Solutions

Business answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

Each answer shows the steps, then the **result**.

2.1

- Product, Price, Place, Promotion (2 for all four; 1 for two or three)

2.2

- setting a low price to enter a market and win market share quickly (2 for a clear definition; 1 for a partial idea)

2.3

- introduction, growth, maturity, decline (2 for all four in order; 1 for a partial list)

3.1

- *[3]* **AO1** 1 — state a reason (the product is new/unique; to recover development costs; to signal high quality). **AO2** up to 2 — develop it, e.g. early buyers will pay a high price for a new phone
- high revenue per unit while there is little competition
- development costs recovered quickly (2 developed / 1 limited)

3.2

- *[8]* For **each** of two strategies: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains — *new uses/markets*: selling the product to a new group
- reaches buyers it did not have
- sales rise again. *Restyling/new packaging*: a fresh look attracts attention
- existing customers re-buy and new ones try it
- maturity is extended. Maximum 4 per strategy, 8 total

3.3

- *[12]* **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. Argue for more than one P: *product* (a phone must work well and stand out), *price* (skimming vs penetration affects sales and image), *promotion* (a crowded market needs strong advertising), *place* (must be easy to buy). Judgement: for a new smartphone the Ps must be **integrated**, but product quality and promotion often matter most at launch — the answer depends on the competition and the target customer