

Cambridge AS & A Level · Business 9609 · Notes

Market research AS

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Last checked 5 October 2026

Read first: [The nature of marketing](#)

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What you need to know

By the end of this topic you should be able to:

1. **Say what market research is for.** It tells a business about its market (how big it is, whether it is growing or shrinking, and who the rival firms are) and about the people in it (who buys and who uses the product, what they are like, and what they want and need).
2. **Tell primary research and secondary research apart**, and describe what each one involves.
3. **Judge the value of primary data:** what the main ways of collecting it are good and bad at.
4. **Judge the value of secondary data:** what its main sources are good and bad at.
5. **Explain why businesses research a sample** instead of everyone, and what can go wrong when they do.
6. **Judge whether research data can be trusted** (its reliability).
7. **Analyse quantitative and qualitative data.**
8. **Read and interpret tables, charts and graphs**, including simple calculations from them.

Choosing segments and target markets belongs to the nature of marketing; turning research into prices, promotion and sales forecasts belongs to the marketing mix and marketing strategy topics.

Understand it

Why businesses research their markets

Every marketing decision is a bet: launch this flavour, open on Sundays, charge \$40 rather than \$30. **Market research** is any activity that gives a business evidence about its buyers, its rivals and the state of its market, so that the bet rests on facts instead of guesswork.

It answers two sets of questions.

What is the market like?

- **Size:** total sales in a period, measured in money (value) or units (volume). This caps how much the business could ever sell, and lets it work out its market share.

- **Growth:** the rate at which total sales are rising or falling. In a growing market a newcomer can win sales without taking them from anyone; in a shrinking one, every sale gained is a sale a rival loses.
- **Competitors:** which firms sell to the same buyers, at what prices, with what strengths. This shows where there is a gap, and how rivals might react to a move.

Who are the buyers, and what do they want?

- The **customer** pays; the **consumer** uses the product. They can be different people (a pet owner pays for the dog food; the dog eats it), and research may need to reach both.
- Their **characteristics and profiles:** age, income, where they live, how they spend their time, how often and where they buy.
- Their **wants and needs:** the features, quality and price they look for, and what they dislike about what is on offer now.

The point of all of it is to **lower the risk** of a costly mistake. Research cannot remove risk: buyers sometimes say one thing and do another, tastes shift after the research is done, and the time spent researching may let a faster rival move first.

Primary research

Primary research (field research) produces information that did not exist before. The business, or an agency it pays, gathers it itself, to answer the particular questions this business is asking.

Method	What happens	Good at	Weak at
Questionnaire or survey	The same written questions go to many people, on paper, by phone, by email or online	Reaching a lot of people cheaply; closed questions (tick a box) give numbers that are easy to count and compare	Badly worded or leading questions twist answers; many people never reply; answers may not be truthful
Interview	A researcher talks with one person, following up on what they say	Depth: reasons, feelings, ideas the business had not thought of	Expensive in time per person; the way the interviewer asks can shape the answer
Focus group	A small group discusses a product or idea while a researcher guides the talk	People react to each other's views, so attitudes and reasons come out	Very few people; one confident member can steer the rest
Observation	Watching or counting what people actually do (how shoppers move round a store, how many people walk past a site)	Records behaviour, not what people claim they do	Says what happened, never why

Method	What happens	Good at	Weak at
Product sampling or trials	People try the product free and give their reaction	Reactions to the real thing, straight away	People tend to be kind about something they got for nothing
Test marketing	The product is sold for real in one small area first	Real sales figures before the full launch	Costly, and rivals see the idea early
Online data and feedback	Website analytics, what buyers click on and buy, star ratings, comments on social media and forums	Cheap, fast, current, often very large numbers	Covers only people who are online; people who leave reviews are often the very pleased or the very annoyed

Quantitative and **qualitative** describe the kind of data a method produces (see below). They are not methods themselves, and neither is the way people are picked for a sample.

How useful is primary data?

- *For it:* it answers **exactly the business's own question**, about its own product and its own buyers; it is **current**; the business knows how it was gathered, so it can judge how far to trust it; rivals do not have it.
- *Against it:* it **costs money** (designing questions, paying staff or an agency, rewards for taking part) and **takes time** to collect and analyse; doing it well needs skill; it can still be biased; a small firm may only afford a tiny amount.

Secondary research

Secondary research (desk research) makes use of information that is already available, because another organisation published it, or because the business recorded it earlier for some other reason.

