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CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/43**

Paper 4 Business Strategy **October/November 2025**

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 October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level 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 descriptions 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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Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	For objective points that are correct.
	For objective points that are wrong.
 and TV	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter	To highlight a point or section of an answer that justifies the mark/annotation.
BOD	When the candidate has attempted something, and the mark/skill has been awarded.
NUT	When the context has not been used.
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focused on answering the question.
REP	The repetition of a previous point in a response **or** candidate is copying the case study/data.

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Annotation	Meaning
OFR	The own figure rule applies – acts as a mark/tick.
K	When limited knowledge (AO1) has been awarded.
DEV	When developed knowledge (AO1) has been awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
A1	When AO3 at Level 1 has been awarded.
A2	When AO3 at Level 2 has been awarded.
A3	When AO3 at Level 3 has been awarded.
N1	When AO4 at Level 1 has been awarded.
N2	When AO4 at Level 2 has been awarded.
N3	When AO4 at Level 3 has been awarded.

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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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PREPARATION FOR MARKING

1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
2 Make sure that you have read and understand the question paper, which you can download from https://ca.assessor.rm.com/
3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
2 If you are in doubt about applying the mark scheme, consult your Team Leader.
3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS

Crossed out work

1 All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.
2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
2 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.)
3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4 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.

Annotation

1. Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
Every page of a script must have at least one annotation e.g. <BP> for a blank page.

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Please refer to this grid for BOTH questions.

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

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>Evaluate the effectiveness of SH's marketing strategy between 2017 and 2025.
<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></td><td>Description</td><td>Description</td><td>Description</td><td>Description</td></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>
</table>
•</td><td>20</td></tr>
</table>

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Question	Answer	Marks

1

Level	AO1 Knowledge and understanding 3 marks	AO2 Application 2 marks	AO3 Analysis 8 marks	AO4 Evaluation 7 marks
	Description	**Description**	**Description**	**Description**
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Evaluate the effectiveness of SH's marketing strategy between 2017 and 2025.
Responses may include:
AO1 Knowledge and understanding
Knowledge K (max 1 mark) can be awarded for **knowledge about marketing strategy**; DEV can be awarded for understanding of the operations strategy up to two marks including:

- Planning the marketing strategy

(a) the contents of a marketing plan: objectives, resources, research, marketing mix
(b) the benefits and limitations of marketing planning

- Approaches to marketing strategy

(a) the need for the marketing strategy to be consistent with the business, the product and the market
(b) the need for and development of a coordinated marketing strategy
(c) the development of marketing strategies that are focused towards achieving specific marketing objectives
(d) the changing role of Information Technology (IT) and Artificial Intelligence (AI) in marketing

- Strategies for international marketing

(a) the implications for marketing of increased globalisation and economic collaboration
(b) the importance of international marketing for a business
(c) international markets – identification, selection and entry
(d) whether a business in a given situation should develop an international market through pan-global marketing or maintain local differences
(e) choosing a strategy, in a given situation, to develop a global market
(f) the factors influencing the method of entry into international markets

Knowledge of how to plan a marketing strategy (do not reward repetition of the contents of Appendix 1, but further knowledge of the elements is rewardable)

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>
<table>
<tr><td>Marketing strategy involves the marketing mi[K] .</td><td>Some basic knowledge about operations strategy, so only K.</td></tr>
<tr><td>Marketing strategy involves the marketing mix[K]. Which includes the 4 Ps Price, Product, Promotion and Place[DEV] .</td><td>1 K for identification and 1 DEV for a point of explanation</td></tr>
<tr><td>Marketing strategy involves the marketing mix[K]. Which includes Price, Product, Promotion and Place[DEV].which can be formulated through market research [DEV].</td><td>1 K for identification and 2 DEVs for two points of explanation</td></tr>
</table>
Note: – Candidates can gain full marks for AO1 from one term that is explaine[K] [DEV] [DEV]) or from two terms partially explained ([K] +[DEV] and [K] +[DEV]).

