

Cambridge IGCSE · Business Studies 0450 · Notes

Market research

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Read first: **Marketing, competition and the customer**

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What you need to know

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

1. **Explain what a market-orientated business is**, and the ways market research information helps a business make decisions.
2. **Explain the difference between primary and secondary research**, with the benefits and limitations of each.
3. **Describe methods of primary research**: postal questionnaires, online surveys, interviews, focus groups (and others, such as observation).
4. **Explain why businesses use a sample** instead of asking everyone.
5. **Describe methods of secondary research**: online sources, government sources, and commercial market research reports that the business pays for.
6. **Explain the factors that affect how accurate market research data is**.
7. **Analyse market research results shown in graphs, charts and diagrams**, and draw simple conclusions from them.

Understand it

What market research is for

Market research is collecting and analysing information about customers, competitors and the market, so that a business can make better decisions. A **market-orientated business** finds out what customers want first, and then designs, prices and sells products to match. (The opposite is a business that makes what it is good at and then looks for buyers, which is riskier: the product may not be what anyone wants.)

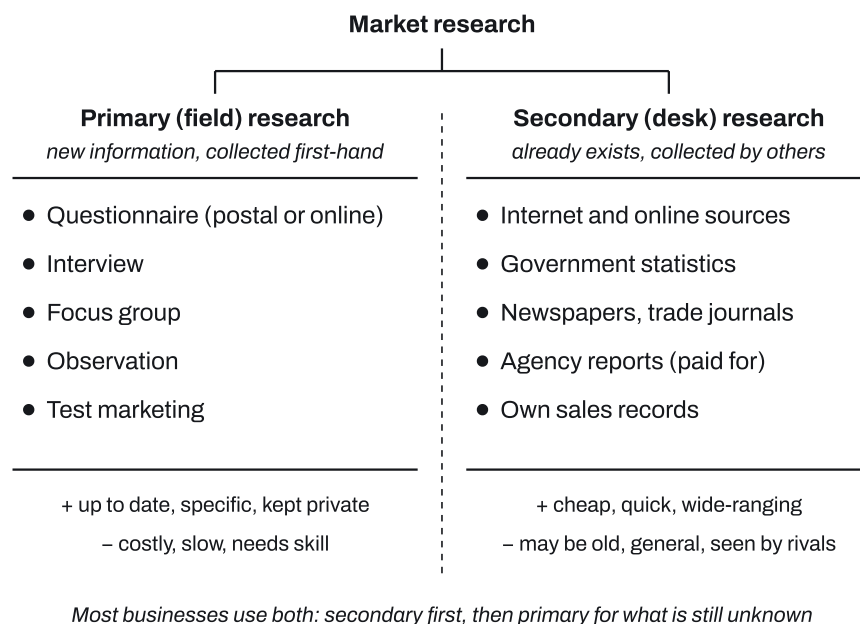
Market research information helps a business:

- **find out what customers want and who they are** (the target market), so it makes products people will buy instead of products that sit unsold;
- **spot a gap in the market**, a need that no business is meeting yet, which is a chance to launch something new;

- **notice changing tastes and trends** early, before rivals do;
- **estimate how big the market is** and how much demand there might be, so it knows how much to make or stock and doesn't waste materials;
- **learn about competitors**: their prices, products and weak points, so it can find a way to stand out;
- **decide the marketing mix**: what price customers will pay, which kind of promotion reaches them, and where they like to buy;
- **reduce risk**: a big decision (a new product, a new branch, selling abroad) based on evidence is less likely to fail.

Research costs money and time, so it is worth doing when the decision is big or the business knows little about the market.

Primary and secondary research



Primary research (field research) is collecting **new** information, first-hand, for the business's own purpose: the business (or an agency it hires) asks or watches people itself.

Secondary research (desk research) is using information that **already exists**, because someone else collected it, often for a different purpose.

