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Mark Scheme (Results)

October 2023

Pearson Edexcel International A-Level
In Business (WBS11)
Unit 1: Marketing and people

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question	Define the term 'risk'. **Answer**	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term 'risk' e.g. • An action or decision/something that can planned for or considered **(1)** which may result in a loss/where outcomes are unknown **(1)**	**(2)**

Question	Explain **one** possible benefit to Fernando and Robert of using market mapping when starting their business. **Answer**	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** **Knowledge** 1 mark for identifying a benefit of market mapping e.g. • To spot a gap in the market by analysing the competition **(1)** **Application** Up to 2 marks for answers contextualising the benefit, e.g. • The market mapping may have shown how many restaurants served spicy/vegetarian food **(1)** • The research may have shown a lack of restaurants that appealed to a younger audience **(1)** **Analysis** 1 mark for reasons/causes/consequences of using market mapping e.g. • Analysing the competition will have allowed *Nando's* to identify any potential gaps in the market to differentiate its business and/or create a unique selling point **(1)**	**(4)**

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Question	Analyse **two** advantages to *Nando's* of treating its employees as an asset rather than a cost**.** **Answer**	**Mark**
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining employees as an asset, e.g. • Employers recognise the input of employees **(1)** as an important business resource **(1)** **OR** For providing two advantages of treating employees as an asset, e.g.: • The employees are likely to be more motivated at work **(1)** • The business may be able to retain more employees **(1)** **Application** Up to 2 marks for answers contextualised to *Nando's*, e.g.: • Nondocas are valued and treated like family members **(1)** • The employees who work as a buddy at *Nando's* will feel more valued **(1)** **Analysis** Up to 2 marks for reasons/causes/consequences for *Nando's of* treating employees as an asset, e.g.: • This will provide a feeling of involvement in the workforce and may make the employees more productive, leading to a high level of customer service in the restaurants **(1)** • This should provide employee loyalty to the business and help *Nando's* reduce employee turnover and minimise recruitment and training costs **(1)**	**(6)**

Question	Discuss the advantages to a business, such as *Nando's*, of using psychological pricing. **Indicative content**
1(d)	**Indicative content guidance** **QS9** Interpret, apply and analyse information in written, graphical and numerical forms Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Psychological pricing involves tactics that are designed to appeal to a customer's emotional response to prices • One psychological pricing strategy is to set a price slightly below a round figure e.g. charging 199 rupees rather than 200 rupees in the Indian restaurants • Many consumers are cost-conscious. This may give *Nando's* the opportunity to increase its sales if consumers feel like they are getting a good deal • If Indian consumers are in the habit of comparing prices for fast-food then psychological pricing may persuade them to choose *Nando's* over its competitors • However, if all businesses use psychological pricing, then they do not stand out from the competition • Many people are not fooled emotionally and would rather the figure be rounded e.g. to 200 rupees • Customers may be unlikely to be influenced by price alone • Customers may be more influenced by the food quality or location of the restaurant

Level	**Mark**	**Descriptor**
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.

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Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

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Question	Assess the likely disadvantages to *Nando's* of using random sampling. **Indicative content**
1(e)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • A random sample is one of the methods researchers use to choose a sample from a larger population • This method means that there is an equal chance that any of the subjects in a population will be chosen • Random sampling relies on having a full list of the entire population of chefs and experts in the food industry. This data may be difficult to collect • It may take a considerable amount of time to gather information from a wide range of people over a large geographical area such as China. This may prove costly to *Nando's* • It can be impractical/or not possible to use a completely random technique, e.g. the target group may be too large to assign numbers to • Random sampling is designed to be a representative of a community or demographic, but there is no guarantee that the data collected will be representative of restaurant personnel in China • However, the use of random sampling is likely to remove bias for *Nando's* • Modern technology makes it much easier to create a random sample • If the chefs and food experts are chosen at random, each individual in the food industry has the same probability of being selected • This should create fair/balanced results which more accurately represent the larger group as a whole

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Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–7	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8–10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

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Question	Define the term 'marketing objective'. **Answer**	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term 'marketing objective' e.g. • A goal the business aims to achieve **(1)** through its marketing activities **(1)**	**(2)**

Question	Calculate the price elasticity of demand (PED) for the packets of tea. You are advised to show your working. **Answer**	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS2:** calculate, use and understand percentages and percentage changes **QS7:** interpret values of price and income elasticity of demand. **Knowledge** 1 mark for identifying a suitable formula e.g. • Percentage change in quantity demanded / percentage change in price **(1)** **Application** Up to 2 marks for calculating the correct data: 1000/2500 x100 = 40% **(1)** 2/10 x100 = -20% **(1)** **Analysis** 1 mark for calculating the price elasticity of demand • 40/-20 = -2 **(1)** **NB If no working is shown award marks as below:** If answer given is -2 award 4 marks	**(4)**

