

- 5 (a) Analyse **two** limitations for a business of sampling during market research. [8]
- (b) Evaluate the view that new product development is the most important activity for the success of a toy manufacturer. [12]

OR

1 The Research Agency (TRA)

TRA is a quaternary sector business. It is the market leader in providing social media data to food manufacturers in country F. TRA's market has grown by 40% over the last year.

DF is a multinational business that specialises in non-alcoholic drinks. DF has asked TRA for data about a new bottle of water with pod attachments. The pods give a fruity flavour which is combined with sparkling water. TRA has sampled 8000 potential consumers on social media to identify their favourite fruity flavour (see Fig. 1.1).

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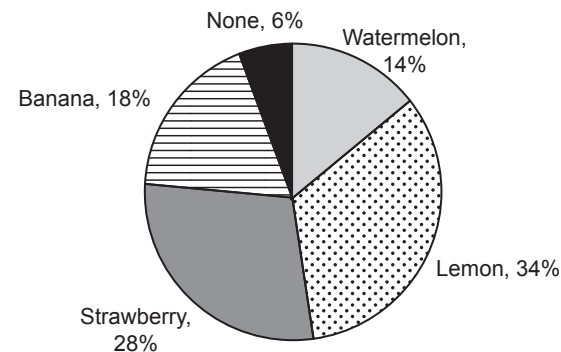


Fig. 1.1 Data about consumer flavour preferences for DF

TRA employs 65 researchers. Since 2020, all of these employees work from home. They are provided with all the necessary IT equipment and a high-speed internet connection. However, motivation is poor, and this has led to high labour turnover. The Human Resource Director has received some feedback from employees. Fig. 1.2 shows some of this feedback.

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- I hate being so isolated – I never get to speak to any other employees.
- I have to use my own electricity, and the cost has doubled in the last two years.
- I know some employees are not working very hard, but they get paid the same as me. It's not fair!

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Fig. 1.2 summary of feedback from employees at TRA

- (a) (i) Identify **one** stage of the transformational process. [1]
- (ii) Explain the term *multinational business*. [3]
- (b) (i) Refer to Fig 1.1 and other information. Calculate the combined total number of potential consumers who would prefer lemon or strawberry flavoured water. [3]
- (ii) Explain **one** reason why TRA uses sampling. [3]
- (c) Refer to Fig 1.1 and other information. Analyse **two** reasons why the data collected for DF may not be reliable. [8]
- (d) Evaluate the most effective way for TRA to improve the motivation of the home working employees. [12]

2 Popular Drinks (PD)

PD is a mass market fizzy drinks manufacturer in country Z. The fizzy drinks market in country Z is dominated by a few well-known brands. The total market value is \$5.3bn and the PD brand has a 17% share of this market.

Pablo was recruited to be the Marketing Director of PD in 2022. He launched a new promotional campaign based on trending music on social media. He decided to use social media influencers to focus on this market.

Online feedback of the campaign was poor. Many of PD's customers did not want to be associated with trending music. National news highlighted the negative feedback and PD's sales volume decreased by 20% within a week and continued falling. This led to excess inventory in PD's warehouses. The bad publicity also caused a drop in PD's share price and a negative impact on cash flow.

Fig. 2.1 shows feedback from a recent questionnaire where previous PD customers were asked what they thought about the promotional campaign.

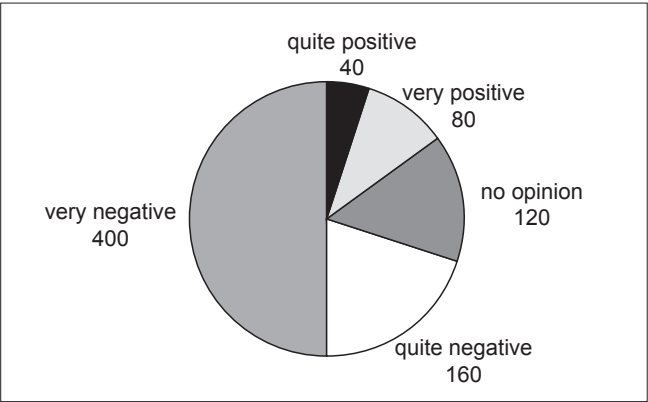


Fig. 2.1 Market analysis data of a sample of PD's customers

Pablo has called an emergency meeting of PD's marketing managers to repair the damage done to the PD brand from this recent promotional campaign.

- (a) (i) Identify **one** recruitment method.

[1]
- (ii) Explain the term *cash flow*.

[3]
- (b) (i) Refer to Fig. 2.1. Calculate the percentage of PD's customers with positive feedback.

[3]
- (ii) Refer to Fig. 2.1 and other information. Explain **one** reason why this data collected for PD may not be reliable.

[3]
- (c) Analyse **two** possible costs to PD of holding inventory.

[8]
- (d) Evaluate the importance of branding to the future success of PD.

[12]

1 (a) Define the term 'secondary research'. [2]

(b) Explain **one** advantage to a business of data collected using primary research methods. [3]

1 Barbecue House (BH)

BH is a fast food restaurant and takeaway business, which sells a range of burgers, kebabs, pizzas and side orders. BH also has a delivery service to the local area.

BH is owned by Amir who mortgaged his home to finance the start-up of the business. Amir operates BH as a sole trader. His son also works within the business as a chef. Amir has been advised to change the legal structure of BH and to become a private limited company to protect the business and himself.

BH is located on a busy high street. There are many other similar businesses on the high street and in the surrounding area. Amir knows that the continued success of the business requires him to identify a gap in the market and develop a unique selling point (USP). Amir has carried out some market research (see Table 1.1 and Fig. 1.1).

Table 1.1: Market research data about competitors within 2 km of BH

Total number of competitors	8
Number of competitors who offer delivery services	4
Number of competitors who do not sell Asian food	6

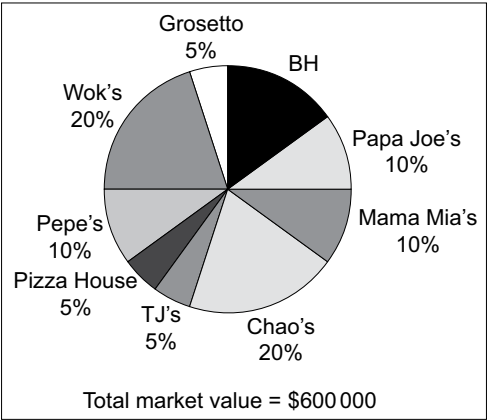


Fig. 1.1: Market share data for competitors within 2 km of BH

The two market leaders are Wok's and Chao's. Both businesses specialise in Asian food but neither has a delivery service. Amir would like to increase BH's market share. He is considering starting to sell Asian food. None of his employees have any experience cooking or selling Asian food but Amir believes that the possible increase in income would be worth any extra costs.

- (a) (i) Identify **one** benefit for a business of a unique selling point (USP). [1]
- (ii) Explain the term 'sole trader' (line 4). [3]
- (b) (i) Refer to Fig. 1.1. Calculate the value in dollars (\$) of BH's share of the market. [3]
- (ii) Explain **one** reason why Amir carried out market research. [3]
- (c) Analyse **one** advantage and **one** disadvantage, to Amir, of BH becoming a private limited company. [8]
- (d) Evaluate whether BH should sell Asian food. [12]