Where it comes from:

- **Inside the business** (internal): sales records by product, month and area; customer databases and loyalty-scheme records; reports from earlier research; complaints and returns.
- **Outside the business** (external):
 - government statistics, such as census figures on population, ages and incomes;
 - reports from market research agencies and trade associations on market size, shares and trends;
 - newspapers, magazines, trade journals and books;
 - competitors' websites, price lists, brochures and published accounts;
 - review and comparison websites.

Say what the source is. A named website (a government statistics site, a rival's online price list) is a source; "the internet" on its own is not.

How useful is secondary data?

- *For it:* it is **cheap or free** and **quick** to get; it covers **whole markets** (total size, shares, long-run trends) that one business could never measure alone; it is a **starting point** that shows which questions primary research still has to answer.
- *Against it:* it may be **out of date**; it was gathered **for someone else's purpose**, so it may not match this product, this group of buyers or this area; its **accuracy is hard to check**, because the business did not collect it; rivals can read it too, so it gives no edge; detailed reports can be **expensive**.

Using the two together. A sensible order is secondary first (to understand the market cheaply) and primary second (to test what the business's own target buyers think of its own idea). The more unusual the product or the more unfamiliar the market, the less existing data fits and the more primary research is worth its cost.

Sampling

The whole group a business wants to learn about is the **population** (for example, every regular swimmer in a city). Asking all of them is almost never possible, so the business researches a **sample**: it questions only part of the population and uses those answers as a guide to what the whole population thinks.

Why use a sample?

- **Cost:** each extra person asked costs money in staff time, postage, agency fees or rewards.
- **Time:** a sample gives results while they are still useful for the decision.
- **Practicality:** many members of a population cannot be found or reached at all.

What can go wrong?

- **It may not represent the population.** If the people asked differ from the target market (all from one area, all existing customers, all free on a weekday morning), the results describe the wrong group.
- **It may be too small.** With few people, chance has a big effect: the result may be well away from the true figure for the population. That gap is **sampling error**.
- **Bias can creep in:** in who is picked (a researcher stops only people who look friendly), in who bothers to reply (people with strong views), in the questions (wording that pushes towards one answer), or in the answers (people say what sounds good, or are dishonest).
- **The way of choosing may not suit the market.** People can be picked at random, by quota (a set number from each group), or so that each group appears in the same proportion as in the population (stratified). Picking the right one means understanding how the population is made up.
- **It still costs money and needs skill.** Inexperienced staff can choose or analyse a sample badly; hiring an agency is expensive, and the money then cannot be used elsewhere.

Every sample result is an **estimate**. The chain to remember: a poor sample → results that don't hold for the whole market → a decision built on them (wrong product, wrong price, wrong timing) → weak sales, wasted spending.

Is the data reliable?

Data is **reliable** if it gives a true picture of the market, so that repeating the research would give much the same result. Test any data in a case with these questions:

Question	What to look for
Who was asked?	Enough people? Like the target market, or only one part of it?
How were they asked?	A method the target market actually uses? Clear, neutral questions?
How many replied?	Response rate = replies ÷ number asked × 100. A low rate means the replies may come mostly from people with strong views.
When?	Has time passed since the research, so that views may have moved on?
Who recorded it?	Could mistakes have crept in when answers were typed up or combined?
What was it for?	If the research aims were vague, the questions may miss what the decision needs.
Primary or secondary?	Secondary data was gathered for another purpose and may be old; points about this only apply when the data really is secondary.

Unreliable data still has some use: it can point in a direction. It is not a safe base, on its own, for a large and expensive decision.

Quantitative and qualitative data

Quantitative data is numbers: counts, totals, percentages ("62% rated the service good"). It comes from closed questions, sales records and counting. It is easy to total, compare and chart, and can come from large samples; it rarely explains *why*.

Qualitative data is about opinions, attitudes and reasons, usually in words ("the waiting area feels cramped"). It comes from open questions, interviews and focus groups. It gives depth and fresh ideas, but it is hard to summarise, usually comes from few people, and depends on how the researcher interprets it.

A business normally needs both: numbers to show how many buyers feel something, words to show why.

