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Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **October/November 2023**

MARK SCHEME

Maximum Mark: Please Specify

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 October/November 2023 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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PUBLISHED

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.

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)

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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).

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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NR or 0

0 (zero) marks or NR (no response):

- Award NR if there is nothing at all written in answer to that question (often the case for optional questions).
- Award NR if there is a comment which is not an attempt at the question (e.g. ‘can’t do it’ or ‘don’t know’, etc.)
- Award NR if there is a symbol which is not an attempt at the question, such as a dash or question mark.
- Award 0 (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

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

Evaluate the impact of FL's corporate culture on the success of the business between 2015 and 2022.

<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><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
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

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

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Question	Answer	Marks
1	**Indicative content:** **AO1 Knowledge and understanding** **No other AO2, AO3 or AO4 marks can be awarded without AO1.** Knowledge K (max 3 marks) can be awarded for any relevant business knowledge about corporate culture: • Corporate culture – the beliefs and behaviours that determine how a company's employees and management interact with each other and the outside world. • Often implied, not necessarily explicit, and can develop slowly over time from the personalities of the people that the business employs and/or the owners. • Culture is a way of describing the character/personality of the business. • Often referred to as 'the way things are done'. • Types of corporate culture, such as 'Power Culture', 'Role Culture', 'Task Culture' and 'Person Culture' (Handy); clan culture, adhocracy culture, market culture and hierarchy culture (Quinn and Cameron). Accept any valid types of corporate culture. • Corporate culture can be influenced by long-term aims, national cultures and traditions, economic trends, international trade, company size, and products/services, etc. • Corporate culture can come from; company-wide value systems, management strategies, employee communications and relations, work environment and attitude. • It can also include the way the business has been set up and managed, the skills of its leaders (Managers, Supervisors, Directors, CEO, etc.), as well as visual symbols such as logos and trademarks. • Corporate culture can also include; cross-culture refers to people from different backgrounds interacting in the business environment, culture shock which refers to the confusion or anxiety people experience when conducting business in an environment other than their own and reverse culture shock which is often experienced by people who spend lengthy time abroad for business and have difficulty readjusting upon their return.	

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Question	Answer	Marks
1	**AO2 Application** Application APP (max 2 marks) can be awarded for **applying knowledge of corporate culture,** to FL between 2015 and 2022: • FL operates online with every employee home working – may have an effect on group consultation/decision-making. • Jane's aim was to create an intrapreneurial, dynamic, low-cost clothing retailer – data may reflect this and suggests elements of laissez-faire leadership. • Employees from other software businesses – need to be aligned with FL's culture, may have caused a culture clash. • Marketing Manager came from a supermarket – very different type of business/culture. • Finance Manager has no experience – this may be an advantage as he could be indoctrinated into FL's culture, or it may prove a disadvantage. • FL's digital promotion needed to be aligned with FL's corporate culture – did this have an effect on FL as a whole. • FL named one of the top 10 most innovative businesses in 2016 – link to Jane's aims. • By taking over GY in 2021, FL now has on-site manufacturing employees – rumour of unethical working practices. • Increasing competition in the market – different pressures on FL. **AO3 Analysis** Analysis of the impact of corporate culture on a business (A1 and A2 and A3) including: • Intrapreneurial culture allowed FL to develop an innovative product in a competitive marketplace. • FL is operating in a dynamic market which requires innovation and creativity, this can be developed in a business culture. • Home working culture allowed FL to lower its costs and achieve Jane's aim and increase profit margin. • Culture formed the basis for FL to become an innovative business – promotion – growth in sales. • FL's culture will have been important in the successful takeover of GY – increases scale of FL – sales – profit. • Culture clash between unethical working practices in GY and FL's innovative, intrapreneurial culture. • FL's culture gives a basis for future strategy decisions and can improve the motivation of the employees – particularly important with employees who are working from home as it gives them direction and manages expectations.	

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Question	Answer	Marks
1	**AO4 Evaluation** Evaluation (N1 and N2 and N3) including: • Corporate culture is likely to have played a part in FL's success because of the nature of the business and market. • Corporate culture was an important aspect of Jane's aim to create an intrapreneurial, dynamic, low-cost clothing retailer. FL's success may have led from this aim. • The extent of the impact is likely to depend on whether FL can align GY's culture with their own. • The extent of the impact may also depend on the new product Jane is launching – if it is in a similar market then the culture is likely to continue to be an important impact on FL's decision making. • Overall, the impact of corporate culture on FL's decision making is likely to have contributed to the success of FL and the continued success of the business in the future. However, other aspects are also likely to be important, such as the integration of GY, HRM, marketing and the ability of FL to maintain its financial commitments. Accept all valid responses.	

