

SPECIMEN PAPER

UNIT 5 - MARKETING IN RETAIL BUSINESSES



Surname					Other Names				
Centre Number					Candidate Number				
Candidate Signature									

For Examiner's Use



Level 3 Diploma Principal Learning
Specimen Paper

Retail Business

RTB3U5

Unit 5 Marketing in retail businesses

<p>For this paper you must have a pen with blue or black ink.</p> <p>You will need no other materials. You may not use a calculator.</p>

Time allowed: 2 hours

Instructions

- Use a blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- Answer the questions in the answer book provided.
- If there is not enough space for your answer(s), ask for extra sheets. If you do this, make sure that you show the number(s) of the question(s) you are answering and attach the sheets to your answer book.

Information

- The maximum mark for this paper is 90.
- The marks for questions are shown in brackets.
- You are reminded of the need for good English and clear presentation in your answers.

For Examiner's Use			
Question	Mark	Question	Mark
1		6	
2			
3			
4			
5			
Total (Column 1)		→	
Total (Column 2)		→	
TOTAL			
Examiner's Initials			

Box A

Wish was initially very successful as a fashion retailer. By 2006, they had 170 shops aimed at the value end of men's and ladies' fashion, mainly at teenagers and adults in their 20s and 30s. Wish had steadily increased its market share until it had 15% brand share of the purchases of 12 – 45 year olds, and four main competitors.

Wish's customer demographics show:

- 35% of customers are under the age of 20
- 33% are between 20 and 30
- 32% are over 30

This position was built on a strong marketing strategy consisting of:

- heavy promotion of low prices
- regular stock changes to reflect fashion trends
- recruiting staff who reflect the profile of the customers
- the use of in-store atmospherics and ambience
- provision of clear targets to all staff
- sourcing supply cheaply, mainly from Asia.



Question 1

- Describe the contribution of marketing to developing Wish's market share.
(6 marks)
- Outline **one** way in which Wish's marketing strategy will have affected its business planning process.
(3 marks)

Total 9 marks

Question 2

Discuss ethical and cultural issues that Wish should consider when sourcing, buying and promoting its goods.

(15 marks)

Question 3

- a. Describe **one** primary research method which Wish might use to obtain market intelligence.

(3 marks)

- b. Describe **one** secondary research method which Wish might use to obtain market intelligence.

(3 marks)

Total 6 marks

Box B

At the start of 2007 one of Wish's competitors went into liquidation. The market intelligence was that the reason for this was that they had become inflexible in their marketing strategy.

In the summer of 2007 Wish decided to review their marketing strategy as they felt they were losing their way. Footfall was down by 13%, sales by 6% and profits by 4%. Menswear had performed the worst, with sales down by 11%.

Market intelligence indicated that in the last twelve months:



- They had been offering too many similar designs, diluting their fashionable image
- Customers felt that customer service had declined
- Other discount retailers in the same market were competing with them
- The demographics of the population had changed through falling birth rates, falling death rates and net immigration leading to an increase in the average age
- The average disposable income of Wish's target market had increased by 3%
- Customers were seeking a wider range of products.

Question 4

Using the information in Boxes A and B, review Wish's existing marketing strategy, including its strengths and weaknesses in light of the new market intelligence.

(15 marks)

Question 5

Explain how Wish can use situational analysis to inform changes in its marketing strategy.

(9 marks)

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Question 6

Using the information provided about Wish in Box A, and the new market intelligence in Box B, propose how Wish can use the marketing mix to encourage the growth and development of the business. Your answer should contain **four** suggestions, each referring to how Wish can apply a different element of the marketing mix. You should show how your suggestions link.

(36 marks)