Analysing quantitative data

Percentages of respondents. To compare answers, turn each count into a share of everyone who answered:

$$\text{percentage} = \frac{\text{number giving that answer}}{\text{total respondents}} \times 100$$

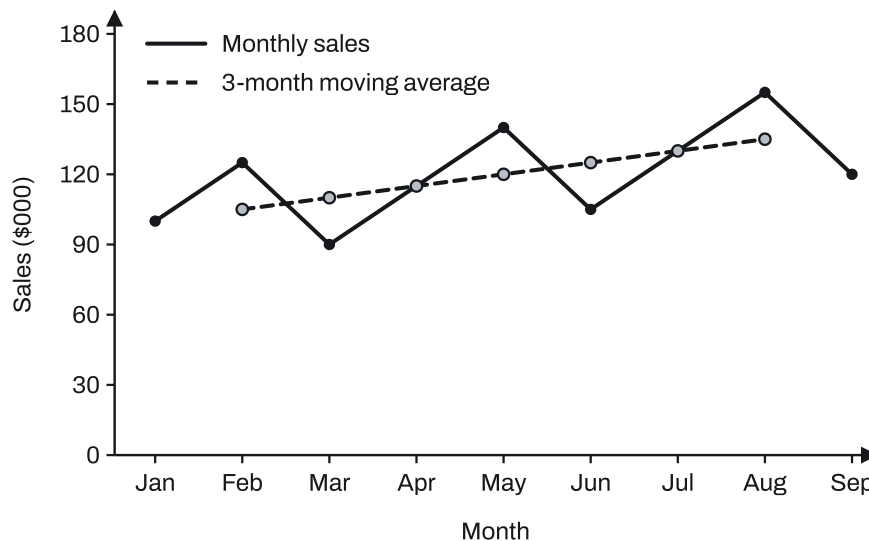
If 117 of 360 respondents pick an answer, that is $\frac{117}{360} \times 100 = 32.5\%$. Going the other way, if 15% of 360 respondents pick an answer, $0.15 \times 360 = 54$ people picked it.

Averages. The **mean** is the total divided by the number of values; the **median** is the middle value once they are in order; the **mode** is the value that appears most often. Seven customers of a dog-grooming business spent these amounts last month: \$18, \$20, \$22, \$24, \$25, \$25, \$96. The mean is $\frac{230}{7} = 32.86$, so \$32.86, the median is \$24 and the mode is \$25. The one big spender drags the mean far above what a typical customer spends; the median gives the fairer picture.

Moving averages. Monthly figures jump up and down, which hides the trend. A **three-month moving average** takes the mean of each run of three months in turn and places it against the middle month.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Tile shop sales (\$000)	100	125	90	115	140	105	130	155	120
3-month moving average		105	110	115	120	125	130	135	

The first value is $\frac{100+125+90}{3} = 105$, placed against February. Sales dropped in March, June and September, but the moving average climbed by 5 every month: underneath the swings, sales are rising steadily.



Index numbers. Choose a **base year**, call its value 100, and show every other year in proportion to it:

$$\text{index} = \frac{\text{value in the year}}{\text{value in the base year}} \times 100$$

A coach company carried 64,000 passengers in 2022 (the base year), 72,000 in 2023 and 80,000 in 2024. The index numbers are 100, 112.5 and 125: passenger numbers in 2024 were 25% higher than in 2022.

Percentage change, market size and market share.

$$\text{percentage change} = \frac{\text{new value} - \text{old value}}{\text{old value}} \times 100$$

$$\text{market share} = \frac{\text{one firm's sales}}{\text{total market sales}} \times 100$$

Turned round, total market sales = one firm's sales $\div$ its share as a decimal. A firm with sales of \$7.2m and a 16% share is in a market worth $\frac{7.2}{0.16} = 45$, so \$45m; a rival with a 30% share sells $0.30 \times 45 = 13.5$, so \$13.5m. If that market was worth \$36m a year earlier, it grew by $\frac{45-36}{36} \times 100 = 25\%$.

Reading tables, charts and graphs

- **Tables** give exact figures: read along rows and down columns, and check whether a total row is given or has to be worked out.
- **Bar charts** compare groups: the tallest bar is the largest group. Check the scale and whether the axis starts at zero.
- **Pie charts** show parts of a whole: each slice is a share of all respondents. Slice percentage × sample size gives the number of people.
- **Line graphs** show change over time: read the direction, the steepness, the turning points and any repeating seasonal pattern.

Before trusting any chart, check its units and the sample behind it. A neat chart of a poor sample is still a poor sample.

Key facts and formulas

No formula sheet is given in Business exams: "Learn it" means you must remember it.