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Question	Analyse **two** factors, other than price, that may have caused an increase in the demand for *Pukka* tea. **Indicative content guidance**	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining demand, e.g. • Quantity of goods or services **(1)** willing/able to purchase at a given price/time **(1)** OR For giving two possible causes of increased demand for *Pukka* tea e.g. • Changes in taste and trends **(1)** Increase in income **(1)** **Application** Up to 2 marks for answers contextualised to *Pukka*, e.g. • More people are buying goods that are healthier, in pursuit of a healthier life **(1)** • *Pukka* tea is a premium product **(1)** **Analysis** Up to 2 marks for reasons / causes / consequences for *Pukka* e.g. • This may lead to increased sales for *Pukka* as they are selling products that align with changing social trends **(1)** • The increase in sales of *Pukka* tea may indicate more customers are able to afford to buy more expensive products such as premium speciality teas **(1)**	**(6)**

Question	Discuss the barriers to entrepreneurship Sebastian may have faced when considering starting a business. **Indicative content**
2(d)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Indicative content** • Entrepreneurship is the activity of setting up a business, taking on risks, normally in the hope of making a profit • There are many barriers to entrepreneurship including access to finance, lack of skills and the fear of failure/lack of confidence • Whilst Sebastian had a passion for plants and conservation, he may not have had any business skills to help him start the business • It is possible that Sebastian did not have sufficient access to finance to fund the start-up costs of a new business • As the speciality tea market is growing, Sebastian may have been faced with a high level of competition. It may have been difficult/costly to establish a brand name • However, Sebastian overcome his lack of knowledge by forming a partnership with Tim who had worked as a business consultant and is likely to have possessed the know-how about business start-ups • The two partners both possessed entrepreneurial characteristics needed to start a business. They were both hard working and determined to succeed • They both shared a passion for the product as they were both concerned about the environment and healthy living. This gave them the same business objective to pursue

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Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete.

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		An attempt at an assessment is presented that is unbalanced, and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors.

Question	Assess the challenges that a business, such as *Pukka*, may have faced when moving from a niche to a mass marketing strategy. **Indicative content**
2(e)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • A niche marketing strategy appeals to a smaller segment of a larger market where consumers have specific needs and wants. Mass marketing aims to target the highest number of potential customers • One challenge is the change in promotional costs. It is likely the promotional strategy would have changed from lower cost/below the line advertising to more expensive/above the line advertising. This may affect the cash flow for *Pukka* • Changing to a mass marketing strategy would require changes to the distribution networks. In order to reach a global audience, it is likely that *Pukka* extended its distribution globally involving more retailers and wholesalers • *Pukka* is likely to have faced more competition. This may have led *Pukka* to reduce the price of its tea to compete with established businesses • However, the volume sold by *Pukka* is likely to be much higher. This may lead to lower unit costs/economies of scale and increased profitability • Mass marketing may create less of a risk to *Pukka*. It may be less vulnerable to the economic change of individual economies • The speciality tea market is set to grow by $50bn by 2027 providing *Pukka* with an opportunity to increase its revenue and profits • There are both risks and rewards for businesses using a mass market strategy, and success depends on effectively managing the change to benefit from economies of scale

Level	Mark	Descriptor
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Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.

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Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–7	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8–10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Evaluate whether on-the-job training is likely to be the most effective type of training used by *Walt Disney*. **Indicative content**
3	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited • On-the-job training is a hands-on method of teaching the skills needed for employees to perform a job. Employees learn this new knowledge and skills in their work environment • Off-the-job training is when employees are given training away from their normal job environment, often in a classroom • *Walt Disney* is a global business and likely to employ some of the most talented professionals in the entertainment and tourism sector. On-the-job training by its executives and senior managers is likely to be of high quality • Training in the hotel restaurants is likely to be the less expensive option for *Walt Disney* which will keep costs down and improve profitability • Whilst employees are being trained in the hotels, service to the clients can be maintained. If employees go to the training centres additional staff will need to be employed at the hotels, adding to costs • However, off-the-job training might lead to more efficient employees if they undertake the specialist training or get a university degree • If the employees responsible for on-the-job training are inefficient and poor at their jobs, then their bad habits will be passed onto new employees This may negatively impact customer service at the hotels and in the restaurants • Whilst being trained away from the work-place, employees can focus on their learning. This avoids disruption to the training and prevents customers receiving poor service from untrained staff • *Walt Disney* would have to look at the effectiveness of the different types of training to see historically which trainees have performed the best and contributed the most to the company • The impact may depend on the employee and how they best learn • *Walt Disney* is likely to use a combination of both types of training. Perhaps every-day housekeeping tasks will benefit most from on-the-job training whereas specialist skills may require training courses at the specialist centres

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

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