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Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/43**

Paper 4 Business Strategy **May/June 2023**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2023 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

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GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However, spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion).

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer.
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:
- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

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Annotations and their Use

Annotation	Use
✓	As an indication of relevant and rewardable content. Better to put these in the body of the answer.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates that there is specific application to the context of the question.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
SEEN	Indicates that content has been recognised but not rewarded.
L1, L2, L3	Indicates where the answer reaches the required standard.
1, 2, 3, 4, 5, 6	Indicates the number of K, APP, AN and EVAL marks awarded.

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>

Evaluate RHR's marketing strategy between 1995 and 2021.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
3 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
8 marks</th><th>AO4 Evaluation
7 marks</th></tr>
<tr><th></th><th>Description</th><th>Description</th><th>Description</th><th>Description</th></tr>
<tr><td>3</td><td></td><td></td><td>7–8 marks
Developed analysis of the overall strategy that identifies connections between causes, impacts and/or consequences.</td><td>6–7 marks
Effective evaluation
A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.</td></tr>
<tr><td>2</td><td>2–3 marks
Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>2 marks
Developed application of relevant point(s) to the business context.</td><td>4–6 marks
Developed analysis of individual strategic element(s) that identifies connections between causes, impacts and/or consequences.</td><td>3–5 marks
Developed evaluation
• A developed judgement/conclusion is made.
• Developed evaluative comments which balance some key arguments.</td></tr>
<tr><td>1</td><td>1 mark
Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>1 mark
Limited application of relevant point(s) to the business context.</td><td>1–3 marks
Limited analysis that identifies connections between causes, impacts and/or consequences.</td><td>1–2 marks
Limited evaluation
• A judgement/conclusion is made with limited supporting comment/evidence.
• An attempt is made to balance the arguments.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
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No creditable response.</td></tr>
</table>

</td><td>20</td></tr>
</table>

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Question	Answer	Marks
1	**Indicative content** Responses may include: **AO1 Knowledge and understanding** Knowledge [K] can be awarded for any relevant marketing knowledge, (do not reward repetition of the contents of Appendices, but further knowledge of the elements is rewardable) • Marketing Strategy • Marketing – elements within Marketing incl. 4 Ps and market research • Pan-global strategy – international marketing **AO2 Application** Application [APP] can be awarded for use of RHR's context, including any elements of RHR's marketing strategy between 1995 and 2021: • Target market – Luxury holiday market for adults • Clear objectives of a pan-global strategy and market share increase • Collaboration with global travel agent to help marketing • Develop own website to help book holidays directly • App development to help customers access holidays and extras • Market research strategy for Asian markets • Holding a central budget for the companies own marketing for brand development • Use of direct selling and promotion after the buy back from the travel agent. • Post global recession will need to see a change in strategy. **AO3 Analysis** ([L1] [AN] and [L2] [AN] and [L3] [AN]): Analysis is likely to be based on the different marketing activities and how successful/unsuccessful they are. • RHR operates in 20 countries so has customers from around the globe. It would be important to have a coherent marketing message to build the brand of RHR. Pan-global strategy will help with this. • Marketing can be shared across locations (20 countries) which should be able to keep marketing costs down in a pan-global strategy. • Pan-global strategy allows the brand identity to be maintained leading to repeat custom and trust in the RHR locations.	

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Question	Answer	Marks
1	• Collaboration with the travel agent opens up another distribution and marketing channel for RHR, saving on some costs, possible marketing economies of scale, helping to keep profit margins healthy. • The expansion in 4 key areas – Europe, Asia, USA and South America – allows marketing to be tailored to those markets if needed, to target the RHR customer and increase sales. Central budget can be used to help establish this. • Development of the app has standardised the experience of the customer while still being able to target them with marketing for the treatments, restaurants etc. while on holiday though the app. App will have cost less than a large scale global campaign. • Global use of the app and the loyalty scheme allows pan-global marketing to be used for this feature, saving money on producing different, regional strategies. • Collaboration with the travel agent may have helped them market the business through those agents more effectively on a local scale, but this came at a cost of 49% of the business. **AO4 Evaluation** (L1 EVAL and L2 EVAL and L3 EVAL): Evaluation will depend upon which element/s of marketing that have been discussed previously. • Collaboration has meant that 49% of the company was owned by the travel agent until 2021. However, the travel agent is a global business and opens up distribution of the holidays to a wider market, leading to increased sales and profits. • RHR maintain a marketing budget that will cost them a considerable amount of money alongside its marketing by the travel agent. [Is that still going ahead?] Is this necessary? Could money be spent elsewhere? How important is it to have their own marketing plan? If the aim is to be pan-global what is this budget for? • After the global recession (2008–12), how much business did they lose? No investment is made in new locations so are they having to sell a lot of their existing holidays as people come out of the recession? • RHR could have adopted to use a pan-global strategy to help maintain a brand image and cut the costs of having to develop local strategies in the increasing markets it operates in. While this saves money, should they be targeting individual countries/markets to appeal to the wants of those customers? • RHR sells holidays across the globe thanks to the internet booking so needs a strategy that projects a global image, making it easier to use a pan-global approach. • RHR may need to develop local strategies to target the segments who want all-inclusive holidays which could push up their marketing costs. • The development of the app has made it easier to target customers regardless of which country they are based in, helping them to grow customer engagement and ultimately sales across its resorts. However how much did this cost and is it generating the desired return? Is it something customers want? What is the uptake of this app?	

