

5(a)	Analyse <u>two</u> limitations for a business of sampling during market research. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying ONE limitation for a business of sampling during market research - sampling methods used may not be appropriate for a given situation - researchers may be inexperienced/incompetent - sample size too small - sample may not be representative of the population - may be very time-consuming - may be very expensive - questions asked may be ambiguous or biased Customer responses may not be honest AO2 Application 1 mark for application / explanation of ONE limitation for a business of sampling during market research - sample may not have been chosen correctly for a particular situation - efficient sampling / choice of correct method - may not be suitable for niche markets (already small) - not everyone in the target population is questioned - random, stratified and quota sampling must be chosen appropriately - biased responses due to dishonesty / ignorance / biased questions / lack of understanding by respondents - not all sampling techniques are truly random - researchers will require payment
5(a)	AO3 Analysis Up to 2 marks for analysis of ONE limitation 2 marks for DEVELOPED analysis of ONE limitation for a business of sampling during market research (L2 AN) or 1 mark for LIMITED analysis of ONE limitation for a business of sampling during market research (L1 AN) - the business cannot be totally confident in the results as they may not be 100% reliable - results and decisions based on a badly chosen sample may damage the business - if employees are not experienced in sampling, the results of the research will be biased and unreliable - a trained employee may require higher pay, or an external agency may need paying to carry out the sampling - opportunity cost of paying for specialised sampling as part of market research - good knowledge of the target population is needed to decide which method of sampling is appropriate based on ease of research, reliability, time available, representation etc Accept all valid responses.

5(b)	Evaluate the view that new product development is the most important activity for the success of a toy manufacturer. Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for DEVELOPED knowledge and understanding (L2 K) 1 mark for LIMITED knowledge and understanding (L1 K) - new product development - ideation to market-stages of idea to design to market research to testing to marketing etc - business success - achieve business goals through financial performance profits and growth - customer satisfaction - meeting needs and building customer loyalty - operational efficiency - efficient processes and innovation and stakeholder impact - positive long term social and environmental contribution - making toys that are engaging, durable, sturdy, entertaining, safe, AO2 Application 2 marks for DEVELOPED application (L2 APP) 1 mark for LIMITED application (L1 APP) - toy manufacturer – children, brands, types of toys, soft fabric, plastic, educational - Barbie, Hot Wheels, Matchbox - Mattel global manufacturer, Lego, Fisher Price AO3 Analysis 2 marks for DEVELOPED analysis (L2 AN) 1 mark for LIMITED analysis (L1 AN) - advantages and disadvantages of new product development – very competitive market; gives competitive advantage; meets ever changing needs of children; high cost; innovation; market research; consumer interest - use of Boston Matrix information – toys currently in their product portfolio - stage of the product lifecycle of current products – cost of new product development
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AO4 Evaluation
Up to 6 marks for EVALUATION - USE THE FOLLOWING TABLE:

Developed / Supported judgement in context	[L3] EVAL	6 marks
Developed / Reasonable evaluative comments in context	[L3] EVAL	5 marks
Developed / Supported judgement without context	[L2] EVAL	4 marks
Developed / Reasonable evaluative comments without context	[L2] EVAL	3 marks
Limited supported judgement	[L1] EVAL	2 marks
An attempt to balance the arguments / Weak attempt at evaluative comments	[L1] EVAL	1 mark

A judgement / conclusion is made as to whether new product development is more important than extension strategies for a toy manufacturer.

These judgements / conclusions may be made at any point in the essay, not only in a concluding section.

- toy manufacturing is a competitive market with many large and established manufacturers, but there are also niche markets
- is the toy manufacturer trying to compete in the mass market or in a niche market? Might this affect how much money is available to fund product development?
- how affordable is product development for the manufacturer? Is it new to the market and focussed on survival rather than growth, market share and production of a range of different toys?
- is it possible for operations to produce additional products?
- if the business is small, it may be labour intensive, and production of a new product may take time and slow down production of current toys. Can the business allow this to happen?
- is there consumer demand for new products? Can the business afford to carry out the appropriate market research to find out?

5(b)

- would it be better to focus on promoting toys to retailers, adults and children in different ways to create maximum demand for the product portfolio that it already has (extension strategy)?
- is spending more money on promotion more appropriate in a mass market where brand might be established?
- in a niche market might spending more money to develop a new product with a distinct USP be more suitable to build on reputation for quality?
- are extension strategies better as an alternative to new product development?
- is it possible for new markets to be targeted rather than focussing on new product development for the existing market?

Accept all valid responses.