Formula	Status
Percentage of respondents: $\frac{\text{number giving the answer}}{\text{total respondents}} \times 100$	Learn it
Number of respondents from a percentage: $\frac{\text{percentage}}{100} \times \text{number of respondents}$	Learn it
Response rate: $\frac{\text{number of replies}}{\text{number asked}} \times 100$	Learn it
Percentage change: $\frac{\text{new value} - \text{old value}}{\text{old value}} \times 100$	Learn it
Market share: $\frac{\text{one firm's sales}}{\text{total market sales}} \times 100$; total market sales = $\frac{\text{one firm's sales}}{\text{its share as a decimal}}$	Learn it
Index number: $\frac{\text{value in the year}}{\text{value in the base year}} \times 100$, with the base year = 100	Learn it
Mean = $\frac{\text{sum of the values}}{\text{number of values}}$; median = middle value in order; mode = most common value	Learn it
Primary research produces new information, gathered by the business itself to answer its own questions; secondary research uses information that already exists, gathered by others or earlier for another reason	Learn it
Market research finds out about the market (size, growth, competitors) and about buyers (profiles, wants and needs), to lower the risk of decisions	Learn it

How to do it

We have tagged 21 questions on this topic (2021–2025), on Papers 1 and 2. 8 of them have parts of more than one type, so the counts add up to 33.

Question type	Questions
Define or explain a market research term	6
Calculate a figure from market research data	5
Limitations of sampling, or why a business samples	5
Evaluate how important or useful market research is	4
Usefulness, reasons for or drawbacks of secondary research	4
Why research data may not be reliable	3
Sources of secondary research for a business	2
Primary research methods for a business	2
Extra market research data needed before a decision	1
A method of interpreting quantitative data	1

The marks are for four skills: **K** (knowledge: a correct point or definition), **App** (application: using the business in the question), **An** (analysis: a chain of causes and consequences) and **Eval** (evaluation: a supported judgement). Below, (K), (App), (An) and (Eval) after a sentence show the mark it earns; (1) marks a step in a calculation or a definition.

1. Define or explain a market research term (6 questions)

Paper 1, define [2]: two elements for 2 marks; a partly right answer scores 1. No example is needed.

Term	Element 1	Element 2
Market research	Gathering evidence about buyers, competitors or the market (1)	so that the business's decisions rest on facts (1)
Primary research	New information that the business, or an agency it pays, gathers itself (1)	to answer its own particular questions (1)
Secondary research	Information that is already available (1)	because someone else published it, or the business recorded it earlier for another reason (1)
Sampling	Questioning only part of a target market (1)	and using its answers as a guide to the whole market (1)
Qualitative data	Opinions, attitudes and reasons (1)	usually in words, from open questions, interviews or focus groups (1)

Don't explain a term with its own words or a word built from it: that shows no knowledge and scores 0. Test marketing is not sampling.

Paper 2, explain the term [3]: 1 mark (K) for the meaning, then up to 2 more for developing it: an example of a method or source, a contrast with the other kind of research (secondary is cheaper but may be dated or not tailored; primary is specific but costly), or what a business uses it for. Part (a) does not need the case.

2. Calculate a figure from market research data (5 questions)

Paper 2 (b)(i) [3], from a pie chart, bar chart or table in the case.

1. **Pick the right figures.** If the question groups answers (all the favourable ones, two named options), add those categories first.
2. **Write the formula** in words (1); it can be implied by correct working.
3. **Put in the figures**, showing any total or intermediate result (1).
4. **Give the answer**, rounded sensibly. A correct answer alone earns all 3 marks; the % sign is not required. With clear working, one slip still earns 2, because later steps that use your wrong figure are marked as correct (the own figure rule).

The kinds set so far:

- **Percentage of respondents** giving a group of answers: $\text{their total} \div \text{everyone who answered} \times 100$. Dividing by the wrong total still earns 2 if the method is clear.
- **Number of people** from a pie chart: add the slices' percentages, then multiply by the number sampled (or find each number and add them).
- **Percentage increase** in a market's revenue: $(\text{new} - \text{old}) \div \text{old} \times 100$, after adding the revenue sources to get each year's total.
- **One firm's revenue from market shares:** $\text{market size} = \text{a known firm's revenue} \div \text{its share}$; then the other firm's revenue = its share $\times$ market size.

3. Limitations of sampling, or why a business samples (5 questions)

Paper 1, explain one limitation of sampling [3]: name it (K), then 2 marks for a developed explanation of why it matters (the results don't match the target market, so conclusions are wrong; the cost grows if the sample has to be large or spread out).

Paper 2, explain one reason the business samples [3]: K (cheaper, quicker, or more practical than asking everyone) + why that is so + a fact from the case (how many were sampled, how big the market is). The reason has to be about **sampling**. A reason for doing market research at all scores 0.

Paper 1, analyse two limitations of sampling [8]: 4 marks per limitation (1 K, 1 App, 2 An).

1. **K:** name it: not representative; too small; sampling error; biased questions or dishonest answers; a method of choosing that doesn't fit; inexperienced researchers; cost; time.

