Solutions

Marking: **K** knowledge, **App** application to the case, **An** analysis (a developed chain of reasoning), **Ev** evaluation (a justified judgement); calculations earn **M1** for the method and **A1** for the answer.

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

2.1

any two: **questionnaire**; interview; **focus group**; observation; test marketing

2.2

- $95 \div 250 \times 100$
- $=$ **38** %

2.3

- advantage: **cheap** and **quick** to find, which suits a new business with little money (K + An)
- disadvantage: may be **out of date** or not about its exact market, so decisions may be wrong; rivals can see the same data (K + An)

3.1

C

3.2

C (0.25×360)

3.3

(a)

- collecting and analysing **information** about **customers** and the market to help make marketing decisions

(b)

- $70 \div 200 \times 100$
- $=$ **35** %

(c) two reasons, each outlined (K + App each):

- the **sample** is small: 200 of 8000 students
- **not representative**: only students in the library, one afternoon
- students may give **polite** answers rather than true ones
- the questions may have been unclear or leading

(d) two sources, each explained (K, App, An each):

- **university statistics** on student numbers and ages: shows the size of the market
- **internet / trade reports** on smoothie trends and prices: shows popular flavours
- **competitors' websites and menus**: shows what prices students already pay
- government data on local spending

(e) questionnaire: (An)

- reaches **many** students cheaply; easy to turn into percentages; but fixed answers give little detail

focus group: (An)

- **detailed** opinions: students can taste flavours and discuss prices; ideas the owner had not thought of; but small and costly, and one strong voice may sway the group

decision: (Ev) for example, a focus group first, with tasting, to choose flavours, then a larger questionnaire across the campus to test prices, because flavour needs detail while price needs numbers.

Level 3 (5–6): a justified decision for this business, weighing both sides. Level 2 (3–4): points explained and applied. Level 1 (1–2): points identified.

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