	Benefits	Limitations
Primary research	up to date , so it shows what customers think now; specific : it asks exactly what this business needs to know; the results belong to the business, so rivals don't see them ; detail and opinions can be followed up	expensive : questionnaires must be designed, printed or hosted, and staff or an agency paid; slow to plan, carry out and analyse; needs skill , or poorly designed questions and untrained interviewers give misleading results; bias if the sample or the interviewer is unrepresentative

	Benefits	Limitations
Secondary research	cheap or free ; quick : it is ready now; covers a wide range , such as the whole country's population or spending, which a small business could never collect itself	may be out of date ; was collected for another purpose, so it may not answer the business's question ; rivals can read it too , so it gives no advantage; some sources are unreliable

Notice that these are linked: primary research is up to date **because** the business collects it now, and costly **because** it does. In an answer, "primary is up to date" and "secondary may be out of date" is one point seen from two sides, so it only earns a mark once.

Methods of primary research

Method	How it works	Good for	Drawbacks
Postal questionnaire	a printed list of questions sent by post to a sample, returned by post	reaching people at home over a wide area	many are never returned; postage and printing cost; slow
Online survey	questions sent by email, a website or social media	cheap; quick replies; results counted and charted by computer automatically	only reaches people online; nobody to explain a confusing question; people may rush their answers
Interview	an interviewer asks one person questions, face to face or by phone	detail; the interviewer can explain questions and ask follow-ups	slow and costly per person; an interviewer can lead people towards an answer (interviewer bias)
Focus group	a small group discusses a product or idea, guided by a researcher	in-depth opinions and reasons, reactions to a new idea	only a few people, so they may not be typical; one strong voice can sway the rest; costly
Observation	watching or counting what people do (how many pass a shop, which shelves they stop at)	shows what people do , not what they say	doesn't explain why ; can be slow
Test marketing	selling a new product in one small area before a full launch	real buying, not opinions	rivals see the product early; delays the full launch

A **questionnaire** is the list of questions; a **survey** is the whole exercise of asking a sample. Good questions are short, clear and neutral. "Don't you agree our cakes are delicious?" is a **leading question**: it pushes people towards yes.

Sampling

Most businesses cannot ask every possible customer: there are too many, and finding them all would cost a fortune. So they ask a **sample**, a smaller group chosen to represent the whole target market.

- **Cheaper** than researching everyone: fewer questionnaires, interviews or hours.
- **Quicker**, so the business can decide and act sooner.
- Often asking everyone is **impossible**, because the business doesn't know who all its potential customers are.

The risk is that the sample is not like the target market, so its answers mislead the business. A sample should be **large enough** and made of the **right people**: a sports shop asking only its existing customers learns nothing about people who never come in.

A sample here means people asked in research. It is not a method of research in itself, and it has nothing to do with free samples of a product.

Methods of secondary research

- **Online sources**: websites, competitors' sites and price lists, online reviews, news sites. Fast and free, but anyone can publish online, so check who wrote it.
- **Government sources**: the census, population figures by age and area, statistics on incomes, unemployment and spending. Free, and usually reliable because large samples are used, but they cover the whole country, not this business's customers, and may be a few years old.
- **Commercial market research reports**: a specialist agency studies a market (for example, the national market for sports clothing) and sells the report. Detailed and expert, but they can be expensive, and any business that pays can read the same report.
- Others: newspapers, magazines and **trade journals** (magazines for one industry); the business's own records, such as past sales figures and customer complaints, which were collected for another purpose.

What affects the accuracy of market research

Research is only useful if it is accurate. Things that make it less accurate:

- **Sample size**: a very small sample may not be typical.
- **Who is in the sample**: if it does not represent the target market (only friends, only daytime shoppers, only online users), the results are **biased**.
- **Question wording**: leading or confusing questions get answers that don't show what people really think.
- **Interviewer bias or inexperience**: the way questions are asked can influence the answers.
- **Honesty**: people may say what sounds good, or what they think the researcher wants to hear; what people **say** they will buy is often more than they actually buy.
- **Age of the data**: old secondary data may no longer be true.
- **Who collected it and why**: data gathered for a different purpose, or by an unreliable source, may not fit.

