GradeMax



Mark Scheme (Results)

October 2019

Pearson Edexcel International Advanced Subsidiary
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	Answer	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term 'distribution channels' e.g. • The stages/methods involved in getting the finished product **(1)** to customers and/or consumers **(1).**	**(2)**

Question	Answer	Mark
1(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. • % change in quantity demanded / % change in income **(1)**. **Application** Up to 2 marks for selecting the correct data: 0.5 **(1)** x 5% **(1).** **Analysis** 1 mark for calculating the change in quantity demanded • 2.5% **(1)**. **NB: If no working is shown, award marks as follows:** • **If the answer given is 2.5% award 4 marks.** • **If the answer given is 2.5 award 3 marks.**	**(4)**

Question	Answer	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining branding, e.g. • Features of a product **(1)** that distinguish it from competition **(1)**. OR For giving two benefits of strong branding, e.g. • Increased customer loyalty **(1)** Ability to charge higher prices **(1)**. **Application** Up to 2 marks for answers contextualised to *Coca-Cola*, e.g. • Over 1.9 billion servings of drinks are consumed in more than 200 countries each day **(1)** • *Coca-Cola* along with *PepsiCo* have few rivals or threats and dominate the soft-drinks industry **(1)**. **Analysis** Up to 2 marks for reasons/causes/consequences for *Coca-Cola*, e.g. • This may lead to word of mouth recommendations and repeat purchase/increases sales of its new products **(1)**. • Enabling them to be the price maker and influencing the market price/increase profitability **(1)**.	**(6)**

Question	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** • Financial incentives are monetary methods used to motivate workers. Frederick Taylor believed workers were motivated primarily by monetary incentives. • *Coca-Cola* provide a competitive pay, bonuses and payments for excellent performance. • Competitive pay should ensure that *Coca-Cola* attracts good level recruits who can help the business grow. • Providing a bonus to workers should motivate them to work harder to improve productivity at *Coca-Cola.* This may lead to reduced unit costs to help them maintain competitiveness in the drinks market. • Performance related pay should encourage workers to meet and exceed their own performance objectives which are likely to be linked to the corporate objectives of *Coca-Cola*. • However, financial incentives such as bonuses are expensive. High employee costs may increase prices which will affect their competitiveness in the drinks market. • Some workers are motivated by other needs such as social needs and self-esteem. These workers may need other incentives to motivate them such job rotation and empowerment. If *Coca-Cola* does not meet their needs, they may not be getting the best out of staff and productivity may be low.

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	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 face-to-face survey is a research method used where the interviewer communicates directly with the respondent using a questionnaire. • As part of the research *Coca-Cola* surveyed more than 10,000 people to get their ideas on new packaging and flavours of Diet Coke. • Face-to-face interviews are a type of primary research and should provide new and specific data for *Coca-Cola* about its drinks. This data can be used to ensure *Coca-Cola* meets customer needs. • As part of the face-to-face survey *Coca-Cola* can incorporate taste tests to trial new flavours. The new packaging designs can also be shown to those surveyed to ascertain the reaction of consumers to ensure they meet consumer needs. This will reduce the risks of unpopular flavours being launched. • The interviewer can clarify any queries the consumers have about the questions asked in the survey, and keep the respondent on track to completion, unlike online and postal surveys which suffer from low response rates. • However, cost is the major disadvantage for face-to-face interviews. *Coca-Cola* would require many people to conduct the 10,000 interviews. • If *Coca-Cola* used online or postal surveys it would have been able to target more people. • 10,000 are only a small fraction of *Coca-Cola*'s customer base and may not be representative. • The quality of data received will depend on the ability of the interviewer to gather data well and not influence the responses of those interviewed in any way, otherwise the results may be bias/inaccurate.

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.

Question	Answer	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term 'competitive pricing' e.g. • is setting the price of a product or service **(1)** similar to that set by rivals **(1)**.	**(2)**

Question	Answer	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS8** Use and interpret quantitative and non-quantitative information in order to make decisions **Knowledge** Up to 1 mark for giving one reason why product is important e.g. • The product/service needs to meet customer needs **(1)**. **Application** Up to 2 marks for answer contextualised: • Passengers are looking for luxurious cabins. **(1)**. • Customers expect quality inflight entertainment and food from *Emirates*. **(1)**. **Analysis** Up to 1 mark for reasons/causes/consequences for *Emirates,* e.g. • If the product features are inadequate then customers may turn to competitors, resulting in lower sales and loss of market share for *Emirates*.	**(4)**

