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Mark Scheme (Results)

Summer 2024

Pearson Edexcel International Advanced Level
In Business (WBS11) Paper 01
Unit 1: Marketing and people

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Summer 2024
Question Paper Log Number P75884A
Publications Code WBS11_01_2406_MS
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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.

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Question	Define the term 'customer satisfaction.' **Answer**	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term 'customer satisfaction' e.g. • A measure of how a business/product/service **(1)** meet the needs /expectations of customer **(1)**	**(2)**

Question	In 2022 there were 18 000 coffee shops in Vietnam. Using this data and Extract B, calculate, to two decimal places, the total market share held by the leading three coffee shop brands in Vietnam. **Answer**	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: QS1 Calculate, use and understand ratios, averages and fractions **Knowledge** 1 mark for identifying any suitable formula for calculating market share: • Sum of the leading shops / total number of shops x 100 **(1)** **Application** Up to 2 marks for: selecting the correct data • 573 + 154 + 118 = 845 **(1) /** 18 000 x 100 **(1)** **Analysis** 1 mark for calculating the market share • 4.69% **(1)** **NB: If no working is shown award marks as below:** If answer given is 4.69% award 4 marks If answer given is 4.69 award 3 marks	**(4)**

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Question	Analyse **two** methods of secondary research *The Coffee House* could use to help grow its business. **Answer**	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining secondary research, e.g. • The use of data **(1)** which has already been collected for another purpose **(1)** **OR** For giving two methods of secondary research e.g. • Websites/internet **(1)** government data **(1)** **Application** Up to 2 marks for answers for contextualising the methods, e.g. • Websites of rival businesses such as Starbucks can be used to analyse the competitors in the coffee shop market **(1)** • Government statistics can be used to study the demographics of people living in the large cities of Vietnam **(1)** **Analysis** Up to 2 marks for reasons/causes/consequences of the methods e.g. • *The Coffee House* can compare the prices and service in the competing coffee shops to ensure they are offering a comparable/better service to attract more customers **(1)** • Using demographic data can help *The Coffee House* choose the best/busiest locations for its new coffee shops and increase its market share **(1)**	**(6)**

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Question	Discuss how using job rotation might help *The Coffee House* to achieve this aim. **Indicative content**
1(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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Job rotation involves an employee changing jobs or tasks from time to time. This gives the employee experience of different jobs within the business • This could involve performing different tasks in the coffee shop rather than having one specific job • The advantage of job rotation is that moving between jobs should alleviate boredom when working in *The Coffee House.* This may provide more job satisfaction for the employees • Employees who find the job interesting and fulfilling are likely to provide better customer service, which may result in the employees feeling useful and appreciated • Job rotation should result in a flexible workforce where employees can switch between jobs. Employees may feel happier in their jobs if they have a variety of skills and experience to offer • However, some employees may not be comfortable with learning a range of jobs which may lead to demotivation and feeling pressured at work • Employee motivation is not guaranteed if the employee is switched from one boring job to another. • If the employee is not stimulated by the new job, they may not achieve job satisfaction or find the workplace enjoyable

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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.
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 benefits to *The Coffee House* from adding value to its products and services. **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** • Added value is the increase in value that a business creates when producing a product/service. It is the difference between the price of product/service and the cost of the inputs involved in providing it • *The Coffee House* has added value by designing an atmosphere that feels like home where people come together to meet friends • *The Coffee House* has added value by allowing customers to use their mobile devices to buy coffee online. This has given convenience to its customers and responding to changes in shopping trends. This may increase revenue for the business • Offering a service with added benefits, such as dedicated work areas, may differentiate it from competitors such as *Highland* and attract more customers • A firm that is adding substantial value may be operating profitably as the selling price can be higher because of the added value • However, adding value, such as providing dedicated work areas may be expensive and may mean high investment which may lead to lower profit margins in the short term • Ordering drinks on-line is now quite common and may not help to differentiate the business any more • Uniquely designed stores may be costly to provide which may increase the costs and the price to the consumer. This may result in fewer customers in this competitive market • Some consumers may not be interested in the design of a coffee shop and it may not influence their decision on which coffee shop to choose

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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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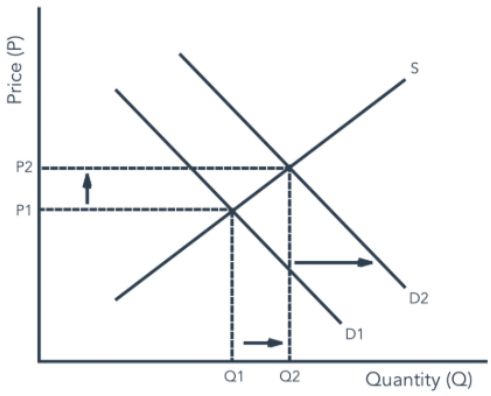
Question	Define the term 'test marketing.' **Answer**	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term 'test marketing' e.g. • Selling/trialling a new product in a small area **(1)** before selling in the whole market **(1)**	**(2)**

Question	Construct a supply and demand diagram to show the likely impact on the pasta market if there is an increase in the price of rice**.** **Answer**	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS3:** construct and interpret a range of standard graphical forms. **Knowledge** 1 mark for correctly constructing a supply and demand diagram with correctly labelled axes as 'price' and 'quantity' **(1)** **Application** Up to 2 marks for: Showing original equilibrium price and quantity **(1)** Shifting the demand curve to the right **(1)** **Analysis** 1 mark for showing the new equilibrium and its effect on price (increasing) and quantity supplied (increasing) **(1)**  	**(4)**