- **Online problems:** automated replies from bots, or people answering the same survey twice.

Primary research is **not automatically more accurate** than secondary. A badly run questionnaire with a tiny, unrepresentative sample can be far less accurate than official statistics based on millions of people.

Reading market research results

Research results are usually shown as **bar charts** (to compare quantities), **pie charts** (to show shares of a whole, adding to 100%), **line graphs** (to show change over time) or tables. To use them:

1. **Read the title and labels:** what is being measured, in what units, and from how many people?
2. **Find the biggest and smallest values,** and any big difference or clear trend.
3. **Turn it into a decision:** what should the business do because of this?
4. **Check whether it can be trusted:** how many were asked, who, and when?

Chart A: what matters most when buying treats

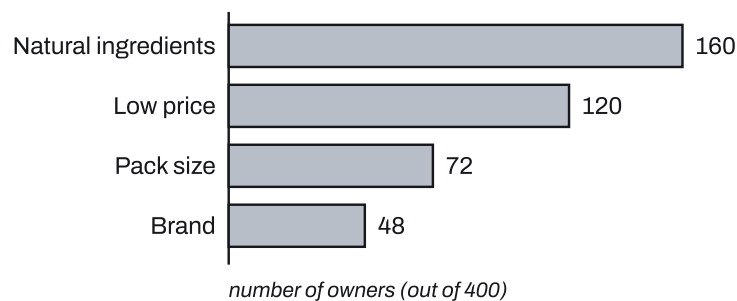
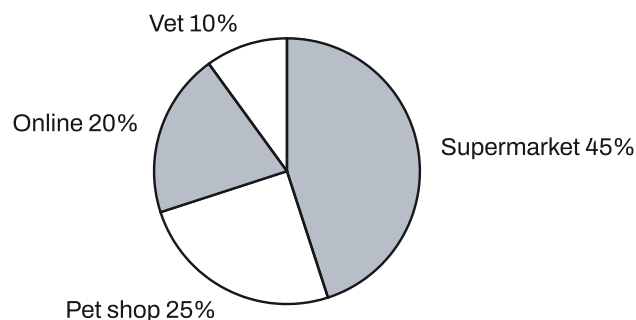


Chart B: where owners usually buy treats



From Chart A, natural ingredients matter most to $160 \div 400 \times 100 = 40\%$ of owners. From Chart B, supermarkets are where most owners buy (45%), almost twice the share of pet shops (25%). A conclusion is one decision backed by a figure: "40% of owners care most about natural ingredients, more than any other factor, so the treats should be promoted on their ingredients."

A percentage of a sample can be scaled up to estimate the whole market: if 40% of the sample choose something and a town has 6000 dog owners, about $6000 \times 40\% = 2400$ of them might. This is only an estimate, and only as good as the sample.

Key facts and formulas

This topic has no formula list in the exam. "Learn it" means you must remember it.

Fact	Status
Market-orientated business: finds out what customers want before deciding what to produce	Learn it
Primary (field) research: collecting new, first-hand information for the business's own purpose	Learn it
Secondary (desk) research: using information that already exists, collected by someone else, often for another purpose	Learn it
Primary research methods: postal questionnaire, online survey, interview, focus group, observation, test marketing	Learn it
Secondary research sources: online sources, government statistics, commercial market research reports, newspapers and trade journals, the business's own records	Learn it
Sample: a smaller group of people chosen to represent the whole target market; used because it is cheaper and quicker than asking everyone	Learn it
Accuracy depends on: sample size, who is in the sample, question wording, interviewer bias, honesty of answers, age of the data, who collected it	Learn it
Percentage of a sample = $\text{number giving that answer} \div \text{number asked} \times 100$	Learn it
Estimate for the whole market = $\text{size of the market} \times \text{percentage from the sample}$	Learn it

How to do it

We have tagged 26 questions on this topic (2021–2026), on Paper 1 and Paper 2. 1 of them has a part that fits two types, so the counts add to 27.