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

Exemplars and annotations for AO3 (assuming relevant AO1 has been awarded):

<table>
<tr><th>No credit
(no analysis on FL)</th><th>L1 A1
(limited analysis)</th><th>L2 A2
(developed analysis)</th><th>L3 A3 (developed analysis of strategy)</th></tr>
<tr><td>By having an intrapreneurial culture, FL is able to adapt to the changing market conditions.</td><td>By having a dynamic culture, FL is able to adapt to the changing market conditions, which allowed FL to produce innovative products.</td><td>By having a dynamic culture, FL is able to adapt to the changing market conditions, which allowed FL to produce innovative products. which allowed FL to increase its revenue.</td><td>By having a dynamic culture, FL is able to adapt to the changing market conditions, which allowed FL to produce innovative products. which allowed FL to increase its revenue. However, this creativity may mean employees do not always make good decisions, leading to mistakes that may increase costs.</td></tr>
<tr><td>Home working can lead to more motivated workers.</td><td>Home working can lead to more motivated workers who increase FL’s productivity.</td><td>Home working can lead to more motivated workers who increase FL’s productivity and may have been one of the reasons for the increase in market share.</td><td>Home working can lead to more motivated workers who increase FL’s productivity and may have been one of the reasons for the increase in market share.
But it is possible that separation from the other employees might make some employees less productive and might lead to a future reduction in FL’s competitiveness.</td></tr>
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</table>

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

Exemplars and annotations for AO4 (assuming relevant AO1 has been awarded):

<table>
<tr><th>No credit
(no supporting evidence)</th><th>L1 N1 (limited supporting evidence)</th><th>L2 N2 (developed supporting evidence)</th><th>L3 N3 (developed supporting evidence with context)</th></tr>
<tr><td>The biggest impact was the dynamic corporate culture chosen by Jane.</td><td>The biggest impact was the dynamic corporate culture chosen by Jane because it allowed FL to adapt to the changing market.</td><td>The biggest impact was the dynamic corporate culture chosen by Jane because it allowed FL to adapt to the changing market. It had a positive influence that meant that employees were more motivated as the business grew.</td><td>The biggest impact was the dynamic corporate culture chosen by Jane because it allowed FL to adapt to the changing market. It had a positive influence that meant that employees were more motivated as the business grew to having a 4% share of the market.</td></tr>
<tr><td>Overall, the corporate culture had a positive impact on FL.</td><td>Overall, the corporate culture had a positive impact on FL, because the business grew between 2017 and 2020.</td><td>Overall, the corporate culture had a positive impact on FL, because the business grew between 2017 and 2020. It is unlikely that FL could have achieved this growth without the innovation provided by the culture.</td><td>Overall, the corporate culture had a positive impact on FL, because the business increased its revenue from $2m to $20m between 2017 and 2020. It is unlikely that FL could have achieved this growth without the innovation provided by the culture.</td></tr>
<tr><td>The impact of FL’s corporate culture depends on many factors.</td><td>The impact of FL’s corporate culture depends on many factors, such as whether FL can incorporate GY into its culture successfully.</td><td>The impact of FL’s corporate culture depends on many factors, such as whether FL can incorporate GY into its culture successfully. This clash of cultures may mean that FL loses its competitive edge.</td><td>The impact of FL’s corporate culture depends on many factors, such as whether FL can incorporate GY’s factories in low-cost countries into its culture successfully. This clash of cultures may mean that FL loses its competitive edge.</td></tr>
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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

Advise Jane on whether blue ocean strategy is the most useful approach as she attempts to diversify the business.

<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>
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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
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

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

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Question	Answer	Marks
2	**Indicative content** **AO1 Knowledge and understanding** Knowledge K (max 3 marks) can be awarded for any relevant business knowledge on Blue Ocean strategy, including: • Blue Ocean Strategy – the aim to combine product differentiation with low-cost to develop new markets and demand. It is about finding new markets with zero or limited competition to gain a competitive advantage. A firm using blue ocean strategy will not be confined by existing market structures or industry boundaries and will be able to think 'outside of the box' to find new ideas and products. • Create uncontested markets to enter. • Make the competition irrelevant. • Create and exploit new demand. • High value customers, but at a low-cost. • Product differentiation and low cost. **No further AO1, AO2, AO3 or AO4 without at least one K from blue ocean strategy.** Knowledge K can also be awarded for any relevant business knowledge on diversification, including: • Process/product innovation – changing current processes or developing new products or adopting new ways of producing products or delivering services. • Ansoff's matrix – new product strategy. • Boston matrix and product life cycle. • Unique selling point (USP). Knowledge K can also be awarded for any business knowledge of other approaches to developing business strategy, including: • scenario planning – identify possible future situations/scenarios. • SWOT analysis – all four elements. • PEST analysis – all four elements. • Porter's five forces – two forces. • core competence framework – about the firm's capabilities/abilities/what it does best. • Ansoff matrix – all four quadrants. • force field analysis – driving (for) forces and restraining (against) forces. • decision trees – probabilities and (net) outcomes – assessing alternatives.	

