

Worksheet 8: Marking analysis answers

- 1 Analyse, by underlining, one method of primary market research that the Marketing Director could use to help develop a new variety of vegetable chip. [4 marks]

Response 1: TT could use a questionnaire to research the market. This means that they would ask random people some questions about the flavours that they would most like. Questionnaires would be good because they can get all the data they want, and it is specific to the vegetable chips.

Mark awarded = 3

The analysis is only limited. It could be improved by developing the analysis further, for example by showing why having specific data would benefit the business; customers more likely to purchase – more sales – more revenue – more profit.

Response 2: TT could use random sampling. The big advantage of this is that there will not be any bias. This is an advantage because if there was bias then they might get the wrong data. If that happened, then the business could spend lots of money making a new variety and this could lead to increased business costs. If the product does not sell, then TT will have a lower profit margin and less overall profit or even a loss for TT.

Mark awarded = 0

This answer confuses primary market research with sampling methods. The attempt at analysis is developed into a chain, but because it is not what the question asked for it would not be awarded any marks.

Response 3: TT could use a focus group by getting a group of people together and give them the new product. The interviewer can then ask the group questions that they want an answer to, such as ‘do you like this?’ This information can be used by the managers of TT to make sure that a normal group of people like the product and try to estimate the demand. By estimating the demand TT can forecast how many to make and set their prices so that they can increase sales revenue and make more profit.

Mark awarded = 3

There is a clear, developed chain of analysis, but does not mention context.

- 2 Analyse, by underlining, one concern that the factory manager might have about the joint venture between TT and the supermarket group. [4 marks]

Response 1: TT will produce more crisps for the supermarket to sell. Which may mean that TT must open the factory for six days a week instead of five. This will increase TT’s costs and with a lower profit margin, TT may make a loss from this joint venture.

Mark awarded = 4

This response has all the elements. Context is demonstrated (six days a week instead of five) and a developed chain of analysis is evident.

Response 2: One concern the factory manager might have is that the profitability of the new chips is lower than their normal chips. This means that the difference between the cost of the new chips and the selling price is less than the difference between the cost and price of the normal chips. Profitability is vital to a business because it is likely to be the businesses’ main objective.

Mark awarded = 2

This response uses the context and shows knowledge but does not demonstrate an effect of beyond what is copied from the data. Repetition of the data is not analytical.



Response 3: *The factory manager will be pleased that there would be a better cash flow because it is likely to mean that his job is more secure. This means that he can relax and not worry about his job and should motivate him. If he is more motivated then he will work harder and this may mean that he motivates the other workers, produce more chips for the business and end up giving the business more profit.*

Mark awarded = 0

This is not a concern; it is the opposite and shows why and how the factory manager might benefit. Although there is analysis here, it is not of the right kind, so cannot be awarded any marks.