Question type	Questions
Judge primary against secondary research	5
Use market research data from charts	4
Describe research methods and pick the best	4
Advantages and disadvantages of primary or secondary research	3
How market research helps a business make decisions	3
Compare given research methods and recommend one	3
Factors affecting the accuracy of market research	3

Question type	Questions
Reasons for using a sample	1
Define secondary market research	1

The mark scheme codes are **k** (knowledge: a correct point), **app** (application: a detail from the case), **an** (analysis: a developed consequence) and **eval** (evaluation: a justified judgement).

Part	Marks	What earns them
Paper 1 "Define"	2	a full definition; half = 1
Paper 1 "Identify"	2	1 per point; only the first two are marked
Paper 1 "Outline"	4	each: k + app; no marks for analysis
Paper 1 "Explain" (d)	6	each: k + app + an
Paper 1 (e) "Do you think ...?" or "Which is best?"	6	2 k + 2 an + 2 eval; general, so no app
Paper 2 (a) "Explain four ..." or "two ... and two ..."	8	each point (1) + one explanation (1); in context when the question names the business
Paper 2 (b) "Consider ... Which ...? Justify"	12	levels: applied discussion of every option, then a choice that says why the others were rejected

1. Judge primary against secondary research (5 questions)

1. **Make two points** (k), one on each side: a benefit and a limitation, or one type against the other.
2. **Develop each** (an): what it does to cost, time, the quality of the decision, or competitive advantage.
"Secondary research is cheap" becomes "cheap, so a business short of money can keep more for launching the product".
3. **Decide** (eval): say which is better **for the situation in the question**, and why it beats the other side. A summary of what you already wrote earns nothing.

Situations change the answer, which is where evaluation comes from:

- a **start-up** usually has little money, so cheap secondary research may be the realistic first step, though it must come from a source it can trust;
- a **big, costly decision** (expansion, a new market) justifies paying for primary research, because a wrong decision costs far more than the research;
- a **specific question** (will people buy *this* new design?) needs primary research, since no one else has asked it;
- a **broad question** (how many people live in the area, are incomes rising?) is answered more cheaply by secondary data.

Variations you will meet:

- **General 6-mark** on Paper 1 (e): is secondary research the most appropriate when deciding whether to expand (0450/12/F/M/25 Q1); are primary research's advantages greater than its disadvantages (0450/12/O/N/24 Q3); is primary research always better for a start-up (0450/11/O/N/22 Q4). No application. For the "advantages greater than disadvantages" kind you **must** give at least one advantage and one disadvantage, or no eval marks are possible.
- **Paper 2 (b), 12 marks**: discuss both types for a business entering markets abroad (0450/22/O/N/23 Q1), or the advantages of each for finding potential sales in a new market (0450/21/O/N/21 Q2). Use the case throughout, recommend one, and say why the other was rejected. When the question asks only for **advantages**, don't spend time on disadvantages except to justify the choice.

2. Use market research data from charts (4 questions)

1. **Name a decision** the data helps with (k): who to target, what to stock or make, where to sell, where to advertise, what price to set, whether the market is big enough.
2. **Quote the chart** (app): a figure or a clear comparison, such as "45% buy at supermarkets".
3. **Say what the decision achieves** (an): more sales, less unsold stock, lower marketing costs.

Just describing the chart ("Chart 2 shows sales by type") earns nothing: say **how it helps**. Use a different decision for each chart.

Example for a bike-hire firm whose chart shows 60% of riders are tourists: "It could aim its adverts at tourists (k), since 60% of its riders are visitors (app), so less of its promotion budget is wasted on locals who rarely hire (an)."

Variations you will meet:

- **Paper 1 (d), 6 marks**: two charts, one use each, with k + app + an (0450/11/O/N/24 Q2, 0450/13/M/J/22 Q3).
- **Paper 2 (a), 8 marks**: one use for each of four charts (0450/22/M/J/22 Q3) or two ways the appendix data helps (0450/23/M/J/21 Q4), each explained with the data. A chart of unemployment or incomes can help with recruitment (more people looking for work) as well as with marketing (customers with less to spend). A chart of where customers buy points to the **channel of distribution**; a chart of rival firms shows the **competition**. Read what each chart actually measures before you answer.