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Question	Answer	Marks
2	**AO2 Application** Application APP (max 2 marks) can be awarded for **applying knowledge of approaches to developing business strategy,** to FL, including: • FL has a well-known brand name; however this may not help in a diversified market. • Intrapreneurial management team – likely to have the skills to successfully implement a blue ocean strategy. • Low-cost factory in a developing country, may have a lack of flexibility in changing production processes and output. • Highly geared – especially after takeover of GY, which may limit diversification. • Subscription sales have reached maturity stage – hence need for a new strategy. • Opportunity to sell manufactured products through other retailers, may suggest a different strategy other than diversification. • Opportunity to offer new subscription products – could still be diversified, subscription is only a distribution channel. • Increasingly competitive market (0 to 5 competitors up to 2020), including established retailers. • Increasing profit margin in this established market (–2% to 3%). • Bad publicity about GY factory, which may affect future strategies. **AO3 Analysis** Analysis of the impact of usefulness of approaches to develop business strategy (A1 and A2 and A3) including: Usefulness of Blue Ocean strategy may include: • Blue ocean strategy can help FL to gain an uncontested market space to increase revenue A1 – increased profit margin A2 however it may not have the necessary finance and FL may need to borrow A3 . • May allow FL to overcome the threat of established retailers entering the market – allow FL to gain new customers and a USP in a new market. • FL's current subscription service is in the maturity stage, so business is unlikely to grow unless they can either extend the product life cycle or develop a new product – blue ocean strategy may allow FL to see opportunities that exist beyond their current portfolio. • FL has a very limited, single product offering, blue ocean strategy may allow FL to diversify and enter a new market, reducing risk and allowing a more secure future for the business. • However, FL has a well-known brand-name in the online clothing market and finding new approaches in a new market may eliminate this strength from the business. • FL is highly geared and may not be able to finance the likely high cost of developing a new product or service in a new market. • FL might be better to focus on their current market instead of developing a totally new market with high risk. • FL may need to focus on their core competencies instead of diversifying into new markets.	

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Question	Answer	Marks
2	Analysis of the usefulness of other approaches may include: • Scenario planning could allow Jane to analyse markets and consider uncertainties in each market. It could be especially useful in finding a diversified market for FL to enter. However, Jane may not know enough about new markets to plan a scenario. • SWOT analysis to understand the internal strengths and weaknesses of FL. Use the strengths to overcome future threats and the opportunities to overcome present weaknesses. Jane may have an excellent understanding of FL, so she may be able to develop the strengths and overcome the weaknesses. However, with the market and product being new (diversification) she may not have enough data to understand the threats and opportunities. • PEST analysis will be useful to understand the external environment of a new potential market. FL currently operates in an international (global) market, so may already have a good understanding of these external influences. However, these influences may not be as applicable to a new market/product. • Porter's five forces may help Jane to develop an understanding of the forces in a new market. It will require an investment in market research to understand the competitive nature of each market. Jane can use the five forces to find market(s) where FL can have a competitive advantage and may have a low intensity of rivalry. • Jane is likely to understand the core competencies of FL. However, how useful will core competencies be for a diversified strategy? Many of FL's core competencies are likely to be transferable (such as administration, marketing, etc.), however they are in a dynamic and specific environment and depending on what market(s) they diversify into. • Ansoff matrix may help Jane to categorise different strategies and ignore ones which do not fit into the diversification quadrant. Ansoff suggests that diversification is the riskiest strategy, and it may help Jane to understand the elements needed for a successful strategy. However, the board has already asked for a diversification strategy, so may not be as useful as some other approaches. • Force field analysis could help Jane to understand the constraining and driving forces that FL could face in a diversification strategy. This may help Jane to identify actions that need to be taken to reduce constraining forces. However, Jane may not have enough data and experience to do a force field analysis, especially in a new market – could require market research. • Decision trees are unlikely to be helpful in developing a diversification strategy, but they could be used to help decide between alternative strategies. Jane may find it difficult to obtain the data on probabilities and economic outcomes to construct a decision tree.	