2. **App**: explain when or how it happens: the people chosen are only part of the target population, the market has few buyers to choose from in the first place, the researcher has had no training, respondents misunderstand a question.
3. **An**: take it to the business: results the business can't fully trust → a decision based on them (product, price, launch) goes wrong → wasted money and lost sales. For cost: a sample big and well chosen enough to trust may need an agency → high fees → that money is not available for other uses (opportunity cost).

Older Paper 2, evaluate the limitations of a case's sampling process [11] (4 marks for knowledge and application of two limitations, 7 for analysis and evaluation): check the case's sample with the reliability table above: how many were asked and how many replied (work out the response rate), whether they were the right people, and whether anything (a reward, the way the survey was sent) could tilt the answers. Analyse two limitations in depth, then judge which does the most damage to this business and what that depends on.

4. Evaluate how important or useful market research is (4 questions)

Paper 1 Section B [12] (a view about market research in a named kind of business) or **Paper 2 (d) [12]** (the case business). The marks are 2 K, 2 App, 2 An and 6 Eval.

1. **K** (2): what market research is, what it finds out, primary and secondary, quantitative and qualitative.
2. **App** (2): the industry or the case: what buyers in this industry care about, how fast it changes, how strong the rivals are, what has gone wrong for the business, how much it can spend.
3. **An** (2), for: finds what buyers want → products they choose → more sales; spots gaps and rivals' moves early → the business reacts first → keeps its market share; tests an idea cheaply → avoids an expensive flop. Against: costly and slow → the chance may pass; may only confirm what the business knows; results may be unreliable or soon out of date; strong loyalty may make some research less necessary.
4. **Eval** (6): a clear judgement on the question, in the context of the business, saying what it **depends on**: how fast tastes change, how competitive the market is, how big and costly the decision is, how much money is available, how good the research would be. A judgement earns its marks wherever you make it, so weigh points as you go as well as concluding.

[8] variant: analyse why a business might invest in market research. Two purposes, each taken to a gain for the business (fewer failed launches, realistic sales targets, a clear advantage over rivals). Describing research methods does not answer it.

5. Usefulness, reasons for or drawbacks of secondary research (4 questions)

Paper 1, explain two reasons for using secondary research [3]: 3 for two reasons each soundly explained; a bare list of two reasons earns 1. Each reason needs its "because": cheap (no fieldwork, no agency), quick (already exists), wide coverage (market size, shares, trends), a base for planning primary research.

Paper 2, explain one disadvantage of secondary research to the case business [3]: K (out of date, not about this product or area, accuracy unknown, open to rivals, may be costly) + 2 App from the case. Choose the drawback the case's own data shows most clearly: when it was published, who collected it and why.

Paper 1, discuss how useful secondary research is for a kind of business making a move into the unknown [12]:

1. **K**: what secondary research is, with sources that suit that industry.
2. **App**: what the business is trying to do and what it needs to know.
3. **An**: what the data can show (market size and growth, rivals' prices, buyer profiles from official statistics) against what it can't (how buyers will react to this product; anything newer than the report).
4. **Eval**: usually useful as a cheap first step for the **big picture**, and weaker the more specific, new or high-priced the product is. What it depends on: how close the published data is to the business's own market, how old it is, and whether the business can afford primary research to fill the gaps.

6. Why research data may not be reliable (3 questions)

Paper 2 (b)(ii), explain one reason [3] (K + 2 App) or (c), analyse two reasons [8] (per reason 1 K, 1 App, 2 An), always about data in the case.

1. **K**: name the reason: bias; sample too small or not representative; poorly written or leading questions; the wrong medium for the target market; low response rate; human error in recording; research aims unclear; time lag between research and decision; data out of date.
2. **App**: point to the case: how many were asked, who they were, how they were reached, how many replied, when, who did the work.
3. **An**: carry it to the decision: the results misstate what buyers want → the business makes or launches the wrong thing → weak sales → a loss or a damaged brand.

Two traps. If the case's data is **primary**, points about secondary data (collected for another purpose) score nothing, though a time lag still counts. And a **limitation of the data** is not a **drawback of doing research**: "it took a long time" says nothing about whether the results are true.

7. Sources of secondary research for a business (2 questions)

Paper 2 (c), analyse two sources [8] (per source 1 K, 1 App, 2 An).

1. **K**: a named source: government statistics, market or trade reports, newspapers and magazines, trade journals, competitors' websites or published accounts, the business's own sales records, online reviews. "The internet" alone earns nothing unless you say what on it.
2. **App**: what this business would look for there, for its own problem.
3. **An**: benefit and cost: cheaper and faster than primary research → shows rivals' prices or a trend in the market → the business adjusts its offer → wins back customers and revenue; but the data may be dated or about a slightly different market.