3. Describe research methods and pick the best (4 questions)

1. **Name a specific method** (k): online survey, postal questionnaire, interview, focus group, observation, test marketing; for secondary, government statistics, online sources, trade journals, agency reports. Writing only "primary research" or "secondary research" gets **no** knowledge mark.
2. **Develop** (an) with a benefit or drawback of that method from the table in "Understand it".
3. For "which is best?", **compare** the two methods for the kind of business named.

Variations you will meet:

- **Outline two methods of primary research in context** (4 marks, 0450/13/M/J/24 Q2): method (k) + how it fits the business (app), for example a gym "observing which machines members queue for at peak times".
- **General 6-mark: two methods and the best** for finding demand for a new product (0450/12/M/J/23 Q2) or for a manufacturer (0450/11/M/J/25 Q2). The decision must say why one method suits that business better: a focus group lets a manufacturer test a new design and ask why people like it, while government statistics show the size of the whole market cheaply; which is better depends on whether the business needs reasons (detail) or numbers (breadth).
- **Paper 2 (a), four methods of primary research** (8 marks, 0450/23/O/N/23 Q2): name each method (1) and say how it would be carried out with **this** business's target customers (1).

4. Advantages and disadvantages of primary or secondary research (3 questions)

1. **Point** (k) from the benefits and limitations table in "Understand it".
2. **Apply** (app): a detail of the business that makes sense with that point. Use a different detail for each point.
3. For "explain" (6 marks), **develop** (an): the effect on costs, decisions or sales.

Example for a small café chain using secondary research: "It is cheap (k), which matters as the café has only two branches and a tight budget (app), so money is left to spend on the new menu (an). But it may be out of date (k), so the café could base its new menu (app) on tastes that have already changed, and sales would disappoint (an)."

Variations you will meet:

- **Outline one advantage and one disadvantage of primary research** (4 marks, 0450/12/F/M/26 Q1): k + app each, nothing more.
- **Explain one advantage and one disadvantage of secondary research** (6 marks, 0450/12/O/N/25 Q3): k + app + an each.
- **Paper 2, two advantages and two disadvantages of primary research** (8 marks, 0450/21/O/N/25 Q2): four different points, each with one explanation tied to the case.
- Read which type the question names: confusing primary with secondary loses every mark.

5. How market research helps a business make decisions (3 questions)

1. **Name a use** (k): identify customer needs or the target market, find a gap, spot trends, estimate demand, learn about competitors, set the price, choose promotion or the distribution channel, decide how much to produce or stock.
2. **Develop** (an): the effect, such as more sales, less waste, lower risk.
3. **Apply** (app) only if the question names a business.

This is about **what the information is used for**, not how it is collected. Naming methods (questionnaires, interviews) earns nothing here.

Variations you will meet:

- **Explain two ways in context** (6 marks, [0450/13/O/N/25 Q2](#)): k + app + an each. For a new mobile phone-repair stall: "it can find out what repair customers need most (k), such as cracked screens (app), so it buys the right spare parts and doesn't tie up cash in parts nobody needs (an)".
- **General 6-mark: two reasons and the most important** ([0450/12/F/M/24 Q2](#)): two uses, developed, and a decision. Identifying customer needs is often judged most important, because every other decision (price, promotion) is wasted on a product nobody wants; but any reasoned choice can earn the marks.
- **Paper 2 (a), four ways** (8 marks, [0450/22/M/J/25 Q3](#)): four different uses, each with one consequence; it is a general question, so no application marks.

6. Compare given research methods and recommend one (3 questions)

1. **Discuss each option** in the case: what it would find out, a benefit, a drawback, and how far you can trust it.
2. **Look for clues in the wording**: "existing customers" (they miss people who don't buy yet), "only 5 questions" (quick to answer, but little detail), "government sources" (reliable, but general and perhaps old), "sales data from existing shops" (secondary, so it may be out of date).
3. **Recommend one** and say **why each other option was rejected**.