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Question	Answer	Marks
2	**AO4 Evaluation** Evaluation (N1 and N2 and N3) including: • Blue ocean strategy may give FL a competitive advantage, but it depends on whether Jane/the management team can come up with another good idea for a new market. • Blue ocean strategy is likely to be useful in technological businesses and in coming up with new products and processes because it allows FL to come up with an original idea which may give FL a new market to dominate. • Jane is likely to need other approaches to develop a new strategy to launch a new product in the next six months, such as focussing on the core competencies of FL, an updated internal audit, a new external audit (PEST), five forces, etc. • The time scale given to Jane (six months) may mean that an open approach to developing a new strategy (such as blue ocean) may not be appropriate. If FL need a 'quick fix' then it may be more appropriate to focus on what FL has already done well, instead of a totally new approach. • A judgement over which approaches (or combination of approaches) are most likely to be useful for Jane when attempting to build a strategy of diversification. • Weighing up of different approaches within the context of FL developing a diversification strategy. • The need for further data/techniques (such as market research) to enable the use of these techniques. May also include evaluation of the usefulness of approaches depending on the markets targeted. • Elements that the use of approaches may depend upon, such as; the market, external influences, timescale needed to diversify, whether FL can continue in their current market or not, etc. Accept all valid responses.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>Exemplars and annotations for AO3 (assuming relevant AO1 has been awarded):
<table>
<tr><th>No credit
(no analysis on FL)</th><th>L1 A1 (limited analysis)</th><th>L2 A2 (developed analysis)</th><th>L3 A3 (developed analysis of strategy)</th></tr>
<tr><td>Blue ocean strategy will allow FL to focus on markets which have greatest potential.</td><td>Blue ocean strategy will allow FL to focus on markets which have greatest potential to sell innovative products to the public.</td><td>Blue ocean strategy will allow FL to focus on markets which have greatest potential to sell innovative products to the public, thereby increasing the profits of FL.</td><td>Blue ocean strategy will allow FL to focus on markets which have greatest potential to sell innovative products to the public, thereby increasing the profits of FL. However, FL has already achieved significant growth by focussing on its core products and a new blue ocean strategy may mean that they lose their competitive edge in this market.</td></tr>
<tr><td>Assuming that the online fashion market is now a red ocean market, blue ocean will help FL.</td><td>Assuming that the online fashion market is now a red ocean market, blue ocean will help FL find a market with untapped customers to increase its revenue.</td><td>Assuming that the online fashion market is now a red ocean market, blue ocean will help FL find a market with untapped customers to increase its revenue and future profits.</td><td>Assuming that the online fashion market is now a red ocean market, blue ocean will help FL find a market with untapped customers to increase its revenue and future profits.
But if this market is not red ocean, then FL might be better to stick to what it knows and increase its market share further to gain higher profit.</td></tr>
<tr><td>SWOT could be used to focus FL on overcoming its threats by using its strengths.</td><td>SWOT could be used to focus FL on overcoming its threats by using its weaknesses, for example by increasing production in the low-cost factories.</td><td>SWOT could be used to focus FL on overcoming its threats by using its weaknesses, for example by increasing production in the low-cost factories, which may enable FL to compete against the established retailers.</td><td>SWOT could be used to focus FL on overcoming its threats by using its weaknesses, for example by increasing production in the low-cost factories, which may enable FL to compete against the established retailers. However, the SWOT lacks the detail needed to diversify into a new market, and therefore may provide weak information for decision making.</td></tr>
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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

Exemplars and annotations for AO4 (assuming relevant AO1 has been awarded):

<table>
<tr><th>No credit
(no supporting evidence)</th><th>L1 N1
(limited supporting evidence)</th><th>L2 N2 (developed supporting evidence)</th><th>L3 N3 (developed supporting evidence with context)</th></tr>
<tr><td>Blue ocean strategy is the most useful approach as Jane attempts to diversify the business.</td><td>Blue ocean strategy is the most useful approach as Jane attempts to diversify the business because it allows FL to find an uncontested market.</td><td>Blue ocean strategy is the most useful approach as Jane attempts to diversify the business because it allows FL to find an uncontested market. This could allow FL to dominate this new market and lead to greater success.</td><td>Blue ocean strategy is the most useful approach as Jane attempts to diversify the business because it allows FL to find an uncontested market. This could allow FL to dominate this new market and lead to greater success than the 4% it has of the online fashion market.</td></tr>
<tr><td>The usefulness of blue ocean depends on many factors.</td><td>The usefulness of blue ocean depends on the skills of the people using it.</td><td>The usefulness of blue ocean depends on the skills of the people using it.
The risk involved in diversification may mean that by focussing on a blue ocean market, FL may lose its competitiveness in the online fashion market.</td><td>The usefulness of blue ocean depends on just how experienced the new Director of Strategy, recruited by Jane actually is.
The risk involved in diversification may mean that by focussing on a blue ocean market, FL may lose its competitiveness in the online fashion market.</td></tr>
<tr><td>FL should use a core competency framework.</td><td>FL should use a core competency framework so that FL does not lose sight of what has made it successful up until now.</td><td>FL should use a core competency framework so that FL does not lose sight of what has made it successful up until now. There is no reason why FL cannot use what the business does well now to help enter a diversified market.</td><td>FL should use a core competency framework so that FL does not lose sight of what has made it successful up until now. There is no reason why FL cannot use what the business does well now, such as its well-known brand name in the online fashion market, to help enter a diversified market.</td></tr>
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