1. All three of the options under consideration at Wattam Grove are diversification strategies.
2. Explain how competitor analysis could help Eric and Percy decide which diversification option Wattam Grove should take.

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| **Question** | | | **Answer** | **Marks** | **Guidance** |
| 3 | (c) |  | **Responses include:**   * identify nearest competitors (Options 2 and 3) * identify brand competition (Option 1) * provide information on the strength and nature of competition * information on competitor marketing activities * identify gaps in provision.   **Exemplar response:**  e.g. The brothers could find out where the nearest paintballing arena is **(1)**. If it is close by then this may rule out this option **(1)**. | 1 | One mark for a correct identification, plus a further one mark for an explanation. |

1. Explain one benefit to Wattam Grove of Eric and Percy discussing the three diversification options with local residents before a final decision is made.

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| **Question** | | | **Answer** | **Marks** | **Guidance** |
| 3 | (d) |  | **Responses include:**   * to gauge strength of feeling * to minimise rumour * to garner support * to allay fears * to reduce objections * to minimise protest * to pre-empt resistance * to consider other perspectives * to gain more ideas * to factor local resident opinion into decision-making.   **Exemplar response:**  e.g. Consulting local residents before making a decision may help to allay the residents’ fears (1), minimising the likelihood of them objecting to any planning applications which the farm needs to make (1). | 2 | One mark for a correct identification, plus a further one mark for an explanation. |

1. If Wattam Grove goes ahead with Option 3 – Paintballing, Eric and Percy will need to make several marketing decisions.

(a) Explain one way in which Wattam Groves’ marketing budget of £20,000 may affect how Eric and Percy decide to promote Option 3 – Paintballing.

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| **Question** | | | **Answer** | **Marks** | **Guidance** |
| 6 | (a) |  | **Responses include:**   * financial constraint * limits what can be achieved * less effective/less well known * take longer to build up a customer base * market in stages * may not be able to afford a marketing specialist * may need to do more of the marketing themselves * expensive methods ruled out e.g. tv * concentrate efforts * rely on cheaper methods * make use of social media.   **Exemplar response:**  e.g. Eric and Percy could not afford to advertise on television **(1)** instead they might have to rely on cheaper methods such as delivering flyers in the local area **(1)**. | 2 | One mark for a correct identification, plus a further one mark for an explanation. |

1. (a) Distinguish between quantitative and qualitative information.

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| **Question** | | | **Answer** | **Marks** | **Guidance** |
| 7 | (a) |  | **Responses include:**   * quantitative – numerical, statistical, mathematical, factual, capable of being proven/disproven. * qualitative – non-numerical, descriptive, preferences, based on opinion, not provable   **Exemplar response:**  e.g. Quantitative information attempts to present facts as numbers **(1)** whereas qualitative information is based on feelings and is seen as a matter of opinion **(1)**. | 2 | One mark for quantitative.  One mark for qualitative. |