Variations you will meet:

- **Which method gives the most accurate data?** ([0450/21/O/N/23 Q2](#)): judge each on accuracy: sample size, who is in the sample, the number and type of questions, the age of the data.
- **Which is best to find out what passengers would buy at an airport?** ([0450/23/O/N/21 Q3](#)): an online survey, existing sales data, or interviews. Say what each would actually reveal about **this** question.
- **Paper 1 (e), 6 marks: is government statistics the best method for a start-up?** ([0450/13/M/J/23 Q4](#)): develop government statistics for and against (free and wide-ranging, but old and not specific), then **name** another method (such as an online survey) and develop it. A general comparison of "primary versus secondary" is not credited here.

7. Factors affecting the accuracy of market research (3 questions)

- **Identify two factors** (2 marks, [0450/11/M/J/23 Q4](#)): short answers from the list in "Understand it": sample size, who is in the sample, question wording, interviewer bias. "Primary or secondary" is not a factor.
- **Outline two factors in context** (4 marks, [0450/12/F/M/21 Q2](#)): factor (k) + a detail of the business (app), a different detail each time. Outline means no analysis is needed.
- **As part of a judgement** ([0450/21/O/N/23 Q2](#)): use the factors to decide which method is most accurate.

Avoid vague phrases like "it may be unreliable": say **why** (too few people asked, the wrong people, out of date).

8. Reasons for using a sample (1 question)

Outline two reasons in context (4 marks, 0450/12/F/M/23 Q4): **cheaper** than asking the whole market, and **quicker**, each linked to the business, such as a new firm with little money to spend. A sample is not a separate method of research, and not the same as test marketing or handing out free samples.

9. Define secondary market research (1 question)

Two marks (0450/13/O/N/21 Q3): say the information **already exists** and was **collected by someone else** (or for another purpose). "Research that is secondary" or listing examples earns nothing.

Worked examples

Example 1

Coral Cove is a family-run ice-cream parlour beside a busy beach. It wants to add four new flavours next summer. To choose them, it hands a questionnaire to customers inside the parlour on weekday mornings in March.

(a) The results show that most customers want warming flavours such as coffee and cinnamon. Explain why these results may be a poor guide to what will sell next summer. **[2]**

(b) Coral Cove is also thinking of inviting eight regular customers to taste and discuss new flavours. Outline one benefit and one drawback of this focus group compared with its questionnaire. **[4]**

(a) The sample does not represent the summer customers (1): on March weekday mornings the customers are mostly local people on a cold day, while in summer most are beach visitors on hot days, who may want cooler, fruity flavours (1).

(b) Benefit: it gives detailed reasons (k), because the eight customers can taste each flavour and say what they like about it (app).

Drawback: only a few people take part (k), and regulars may like different flavours from the tourists who visit in summer (app).

Part (a) earns 1 mark for the problem and 1 for explaining it; part (b) earns k + app for each point (4 marks). Analysis is not needed for "outline".

Example 2

Explain two reasons why the results of market research may be inaccurate. Which is likely to be the bigger problem for a business planning to start selling in another country? Justify your answer. **[6]**

One reason is an unrepresentative sample (k): if the people asked are not like the target market, for example only people who live near the researcher, their answers can point the business towards a product that most customers don't want (an).

Another reason is out-of-date data (k): figures collected several years ago may describe incomes or tastes that have since changed, so decisions based on them may be wrong (an).

For a business entering another country, out-of-date data is likely to be the bigger problem. Primary research abroad is expensive, so the business will probably rely on existing reports and government figures about that country, and it cannot easily check whether they still hold (eval). A sample problem can be fixed by asking more, or different, people later, but a business that enters a market on old figures may already have spent heavily on stock and promotion before it finds out the market has changed (eval).