Check the source really is secondary: running a questionnaire through a website is primary research. And go straight to the two sources; a paragraph comparing primary with secondary research earns nothing here.

8. Primary research methods for a business (2 questions)

Paper 2 (c), analyse two methods [8] (per method 1 K, 1 App, 2 An).

1. **K**: a method from the table above. Not "qualitative research" or "quantitative research" (types of data) and not a way of picking a sample.
2. **App**: how this business could run it, using the channels, places and customers the case actually mentions.
3. **An**: what it gives and what it costs: up-to-date views on what buyers want → products and prices that match → more sales; but it costs staff time or fees, and some respondents may not be honest, or may not be able to answer the questions well.

Pick two methods that clearly differ, and don't spend time defining primary research.

9. Extra market research data needed before a decision (1 question)

Paper 2 (b)(ii) [3]: name the data (K) and give two case-based reasons it matters (App): what the target buyers want, the price they would pay, who the rivals are and what they charge, the size or trend of the market. Link it to the decision in the case: whether enough of the target group would pay to cover the costs.

10. A method of interpreting quantitative data (1 question)

Paper 1 [3]: name a method (K), then 2 marks for how it helps.

Method	How it helps
Tables	Exact figures in rows and columns, side by side
Bar and pie charts	Compare the size of groups or shares at a glance
Line graphs	Show change over time, turning points and seasonal patterns
Moving averages	Smooth out short-term swings so the trend shows
Mean, median, mode	One typical figure; the median and mode are not pulled about by extreme values
Index numbers	Show change against a base year (= 100) on an easy scale

Worked examples

Example 1

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

(b) Explain one way a business could use index numbers when interpreting its sales data. **[3]**

(a) Using information that is already available (1), because another organisation published it or the business recorded it earlier for some other reason (1).

(b) Index numbers show each period's figure as a proportion of a base period that is set at 100 (K). This turns large figures into a simple scale, so the rise or fall since the base year can be read off at once: an index of 118 means sales are 18% above the base year (App). A chain of shops could put each branch's sales on the same base year and see which branches have grown fastest, even though their sales are very different in size (App).

Example 2

Analyse two ways in which relying on a sample could lead a small independent bookshop to make a poor decision. [8]

The sample may not represent the shop's customers. A sample is only useful if the people in it are like the whole target market (K). If the owner hands a questionnaire only to people in the shop on weekday mornings, the owner hears mainly from shoppers who are free at that time, and not from the people who come in after work or at weekends (App). Their tastes in books may be quite different (An), so the shop could fill its shelves with titles that most of its customers don't want, leaving unsold stock that ties up cash a small business can't spare (An).

The sample may be too small, so chance decides the result. The fewer people asked, the larger the likely gap between the sample's answer and the true view of all customers (K). A small bookshop may only have time to ask a couple of dozen customers, so two or three unusual answers can swing the result (App). The owner may then believe there is demand for, say, a reading group or a café corner when there is not (An), spending money on space and staff for a service few people use, and lowering the shop's profit (An).

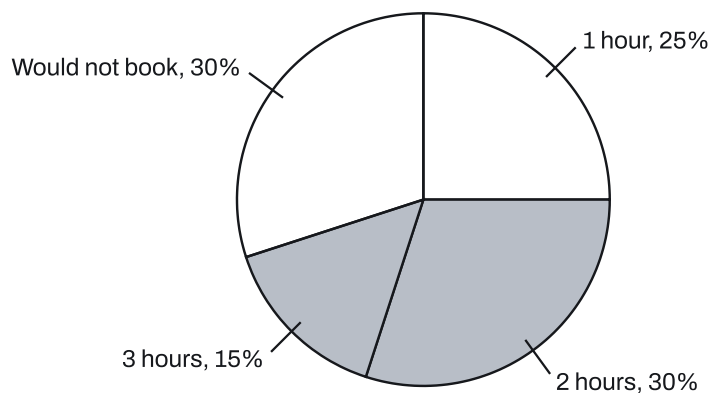
Each limitation earns K + App + a developed chain: $2K + 2App + 4An = 8$.

Example 3

Tidewater Kayaks (TK) runs guided kayak trips on the coast of country V. Almost all its trips run from June to August. To earn revenue outside these months, TK plans to offer evening sunset tours in April, May, September and October. It has not yet decided how long the tours should be or what to charge.

In August, TK put up a sign with a QR code by its beach hut. Anyone passing could scan it and answer an online questionnaire. 400 people replied. Most people who walk past the hut in August are holidaymakers staying in the area for a week or two. TK also has an email list of 1,500 past customers, about a third of whom live in country V.