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Question	Answer	Marks
1	• Buyout of the travel agent may make it harder to market on a local scale and may increase the marketing costs of RHR, they will have to increase marketing spend now they do not have exclusivity with the travel agent. Are the distribution channels they have developed through their own website and app enough to offset this? Accept all valid responses.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
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Advise Carmen on whether the use of a core competence framework is sufficient to develop a successful new business strategy for RHR.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
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2 marks</th><th>AO3 Analysis
8 marks</th><th>AO4 Evaluation
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</table>

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</table>

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Question	Answer	Marks
2	**Indicative content** Responses may include: **AO1 Knowledge and understanding** Knowledge K can be awarded for any relevant business strategy knowledge. • The purpose of business strategy. • The meaning and purpose of strategic management. • What a core competence framework is • Alternative approaches to develop business strategy, including: – blue ocean strategy – scenario planning – SWOT analysis – PEST analysis – Porter's five forces – Ansoff matrix – force field analysis – Decision trees **AO2 Application** APP • Lack of growth in the current market • Growth in city/business hotels • The three competences identified • Human resources – strong leadership and communication • Marketing – customer loyalty • Operations – delivering exceptional customer service • Any element of the timeline • Any element of the appendices **AO3 Analysis** Analysis for core competence framework ideally and then up to two alternatives but award for analysis of ANY models up to three (L1 AN and L2 AN for a one-sided argument and L3 AN for a two-sided argument or contrast): • RHR operate all-inclusive holiday hotels – how much of this can be transferred to the running of a city hotel?	

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Question	Answer	Marks
2	• Core competencies around running the hotel and delivering a good customer experience may be transferable but how will their marketing need to change for the new strategy? • There seems to be just 3 areas for the framework – is this sufficient to ensure the success of the city hotels? What other information is needed? • Is the development of the new strategy at the expense of the Asian expansion? – which would be more aligned with the core competencies than city hotels. How does Juan feel about the change of direction after his work on the Asian market and potential for growth (appendix 3)? Candidates may offer up alternative approaches: • May want to use the Blue Ocean Strategy to help with move to city hotels as they redefine what the company delivers across a number of new locations. • Scenario planning could help map what may happen in city locations and how they differ/are similar to what they know from running resort hotels. • SWOT analysis may help identify strengths that can be transferred to city hotels whilst highlighting the problems they may face in a different model to how they currently operate. • PEST analysis could help if they are operating in countries where there is no RHR for example in the UK or Northern Europe and they need an understanding of how those countries work. • Five forces would help understand the rivalry they face in a very crowded city hotel market. • Ansoff's matrix may be useful in weighing up whether they should focus on market or product development moving forward – or if there are other possibilities for growth. • Force field analysis could help Carmen to understand the constraining and driving forces in developing the new strategy. This may help her to identify actions that need to be taken to reduce constraining forces. • Decision trees could be used to help make a quantitative led decision between Asia or urban hotels expansion. **AO4 Evaluation** (L1 EVAL and L2 EVAL and L3 EVAL): Evaluation will largely depend on the points raised in the analysis of the approaches needed to develop the new strategy other than the core competency framework. • Candidates should state that the Core Competency Framework is/isn't sufficient for L1 Eval. • RHR clearly have a set of core competencies that will help them set up hotels but is this enough for the new city hotels format? Should Carmen be using a combination of the strategic approaches? • How quickly does Carmen expect this to happen? Is there time to test the waters with the city hotel strategy?	

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Question	Answer	Marks
2	• Has Carmen over-simplified what they do? Without using other models she may take too much of a risk while the Asian growth would be easier to implement given their current business model. • Many of the approaches rely heavily on the accuracy of forecast data – Does Carmen have the data? • Core Competence Framework is enough as it gives managers the direction they need as they implement the strategies related to it throughout the new hotels. This is an established business that should be able to deliver a hotel experience wherever they set up. • Advice to Carmen should make clear whether the core competence framework is sufficient or whether it should be supported by other models, and if so, which? Accept all valid responses.	

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