The question is general, so there are no application marks: 2 k + 2 an + 2 eval. The decision compares the two reasons for the situation given.

Example 3

PawFresh is a new business that makes dog treats in a small town. It surveyed 400 dog owners; the results are in the two charts above (Chart A and Chart B).

(a) Calculate the percentage of owners who said a low price matters most. [2]

(b) PawFresh plans to sell its treats mainly through pet shops and to advertise them as the cheapest in town. Use the data to explain whether each part of this plan is a good idea. [6]

(c) The survey was carried out online, through PawFresh's own social media page. Explain why this could make the results inaccurate. [2]

(a) $120 \div 400 \times 100$ (1) = 30% (1).

(b) Place: the business should sell where most customers already buy (k). Only 25% of owners usually buy treats at pet shops, while 45% buy at supermarkets (app), so selling mainly through pet shops would miss most potential buyers and limit sales (an).

Promotion: the advert should stress what matters most to customers (k). 160 owners (40%) care most about natural ingredients, but only 120 (30%) about price (app), so promoting the natural ingredients appeals to the largest group, while a "cheapest" message would also push PawFresh into low prices that cut its profit on each pack (an).

So neither part of the plan fits the data well.

(c) The sample is not representative (1): only people who follow PawFresh online answered, and they may already like the brand, so the results could overstate how many owners will buy (1).

Part (b) earns k + app + an for each part of the plan: 3 + 3 = 6.

Example 4

AquaPark is a council-run swimming pool, open from 6 am to 6 pm. It is deciding whether to stay open until 9 pm. Each extra evening costs \$450 in staff and heating. It could find out about demand in one of three ways:

- a questionnaire handed to swimmers at reception for one week (about 300 swimmers a day);
- an online survey emailed to the 5000 residents on the council's newsletter list, using software that costs \$200;
- national government statistics on when adults take part in sport, published two years ago, free online.

Consider the advantages and disadvantages of each method. Which should AquaPark use? Justify your answer. [12]

Questionnaire at reception. It is cheap and quick, and over a week it reaches about $300 \times 7 = 2100$ swimmers who know the pool well. But everyone asked can already swim in the day. The people most likely to swim in the evening, such as those who work until 6 pm, are the very people missing from the sample, so the results would understate evening demand.

Online survey. It reaches residents who don't use the pool now, including people at work in the daytime, so it can ask exactly who would come in the evening and how often. If 10% reply, that is $5000 \times 10\% = 500$ answers, a useful sample, for only \$200, less than the cost of one evening's opening. Drawbacks: people who reply may be those who already care about swimming, people may say they would come more often than they will, and nobody is there to explain a confusing question.

Government statistics. Free, and reliable because they are based on a very large national sample. But they describe the whole country, not this town, and are two years old, so they cannot say whether this town's residents would swim at 7 pm.

Recommendation. AquaPark should use the online survey. It is the only method that asks the people who would use the new hours, and it is specific to this pool, at a cost well below one night's opening. The reception questionnaire is rejected because its sample leaves out exactly the people the decision is about, and the government data is rejected because national, two-year-old figures cannot predict demand at one local pool. To allow for people overstating how often they will come, AquaPark could open late on a few evenings at first and count the swimmers (observation) before deciding for good.

Each method is discussed in context, using the case's figures, and the recommendation says why both alternatives were rejected: **Level 3** (9–12 marks). Choosing another method could also reach Level 3 if justified from the case in the same way.

Common mistakes

- **Writing "primary research" or "secondary research" when a method is asked for.** Name the method: online survey, focus group, government statistics.
- **Describing a method without naming it**, such as "asking people what they think". Give its name, then describe it.