<u>No other AO2, AO3 OR AO4 marks can be awarded without AO1.</u>
</td><td></td></tr>
</table>

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Question	Answer	Marks
1	**AO2 Application** Application APP (max 2 marks) can be awarded for **applying knowledge, analysis or evaluation of marketing strategy to SH between 2015 and 2025, including:** • SH was set up by Sarah 20 years ago • Employs technology specialists to develop innovative products • Innovation is the company's competitive advantage • Rapid growth from 5 to 520 employees in 20 years • Private limited company • Products sold via a specialist computer game stores • Created marketing strategy in 2017 • Aim of marketing strategy is to become market leader for gaming headsets in country D by 2025 • Economic boom in 2017 • SH's product is voted 'Best Gaming Headset in country D' in leading consumer survey in 2019 • Annual revenue peaks in 2021 • 45% share of gaming headset market in 2021 – SH was market leader • Economic recession in 2023 • NHT launched a competing range of gaming headsets in 2023 • SH's products are more technologically advanced than NHT's • NHT's products are half the price of SH's headsets • SH's market share falls in 2025 and NHT becomes the market leader **AO3 Analysis** (L1 AN and L2 AN and L3 AN); Analysis is likely to be based on SH's objective in 2017 to become the market leader for gaming headsets in country D (Appendix 1). • Analysis of the objective. The marketing strategy is focused on internal factors, e.g. technological innovation. Does it consider the impact of changes in the external operating environment? • Price skimming strategy – helps to recoup the initial investment into developing the technology but may not work in an economic recession and/or with competition from a rival selling cheaper products. • Focus on digital marketing and television/billboard advertising. Also product endorsement with a popular celebrity. • Headsets sold through specialist computer game stores – no online retail options. • Market research shows that consumers value technological advancements when choosing a gaming headset. Price is second most important consideration. However does the economic climate affect the priorities? • 70% of gaming headsets are bought by consumers under 30 years old – how does this affect the marketing strategy?	

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Question	Answer	Marks
1	*Candidates' analysis must be **business facing.** They may identify an element of marketing strategy and **provide developed analysis to get to L2**, this then needs to be **counterbalanced to get to L3.** If a candidate does this twice, they will gain 8 marks.* *A clear multi strand answer is accepted showing a connection between a developed L2 Analysis with another developed L2 analysis.* **AO4 Evaluation** Evaluation (N1 and N2 and N3) including: Candidates **MUST answer the question** – how effective was SH's marketing strategy between 2015 and 2025. The development and support of this judgement will help them to move through L2 and L3. To award **L3 the answer must be in context** and draw upon the previous analysis. Evaluation will largely depend on the points raised in the analysis. • A judgement on the success of the marketing strategy between 2017 and 2025. • Discussion over how the success of the marketing strategy can be judged and what that judgement could depend upon; link to the marketing objective in 2017, other measures of success for a private limited company (profitability, profit, shareholder's objectives, measures of size). • The marketing strategy should develop over time. The strategy was developed in 2017 – should it be revisited more often than after eight years? • The extent to which the success of SH between 2017 and 2025 is based on the marketing strategy or other factors. • Other external influences on SH between 2017 and 2025 other than the marketing strategy (e.g. the state of the economy; economic growth) social factors (e.g. interest in the latest technology amongst consumers), technological factors (e.g. increased time to play computer games in 2020/2021 due to the pandemic), lack of competition.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>Accept all valid responses.
<table>
<tr><th>No credit</th><th>L1 N1 including: (limited supporting evidence)</th><th>L2 N2 including: (developed supporting evidence)</th><th>L3 N3 (developed supporting evidence with context)</th></tr>
<tr><td>SH’s marketing strategy was not effective</td><td>SH’s marketing strategy was not effective because it is not achieving its objective of becoming the market leader</td><td>SH’s marketing strategy was not effective because it is not achieving its objective of becoming the market leader as the annual total revenue is falling</td><td>SH’s marketing strategy was not effective because it is not achieving its objective of becoming the market leader as the annual total revenue is falling to 26 million dollars and NHT is forecasted to be the market leader instead leading to SH losing market share.</td></tr>
<tr><td>The effectiveness of the marketing strategy depends upon the market</td><td>The effectiveness of the marketing strategy depends upon the external market environment SH is in.</td><td>The effectiveness of the marketing strategy depends upon the external market environment SH is in. If the environment is overall not performing well then, we would expect that the marketing strategy might not be as effective because of external factors that negatively affect it</td><td>The effectiveness of the marketing strategy depends upon the external market environment SH is in. If the environment is overall not performing well then, we would expect that the marketing strategy might not be as effective because of external factors that negatively affect it. In 2024 Country Ds economy was in recession so NHT the competitor was performing better as their prices are half of SH’s prices.</td></tr>
</table></td><td></td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>Advise Sarah on whether PEST analysis is the most useful approach for SH in developing a new business strategy.
<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></td><td>Description</td><td>Description</td><td>Description</td><td>Description</td></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>
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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>
<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>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></td></tr>
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Question	Answer	Marks
2	**Advise Sarah on whether PEST analysis is the most useful approach for SH in developing a new business strategy.** Responses may include: **AO1 Knowledge and understanding** Knowledge K (max 1 mark) can be awarded for **knowledge about approaches**; DEV can be awarded for understanding of the approaches up to two marks including: • **Blue ocean strategy** aims to combine product differentiation with low-cost to develop new markets and demand.It is about finding uncontested markets to gain a competitive advantage. Comparison with red ocean strategy awardable. • **Scenario planning** - Managers consider the main risks and uncertainties and adopt different strategies for different scenarios. Flexible approach. • uncertainties that affect their business. • **SWOT analysis**: Strengths, weaknesses, opportunities, threats. SWOT is very easy to construct so can be subjective. • **Porter's five forces** – threats of substitutes, supplier power, threat of entry, buyer power, competitive rivalry • **Core competence framework** – core competencies lead to the development of core products. Core products are not necessarily sold to final consumers. Instead, they are used to produce many end-user products. • **Ansoff matrix** – Market penetration, market development, diversification, product development. Different options open to a marketing manager when considering new opportunities for sales growth. It includes thinking of the market in which the business is going to operate and the product(s) it plans to sell. Business decides whether to remain in the existing market or to enter new ones along with whether to sell existing products or develop new ones. • **Force field analysis** - It weighs up the potential advantages and disadvantages of a decision before a choice is made. It gives managers an insight that will allow them to strengthen the forces supporting a decision and reduce the forces that oppose it. • **Decision trees** - consider all of the options open to a manager, the different possible outcomes resulting from these options, the chances of these outcomes occurring, and the economic returns from these outcomes. • **PEST analysis – It focuses on the macro environment** *(Note: Mentioning of PEST or political, economic, social and technological is not Knowledge as they are in the question and case respectively).*	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>
Other knowledge marks may be awarded for:

The meaning and purpose of a business strategy; plan of action to achieve the vision and objectives of a business and upon which decisions are made.
The meaning and purpose of strategic management (the entire process of identifying, choosing and implementing the planning of business activity): analysis (identifying options and understanding the business, market and external environment), choice (between strategic options) and implementation (the decision making of implementing a strategic decision).
(do not reward repetition of Appendix 4, but understanding of the model is rewardable).

K For identifying an approach and DEV follows for the definition of the approach up to two DEV to gain the full 3 marks.

Award DEV for any explanation of a policy that affects a business' strategy, up to a max of 2 marks.
<table>
<tr><td>Blue ocean strategy K .</td><td>Some basic knowledge about a policy, so only K.</td></tr>
<tr><td>Blue ocean strategy K, aims to combine product differentiation with low-cost to develop new markets and demand. DEV .</td><td>1 K for identification and 1 DEV for a point of explanation</td></tr>
<tr><td>Blue ocean strategy K, aims to combine product differentiation with low-cost to develop new markets and demand. DEV . It is about finding uncontested markets to gain a competitive advantage. DEV .</td><td>1 K for identification and 2 DEVs for two points of explanation</td></tr>
</table>
Note – Candidates can gain full marks for AO1 from one term that is explained (K + DEV + DEV) or from two terms partially explained (K + DEV and K + DEV).

The mentioning of PEST or Political, Economic, Social and Technological cannot be awarded for knowledge as it is stated in the case study but any understanding of it can.

<u>No other AO2, AO3 OR AO4 marks can be awarded without AO1.</u>
AO2 Application APP
Application APP (max 2 marks) can be awarded for applying knowledge, analysis or evaluation of approaches and their usefulness on developing a new business strategy for SH.
</td><td></td></tr>
</table>