Which sunset tour would you book? (400 replies)



(a) Refer to Fig. 1. Calculate the number of respondents who would book a sunset tour lasting 2 hours or longer. [3]

(b) Refer to Fig. 1 and other information. Explain one reason why TK's questionnaire results may give a misleading picture of demand for sunset tours. [3]

(c) Analyse two methods of primary research TK could use to decide what price to charge for sunset tours. [8]

(a) Number = (2-hour percentage + 3-hour percentage) × number of respondents (1)

$$= (30\% + 15\%) \times 400 = 0.45 \times 400 \text{ (1)}$$

$$= 180 \text{ respondents (1)}$$

(b) The sample may not represent the people who would actually book (K). The questionnaire was answered in August by people passing TK's beach hut, and most people passing then are holidaymakers who will not be in the area in spring or autumn, when the tours would run (App). So the 70% who said they would book (all but the 30% who would not) may overstate demand, and TK could plan more tours than it can fill (App).

(c) Trial tours (test marketing). TK could run sunset tours on a few evenings in May at a set price and see how many places sell (K). It already has the boats, guides and beach hut, so a short trial costs little extra (App). Real bookings show what people will pay, not what they say they would pay (An), so TK can set a price that fills its tours before committing to a full season of evenings, avoiding paying guides for empty trips (An).

An emailed questionnaire to past customers. TK could email its list asking which prices and tour lengths people would choose (K). Around 500 of the 1,500 past customers live in country V, so they could take part in a spring or autumn tour, unlike most summer visitors (App). This targets people who already like TK's trips and is cheap to send (An); but people who have enjoyed TK before may say they would pay more than they really would, so TK should compare their answers with bookings from the trial (An).

Each method earns K + App + a developed chain: $2K + 2\text{App} + 4\text{An} = 8$.

Example 4

"A small veterinary clinic can rely on its vets' experience instead of carrying out market research before adding a new service." Evaluate this view. [12]

Knowledge. Market research is gathering evidence about buyers, competitors and the market so that decisions rest on facts (K). It can be primary, such as a questionnaire to pet owners, or secondary, such as official figures on pet ownership in the area or rival clinics' price lists (K).

For the view. Vets talk to pet owners every day, so they may already hear what owners ask for and what they complain about (App). A small clinic has a limited budget, and formal research costs staff time or agency fees that cannot then be spent on equipment (An). If the new service is a small step, such as longer opening hours, a mistake would be cheap to reverse (App), so the cost of research might be greater than the risk it removes (An).

Against the view. The vets hear only from owners who already use the clinic; owners who chose a rival, or who don't take their pets to a vet at all, are never heard (An). A new service such as pet physiotherapy may need costly equipment and trained staff (App); without evidence of how many owners would pay and at what price, the clinic could invest in a service that does not cover its costs (An). Simple research need not be expensive: a short questionnaire at the reception desk and a check of rivals' websites would cost little.

Judgement. The view is only partly right (Eval). Experience is a sound guide for small changes that are cheap to undo, because the vets' daily contact with owners is itself a kind of informal research (Eval). But for a service that needs a large investment, relying on experience alone is risky, because it leaves out the owners the clinic does not yet serve, and these are the people a new service is meant to attract (Eval). The clinic should do low-cost research before a large investment: secondary data on local pet numbers and rivals, then a short survey of owners (Eval). How much research is worth doing depends on the size of the investment, how many rival clinics are nearby, and how much money the clinic has to lose if the service fails (Eval).

The marks: 2 K, 2 App, 2 An and 6 Eval, for a judgement made for a vet clinic, which weighs the vets' knowledge against what it misses and says what the decision depends on.

Common mistakes

- **Writing about market research when the question is about sampling.** The November 2022 report (Paper 22) said sampling was often confused with market research, with answers analysing the limits of research methods instead of the sampling process; many also spent a long time on the benefits of the process when its limitations were asked for. Keep every point about how the sample was chosen, its size and its bias.
- **Giving a disadvantage when a limitation of the data is asked for.** In November 2022 (Paper 21), some candidates did this and lost the marks, while a point about the sample being too small could earn full marks. Ask yourself: does this point make the results less true?
- **Dividing by the wrong total.** In the same paper's calculation, some candidates divided by a total that was not the number of people who answered. Those who showed their working could still earn 2 marks.