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Question	Analyse **two** entrepreneurial characteristics shown by Sophie Kim that may have helped the business to succeed. **Answer**	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** Up to 2 marks for defining entrepreneurial characteristics, e.g.: • Qualities or traits **(1)** demonstrated by an individual starting up in business **(1)** **OR** For giving two entrepreneurial characteristics, e.g. • Hardworking **(1)** Creativity **(1)** **Application** Up to 2 marks for answers contextualised to Sophie Kim e.g.: • Sophie Kim had a successful career in banking and consultancy before embarking on setting up a new business **(1)** • Sophie developed an app for the delivery of groceries to people early in the morning **(1)** **Analysis** Up to 2 marks for reasons / causes / consequences for *Sophie Kim*, e.g.: • This may have given Sophie Kim the determination and work ethic to work on building a successful new business **(1)** • This creativity may have differentiated her business from competitors and allowed her to create her billion-dollar business **(1)**	**(6)**

Question	Discuss the likely impact on a business such as *Market Kurly* of using part-time employees in its 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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Part-time employees work less hours than full time employees, and generally work a few hours or a few days a week • *Market Kurly may use* part-time employees to deliver goods to customers in South Korea before 07:00. These employees may not be required for the whole day • A benefit of using part-time employees is that it provides flexibility to the business as staff can be scheduled at the busiest times of the day to meet customer demand and deliver goods on time to customers • A major benefit of using part-time employees is lower costs. Often part-time employees receive fewer, or no benefits compared to permanent staff, depending on their contract. The lack of benefits saves money for *Market Kurly* which can then be used to further expand its product portfolio • Using part-time employees may attract employees who have other commitments and do not wish to work on a full-time basis. This may improve the work life balance of employees and result in motivated and productive staff who offer excellent customer service • However, part-time employees may have less knowledge and familiarity with the company. This can affect employee performance and impact the efficiency of the delivery service • Recruitment costs may be higher if a business has a more flexible workforce as the turnover of employees may be high. This may reduce the profits of *Market Kurly* • Some employees prefer a full-time work contract of employment. This may lead to a lack of commitment by employees at *Market Kurly.* This may lead to *Market Kurly* losing workers to competitors and facing disruption to customer service

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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.
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 likely benefits of market mapping to *Market Kurly* when Sophie Kim started her business. **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** • Market mapping is a form of market positioning. It is the use of a 2-dimensional diagram that plots products or services in a market using two key variables • Mapping is a simple, visual tool that can utilise a variety of variables, and may have helped *Market Kurly* understand its position in the food delivery market relative to its competition • It may have helped *Market Kurly* identify gaps in the market. It may have seen an opportunity to provide western snacks and drinks to increase its revenue • It is a useful method for analysing competition. *Market Kurly* may have used a market map to compare prices of other delivery services and the range of fresh food already offered by competitors • Mapping identifies where the market is saturated due to a high level of competition. *Market Kurly* may have avoided these foods to focus on those that were more viable/profitable • However, market mapping has its limitations. A map might identify a gap in the market, for example certain foods not provided by other delivery services, but there may be a valid reason for the gap such as low demand or changing tastes • The market map does not guarantee success; it is a simplistic method to help visualise the market but needs more in-depth research on consumer preferences and tastes before important decisions are made • Mapping shows a snapshot in time and *Market Kurly* must also consider the strategy of its competitors if it is to compete successfully

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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	3–4	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 *Nike* and *Adidas* should focus on the use of sponsorship or social media to increase their share of the global sportswear market. **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 **Knowledge, Application, Analysis, Evaluation – indicative content** **Sponsorship** • Sponsorship is a form of marketing in which a payment is made by a business, or goods supplied by a business to an individual or group of people • *Adidas* sponsoring the FIFA World Cup football competition will help to promote its football products. This promotion on a global stage may raise the brand image of *Adidas* and help to increase its market share • Sponsored athletes who take part in international events may help to increase sales around the world, as the FIFA World Cup and the Olympic games reach large audiences • However, it is very costly to provide sponsorship to national teams and famous athletes. This may reduce profit margins for *Adidas and Nike* or result in an increase in prices to customers, which may be a problem in the competitive sports goods market • If a sponsored athlete such as Messi or Ronaldo receive bad publicity this may affect the reputation and image of *Adidas* or *Nike* which could reduce sales and market share • The World Cup and the Olympic Games are only held every four years and therefore the impact of this promotional strategy may become less effective as the years go by **Social Media** • Social Media is the use of websites and applications that enable users to participate in social networking • Social media enables a business to gain valuable insights into customer behaviour. *Adidas* and *Nike* can use the feedback given on sites such as Instagram to develop its sportswear/promotional strategies and increase its revenue • If the sportwear business post details on social media sites of new cool and trendy designs this may build awareness of the brands as the social media is popular with the younger generation/target audience

	• However, whilst social media may bring good publicity it can also bring negative publicity if customers post unfavourable comments that criticise the sportswear • It depends on promotional budgets available to *Nike* and *Adidas.* It depends on the current data available to them regarding their success of using sponsorship or social media • *Nike* currently has the largest market share and historically has focussed on using TV advertisements. Perhaps *Nike* should retain this method as it has proved successful to date • It is likely that a combination of promotional strategies is required to reach the worldwide audiences • Increased market share will also be determined by other elements of the marketing mix and not just promotion

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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