Question	Answer	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining social media, e.g. • websites and applications **(1)** that enable users to create and share content to participate in social networking. **(1)** **OR** For stating 2 benefits of social media, e.g. • Builds brand awareness **(1)** • Gain valuable insights into customer behaviour **(1)** **Application** Up to 2 marks for answers contextualised to *Emirates* e.g. • In a recent study of the top 100 brands most visible on social media, *Emirates* were ranked fifth after *McDonald's, Nike, Adidas* and *Coca-Cola.* **(1)** • *Emirates* is the first airline to attract one million followers on the social media site, Instagram **(1)** **Analysis** Up to 2 marks for reasons/causes/consequences for *Emirates*, e.g. • This is likely to increase brand loyalty leading to more demand for *Emirates* flights and increased profitability. **(1)**. • *Emirates* can use the information posted on Instagram by customers to monitor the quality of service and take action where required. **(1)**	**(6)**

Question	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. Quantitative skills assessed: **QS9** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • Competition is the rivalry among sellers trying to achieve goals such as increasing profits, market share, and sales volume. • Competitors include *Etihad Airways* and *Qatar Airways* as well as low-cost airlines, such as *Norwegian Air Shuttle* and Singapore-based *Scoot*. • *Emirates, Etihad and Qatar Airways* have all increased the number of passengers since 2006 so consumers benefit from more flight destinations and a choice of carriers. • Competition also encourages businesses to improve the quality of goods and services they sell – to attract more customers and expand market share. *Emirates* offer good quality food and inflight entertainment and have improved their first-class service. • When firms compete with each other consumers often get the best possible prices. There is competition from *Norwegian Air Shuttle* and *Scoot*, which are attracting customers with low priced fares. This may lead to larger airlines reducing their prices in order to compete. • However, the low budget airlines are competing mainly on price. If price of airline tickets becomes a key factor then the larger airlines may also have to reduce prices. This may impact the quality of the service provided in order to reduce costs of the business. • The increase in the number of airlines may cause congestion in and around airports and long queuing times for services such as airport security for all customers. • The costs associated with airlines are high. It may be that, in the long term, smaller airlines such as *Norwegian Air Shuttle* find it difficult to compete with larger airlines. The smaller airlines may be forced out of the market leaving larger airlines the option of increasing prices.

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	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 *Emirates* understand its position in the airline market relative to competition. • It may have helped *Emirates* spot gaps in the market. It may have seen an opportunity to provide better inflight entertainment. • It is a useful method for analysing competition. *Emirates* may have used a market map to compare prices and destinations that competitors fly to. This may have led to new flights such as to Phnom Penh being offered to extend its flight destinations. • Mapping also identifies where the market is saturated due to a high level of competition. *Emirates* may have avoided these areas/destinations and focussed on ones that were more viable/profitable. • However, market mapping has its limitations. A map might identify a gap in the market, for example destinations not flown to, but there may be a valid reason for the gap such as low demand or flight restrictions. • 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 *Emirates* must also consider the strategy of its competitors, such as *Etihad*, in order to compete successfully. • There are many other factors which may have contributed to the growth of *Emirates* such as effective management and leadership, good financial control, good advertising and favourable economic factors.

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	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** • An organisation structure shows the roles, responsibilities and hierarchy of staff in an organisation. • Flat organisations have fewer levels of hierarchy, and lines of communication are shorter when compared to a tall organisation structure. • An advantage of a flat structure is reduced labour costs. Removing layers of middle management may enable *Tata* to be more competitive in the car market. • Butschek's aim is to make decision making faster and improve customer satisfaction. Reducing the number of layers in the organisation will shorten the chain of command and allow ideas and instructions to be communicated quickly, to enable *Tata* to be more responsive to customer needs. • The flatter structure, and a wider span of control, may benefit those workers who seek more responsibility and empowerment. This may lead to higher levels of motivation and productivity at *Tata.* • However, removing a layer from the hierarchy may create skills shortages within the business and *Tata* may lose managers with valuable experience in the motor industry and reduce competitive advantage. • Butschek told staff the new organisation structure is likely to create some uncertainty. Delayering can have a negative impact on motivation due to job losses. Remaining workers may seek other employment and *Tata* may lose more of its skilled workers. • Managers remaining will have a wider span of control which, if it is too wide, can damage communication within the business, and makes it difficult for some employees to focus and specialise at their jobs. • A period of disruption may occur as people take on new responsibilities and fulfil new roles which may have a negative effect on *Tata* and their goal to increase market share within 3 years. • In a flat organisational structure, there is less chance for workers to be promoted. This will affect the motivation of current ambitious staff and also potentially reduce job applications of external recruits which may restrict innovation within *Tata Motors*. • Other factors may be more important than increasing efficiency such as the leadership style used, good after sales service and skills of the workers.

	• Overall, it depends on why they have lost market share. If the costs of producing the cars are excessive than *Tata* should delayer to be competitive in the market. The new structure should be introduced carefully to ensure a smooth transition and prevent key skills/personnel being lost to competitors.	
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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