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Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **February/March 2025**

1 hour 15 minutes

3297499235

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages.

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Daniel & Carl for Education (DCE)

Daniel and Carl started a company for online teaching, Daniel & Carl for Education (DCE). DCE provides online tutors who work with students to help them pass their examinations.

Timeline of DCE

2019	DCE sets up as a private limited company with Daniel as the Managing Director and Carl as the Marketing Director. Carl creates a website and social media accounts. DCE's marketing objective is to provide a premium quality service. This allows it to use price skimming.
2020	Revenue grows and employee numbers rise. Daniel outlines DCE's approach to quality (see **Appendix 1**). Social media subscribers increase rapidly. DCE relies on word-of-mouth promotion.
2021	Competition increases when new businesses enter the online teaching market. Dynamic pricing is used by DCE.
2022	Revenue declines as students find more affordable options. Carl recommends changes to DCE's promotion (see **Appendix 2**). DCE revises its marketing objectives (see **Appendix 3**).
2023	Daniel and Carl collect market research data (see **Appendix 4**).
2024	DCE offers face-to-face revision workshops in response to a fall in revenue from online tutoring.

What is next for DCE?

Competition is increasing but Daniel and Carl do not want to compromise on the quality of the service the business provides. However, they are both aware that DCE needs to change if it is to survive. Carl thinks that transformational leadership is the key to survival, but Daniel remains uncertain.

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Appendix 1: DCE's approach to quality in 2020

As a service-based business, DCE believes its employees are central to its success. All tutors are qualified teachers with at least three years teaching experience.

Students are encouraged to provide feedback which is used to adapt the service offered. In 2020, 86% of students stated that they would recommend DCE to a friend.

Appendix 2: proposed changes to DCE's promotion in 2022

Artificial intelligence (AI) to be used to:

- analyse customer searches
- optimise digital promotion
- target social media messages to students and parents.

Sales promotion:

- DCE loyalty scheme to reward returning customers
- one free lesson for every friend referred.

Appendix 3: DCE's revised marketing objectives in 2022

1. Develop new services to increase revenue by 10% by the end of 2024
2. Maintain a strong brand identity

Appendix 4: Summary of market research data in 2023

Online or face-to-face	• 55% prefer online • 30% prefer face-to-face • 15% prefer a combination of both
Strengths of DCE	• High exam pass rate • High brand awareness
Weaknesses of DCE	• Communication with parents • High prices
Competitors' strengths	• User-friendly apps • Affordable • Revision notes often included • Self-study options

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Answer **both** questions.

1 Evaluate DCE's marketing strategy between 2019 and 2024. [20]

2 Advise Daniel on the importance of transformational leadership to ensure the survival of DCE. [20]

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