- **Explaining why businesses do market research** when the question asks about the advantages and disadvantages of primary or secondary research, or which method is best. The uses of research are a different question.
- **Describing methods of research** when the question asks how market research **helps a business make decisions**.
- **Mirror answers**: "primary is up to date, secondary is out of date" is one point, credited once.
- **Confusing primary with secondary research**. Primary is new and first-hand; secondary already exists.
- **Saying primary research is always more accurate**, or giving "the type of research" as an accuracy factor. Accuracy depends on the sample, the questions and the age of the data.
- **Vague claims about reliability or accuracy**. Say why: too few people, the wrong people, old data.
- **Thinking sampling is a method of research**, or mixing it up with test marketing or free samples.
- **Repeating what a chart shows** instead of saying how it helps a decision, or giving the same use (such as advertising) for both charts.
- **Adding analysis to an "outline" question**, which only rewards knowledge and application, and **using the same case detail for both points**.
- **Defining secondary research by repeating the words** "market" and "research". Say the information already exists and was collected by others.
- **Ending a judgement with a summary**. The decision needs a reason, and a reason why it beats the other side, for the situation in the question.
- **Applying a general Paper 1 (e) or Paper 2 (a) question to a case**. Spend the time on developed points instead.

How to get the marks

- **Define**: say what kind of information it is and where it comes from, in one sentence.
- **Identify**: short, different answers; only the first two are marked.
- **Outline** (4 marks): a correct point plus a detail from the case that makes sense with it. No analysis needed.
- **Explain** (Paper 1, 6 marks): point, case detail and consequence for each. Analysis is a consequence: "so...", "which means...".
- **Paper 1 (e)** (6 marks): general, so no marks for the case. Two developed points covering both sides (an advantage and a disadvantage, or two methods), then a decision for the situation named (a start-up, a manufacturer, expansion) that says why one side outweighs the other.
- **Paper 2 (a)** (8 marks): four separate points, each with one explanation. Use the case only if the question names the business.
- **Paper 2 (b)** (12 marks): discuss **every** option using the case and its numbers, then recommend one and say **why each other option was rejected**. Either choice can reach the top level if the reasons come from the case.
- **Charts**: one decision per chart, a figure from the chart, and what the decision achieves.
- **Read the type and direction**: primary or secondary, advantages or disadvantages, methods or uses.

Quick check

1. Primary or secondary research? (a) A café counts how many people walk past its door each lunchtime. (b) A phone shop reads a trade magazine's report on smartphone sales. (c) A hotel uses government figures on tourist numbers. (d) A cinema emails a short survey to its members.
2. A bakery asks 250 adults in its town whether they would buy its new gluten-free bread; 85 say yes. (a) What percentage said yes? (b) The town has 20 000 adults. Estimate how many might buy the bread. (c) Give one reason why the real number of buyers may be lower.
3. Name the accuracy problem in each case. (a) A student starting a tutoring business asks only her friends. (b) A questionnaire asks, "Don't you agree our pizzas are the best in town?" (c) A business uses a population report from eight years ago. (d) A clothing firm asks 12 people before launching a national range.
4. Give two reasons why a business would research a sample of customers instead of every customer.
5. What is the difference between primary and secondary market research?

Answers

1. (a) Primary: observation, collected first-hand. (b) Secondary: someone else's report. (c) Secondary: government statistics. (d) Primary: an online survey of its own.
2. (a) $85 \div 250 \times 100 = 34\%$. (b) $20\,000 \times 34\% = 6800$ adults. (c) People often say they will buy more than they actually do; or the 250 asked may not be typical of the town.
3. (a) An unrepresentative sample: friends are not typical customers. (b) A leading question: it pushes people to agree. (c) Out-of-date data. (d) The sample is too small.
4. It is cheaper than asking everyone, and quicker, so the business can decide sooner; it is often impossible to find every potential customer anyway.
5. Primary research collects new information first-hand for the business's own purpose; secondary research uses information that already exists, collected by someone else.

Past questions to try

- 0450/21/O/N/25 Q2: part (a), two advantages and two disadvantages of primary research for a business.
- 0450/21/O/N/23 Q2: part (b), which of three research methods gives the most accurate data.
- 0450/12/M/J/23 Q2: part (e), two methods of primary research for a new service, and the best.
- 0450/12/F/M/23 Q4: part (c), why a start-up would use sampling.