sup> losses. Another benefit is that [it can increase customer loyalty as customers are more likely to buy	

1

multiple products from the same brand.]	
[Another benefit is that <del>it</del> it's easier to launch new products due to the greater brand awareness.] One cost of having a varied product portfolio is that resources may be spread too thin which can affect existing <del>&amp;</del> cash cow products in a negative way. [Another cost is that bad publicity of one product can affect sales of all products within the portfolio.] Another cost is that [research & development <del>at</del> costs can be high due to multiple products being produced.]	

1

1

1

1

5/5

## Question 3(c)

### Candidate A

	<p>c. [Penetration pricing starts the price low whereas skimming pricing starts the price high.] [Penetration pricing is used in highly competitive markets whereas skimming pricing is used when there is little competition.] [Both pricing strategies change the price of the product over time.]</p>	
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

1

1

1

3/3

### Candidate B

	<p>c) Penetration pricing the price starts <sup>a</sup> low and gets higher <sup>b</sup> overtime whereas skimming price the price starts high <sup>a</sup> and decreases <sup>b</sup> overtime.</p> <p>[Both penetration pricing and price skimming are used when a product is at the introduction stage.]</p> <p>{ Penetration pricing can be associated with budget pricing (low quality) whereas skimming pricing can be associated with luxury pricing (high quality).</p>	
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

1

1

1

3/3

**Candidate C**

3c. [Penetration pricing's initial cost of a product is set low in the beginning whereas market skimming has the product's price set high in the beginning.]	
[Penetration pricing can be used in a crowded market whereas market skimming can be used where there are no competitors.]	
[Penetration pricing has low profits at the start, whereas market skimming has high profits in the beginning.]	

1

1

1

3/3

## Question 3(d)

### Candidate A

3.(d)	[A manager could evaluate whether the business are experiencing increased profits]	1
	• An [increase in positive reviews is likely to mean greater satisfaction]	1
	• A [surge in demand for a service or product means customers are receiving it well. (EPOS could indicate product levels.)]	1
	• They could [create a questionnaire for staff and customers and evaluate their views on the effects of the decision]	1
	• The atmosphere within the organisation may improve with greater levels of communication and spirit)	
		<b>4/4</b>

**Candidate B**

230) One way in which a manager can assess the effectiveness of decisions is to identify if any objectives have been made. This means

1

that they can see if their decision led to them achieving their objective or if they are further away and have to revise their decisions. Another way is to highlight any improvements made. This means that they can identify if their decision was successful and led to any improvements throughout the business. Another way is to

1/4

## Candidate C

John [arranges] can check to see if sales have increased] if they have then this is effective	1
- [they can also check to see if profit has increased within the business]	1
- [they can also check customer feedback eg social media feedback to see if customers agree with the decision]	1
- [And lastly they can <del>talk</del> ask employees for their thoughts on the decisions made] to see if they <del>value</del> agree or have feedback	1

4/4