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Question	Answer	Marks
2	*Candidates MUST apply this to SH's business model – a lot of this will come from the appendices* • Data about from Appendix 4; • Political – government actions to encourage more investment into country D from multinational companies • Economic – recovery from economic recession, rising inflation and high cost of producing goods • Social – increased online shopping, importance of technological advances when choosing a gaming headset, price sensitivity of consumers, increased immigration by young people • Technological – increasing use of artificial intelligence in market research and potential for new product techniques • SH's revenue declining. New competitor became market leader. • Market share reduced • Asked an external management consultant business to create a PEST analysis. • New business strategy needed to enable SH to return to profitability. **AO3 Analysis (A1 and A2 and A3) , including:** Analysis for the usefulness of PEST analysis: • Analysis of the political forces: • government actions to encourage more investment into country D from multinational companies which may lead to new competitors entering the gaming headset market in country D • Analysis of the economic forces: • recovery from economic recession – the marketing strategy was created during an economic boom but the elements of the strategy may need to change for a recession. SH continued with the same strategy that was effective during prosperous economic times • high inflation and high cost of production – squeezed disposable incomes may affect consumer buying habits/choices and the ability of SH to make a profit. Limited scope for further price rises to increase profit margins. • Analysis of the social forces: • increased online shopping – the impact of this on SH's decision to sell headsets through retail stores • importance of technological advances when choosing a gaming headset – consumers value the technological advances of SH's products but is price becoming more important due to the current economic climate • price sensitivity of consumers • increased immigration by young people. 70% of gaming headsets are purchased by consumers under 30 years old. • Analysis of the technological forces: • increased use of artificial intelligence in market research – does SH use this technology in its market research? • potential for new production techniques – could they reduce the cost of producing the headsets to offset the high cost of production? However, would capital investment be recovered by the production cost savings?	

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2	Analysis for the usefulness of PEST analysis; • Enables the consultant to consider the impact of external factors on the potential success of the business strategy and the different strategic choices • Internal policies/strategies may need to change to achieve success in light of the external factors Arguments against the usefulness of PEST analysis: • The model is relatively simplistic • The results are a snapshot in time – the forces will change. Are the factors identified in 2025 relevant for 2027? • The strategy for the future will be based on estimates/predictions • This approach was completed by an external management consultancy business with no investment in SH – to what extent can this information be relied upon to base future decisions? • Does not consider new external influences in the future *Candidates may choose to contrast other approaches with PEST.* *Candidates need to identify an approach and provide developed analysis to get to L2, this then needs to be* ***counterbalanced*** *to get to L3. If a candidate does this twice, they will gain 8 marks.*	

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Question	Answer	Marks
2	**AO4 Evaluation** Evaluation (N1 and N2 and N3) including: **L1 N1 limited supporting evidence – answering the question with a brief explanation** **L2 N2 developed supporting evidence - Reason is developed further** **L3 N3 developed supporting evidence with context – Level 1 and 2 is answered in context.** • A judgement about the usefulness of PEST analysis when developing a new business strategy for SH. • Judgement may depend upon; the validity of the data, the external environment in country D, whether SH is staying in the same market, or whether it will diversify, the use of other approaches in tandem with PEST analysis. • Weighing up of the relevant arguments for the use of PEST analysis in making decisions about developing a new business strategy for SH. • Weighing up of the relevant arguments for the use of other approaches instead of (or in tandem with) PEST analysis. Accept all valid responses.	

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<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>Overall SWOT analysis seems to be the better approach to develop the business strategy</td><td>Overall SWOT analysis seems to be the better approach to develop the business strategy This is because SWOT will cover all areas that PEST will not.</td><td>Overall SWOT analysis seems to be the better approach to develop the business strategy. This is because SWOT will cover all areas that PEST will. However, the effectiveness of SWOT needs to be considered as it is all qualitative values. This means that SH will make choices to diversify with quantitative factors.</td><td>Overall SWOT analysis seems to be the best approach to develop the business strategy to achieve profit through diversification. However, the effectiveness of SWOT needs to be considered as it is all qualitative values. This means that SH will make choices to diversify with quantitative factors. Especially that SH’s financials such as Total annual revenue has dropped from 46 m in 2021 to 26 m in 2024 and ROCE from 8 to (4).</td></tr>
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<tr><td>Overall I think SH should use several approaches to achieve a new business strategy</td><td>Overall I think SH should use several approaches to achieve a new business strategy. SH should use SWOT and PEST to look at the external and internal environment and have a full picture of the business</td><td>Overall I think SH should use several approaches to achieve a new business strategy. SH should use SWOT and PEST to look at the external and internal environment and have a full picture of the business This will allow SH to look at their strengths and find new ways to recover which will increase sales and profits.</td><td>Overall I think SH should use several approaches to achieve a new business strategy. SH should use SWOT and PEST to look at the external and internal environment and have a full picture of the business This will allow SH to look at their strengths and find new ways to recover which will increase sales and profits. SH’s strength of innovation allows it to be different and demand premium prices which means when recession recovers and with their extensive advertising and use of celebrity to promote their products sales and profits will start increasing again.</td></tr>
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