- **Describing sampling methods when research methods are asked for.** In November 2021 (Paper 23), a sizeable minority wrote about how to choose respondents instead of how to collect information, and lost the developed-analysis marks even when a real method appeared later.
- **Mixing up primary methods and secondary sources.** In March 2021 (Paper 22), a few candidates confused the two, and strong answers did not spend time explaining the difference between primary and secondary research, because the question did not ask for it.
- **Too much description in a 12-mark essay.** In June 2022 (Paper 13), many candidates wrote at length about what market research is and very little judgement; evaluation mostly scored 1–2 of its 6 marks. Knowledge is worth only 2.
- **Losing the business in the question.** In June 2022 (Paper 12), some answers swapped the business named in the question for a different kind of business, and weak answers in Paper 11 analysed without reference to the context.
- **Describing methods when asked why a business would invest in research.** In March 2021 (Paper 12), weaker answers described research methods instead of analysing what the business gains.
- **Listing reasons without the "because".** In June 2021 (Paper 14), weaker answers named the cost and time benefits of secondary research without explaining why the savings happen.
- **Explaining a term with the term itself.** The March 2025 report (Paper 22) reminded candidates that explaining a word with a word built from it shows no knowledge; describing qualitative data as non-numerical was a reasonable start.

How to get the marks

- **Command words.** *Define*: the precise meaning in two parts. *Explain*: a point, then why or how, then context or an example. *Analyse*: two points, each carried through a chain of causes and consequences; no judgement needed. *Evaluate* or *Discuss*: both sides, then a supported judgement.
- **[2] define**: two elements, no repetition of the term, no example needed.
- **[3] explain the term (Paper 2)**: the meaning, then two developments (an example, a contrast with the other type of research, a benefit or drawback). The case is not needed.
- **[3] calculation**: formula, figures, answer. Show the working: a correct method with one slip still earns 2.
- **[3] explain one (Paper 2)**: K, then explain it, then a fact from the case. Names of the business alone are not context: use its figures and situation.
- **[8] analyse two**: exactly two points, each with knowledge, a case fact (or, on Paper 1, the kind of business) and a chain of at least two links to sales, costs, profit or market share. A third point earns nothing.
- **[12] evaluate**: 2 K, 2 App, 2 An, 6 Eval. The top level needs a **judgement in context**: say whether research is needed or useful **for this business and this decision**, and what that depends on.
- **Use the numbers.** Sample size, response rate, who was asked, how and when: each is a ready-made application mark in a Paper 2 case.

Quick check

1. Is each primary or secondary research? (a) A car-wash owner counts the cars passing a possible new site each hour. (b) A trade association's yearly report on sales of garden furniture. (c) A bakery's own till records for last year, by product. (d) Six parents are invited to try a new baby-food recipe and discuss it.
2. A dentist asked 160 patients about a new online booking system: 52 found it very easy, 60 easy, 32 difficult and 16 very difficult. Calculate the percentage who found it easy or very easy.
3. A firm's sales are \$4.2m, a 12% share of its market. (a) Calculate the size of the market. (b) A year earlier the market was worth \$30m. Calculate the percentage change.
4. Nine delivery times, in minutes: 22, 25, 25, 27, 28, 30, 30, 30, 61. Calculate the mean (to 1 decimal place), the median and the mode, and say which best shows a typical delivery.
5. A cinema asks 30 people at one Tuesday-afternoon screening whether it should show more late-night films. Explain one reason why the results may not be reliable. **[3]**

Answers

1. (a) Primary (observation). (b) Secondary (an external report). (c) Secondary (internal records kept for another purpose). (d) Primary (a focus group with product trial).
2. $\frac{52+60}{160} \times 100 = \frac{112}{160} \times 100 = 70\%$.
3. (a) $\frac{4.2}{0.12} = 35$, so the market is worth \$35m. (b) $\frac{35-30}{30} \times 100 = 16.67\%$.
4. The times add up to 278, so the mean is $\frac{278}{9} = 30.9$ minutes; the median (the 5th of 9 values) is 28 minutes; the mode is 30 minutes. The median is the best guide: the one slow delivery of 61 minutes pulls the mean up.
5. The sample is not representative of the people who would watch late-night films (K). People free on a Tuesday afternoon are likely to be retired people, parents of young children or shift workers, who may be less likely to go out late at night (App). With only 30 asked at one screening, the cinema could wrongly decide against late films that younger or working audiences would have paid to see (App).

Past questions to try

- **9609/22/O/N/22 Q1:** part (d), judging the limitations of a case's sampling process from its response figures.
- **9609/23/O/N/21 Q2:** parts (b) and (c), revenue from market shares, a drawback of secondary research, and two primary research methods.
- **9609/11/M/J/22 Q5:** part (b), how useful secondary research is before a luxury product launch.
- **9609/22/O/N/23 Q1:** part (c), two sources of secondary research for a business whose visitor numbers are falling.