

Mark Scheme (Results)

Summer 2021

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

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2021
Question Paper Log Number P64945A
Publications Code WBS11_01_2106_MS
All the material in this publication is copyright
© Pearson Education Ltd 2021

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 Number	Answer	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term 'demand' e.g. • consumer's desire to purchase goods and services **(1)** at a given price, at a given time **(1)**.	**(2)**

Question Number	Answer	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS2:** Calculate, use and understand percentages and percentage change. **Knowledge** 1 mark for identifying a suitable formula for percentage: • revenue of top three brands / total revenue x 100 **(1)** **Application** Up to 2 marks for selecting the correct data: • 18+12.40+11.80 = 42.2 **(1)** / 130 x 100 **(1)** **Analysis** 1 mark for calculating the percentage share: • 32.46% **(1)** **NB: If no working is shown, award marks as follows:** If the answer given is 32.46% award 4 marks. If the answer given is 32.46 award 3 marks.	**(4)**

Question Number	Answer	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining pricing strategy, e.g. • a method used by a business when deciding **(1)** the price at which a product is sold **(1)**. **OR** For giving two factors that may determine the pricing strategy, e.g. • level of competition **(1)**; cost and the need to make a profit **(1)**. **Application** Up to 2 marks for answers contextualised to the chocolate market, e.g. • there is a high level of competition in the global chocolate market from manufacturers such as *Mars* and *Ferrero* **(1)** • cocoa is the key ingredient in the manufacture of chocolate products, and due to uncertainty in the market the cost of cocoa is likely to increase **(1)**. **Analysis** Up to 2 marks for reasons / causes / consequences for the chocolate market, e.g. • this may lead manufacturers to use a competitive pricing strategy due to the large number of substitutes **(1)** • this may lead the chocolate manufacturers to use a cost-plus strategy due to rising input costs **(1)**.	**(6)**

Question Number	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** • Motivation is the reason for people's actions, willingness and goals. • *Ferrero* regards its employees as part of the family who contribute to the growth of the business. This may create a sense of belonging and lead to *Ferrero* retaining the best employees. • Every employee is inspired to innovate, starting from the first day they join. This will motivate workers to be creative and help *Ferrero* to produce superior chocolates in the competitive market in which it operates. • *Ferrero* motivates employees financially by paying a competitive wage. This is important to retain and attract the best people in the industry. • Motivated employees feel valued and part of a team. *Ferrero* asks employees for suggestions as well as analysing employee feedback. This should improve productivity at *Ferrero*. • However, methods of motivating employees can be costly. Providing extensive training programmes and attractive wages will increase the costs for *Ferrero*. This may push up prices of its products which may result in loss of competitiveness. • *Ferrero* asks all employees to act like entrepreneurs and provide suggestions for improvement. Highly trained and motivated employees may leave the business and work for competitors once trained, which will increase the recruitment costs.

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 Number	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** • Segmentation is dividing the market into groups of people with similar attributes or common characteristics. • The global chocolate market is segmented in a number of ways such as type of chocolate, sale frequency, organic and seasonal chocolates. • Focusing on specific market segments allows a company such as *Ferrero* to analyse segments of the markets and tailor products to meet the particular needs of those customers. • Market segmentation helps to direct advertising and promotion to specific groups of customers, e.g. those looking for health benefits, and therefore help to make marketing more effective. • Market segmentation can help chocolate suppliers to identify underserved customers, such as those seeking organic and fair-trade chocolate, which provide the opportunity to increase sales. • It helps a company to focus on the most profitable and productive segments of the market to increase revenue and profitability. • However, segmentation increases costs. When a company attempts to serve different groups of customers the cost of production rises as well as research, promotional and distribution costs. • By focusing on providing niche chocolates there is a danger that this specialisation could lead to problems if consumers change their purchasing habits significantly. • The market segments identified may be too small, e.g. organic chocolate, and may not generate sufficient sales to be viable/profitable for the business.

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 Number	Answer	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term 'customer loyalty', e.g. • To continue buying **(1)** from a specific seller/manufacturer **(1)**.	**(2)**

Question Number	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 the formula for YED: • YED = % change in quantity demanded / %change in income **(1)**. **Application** Up to 2 marks for selecting the correct data: • 112,000 – 100,000 / 100,000 x 100 = 12% **(1)** / 6% **(1)**. **Analysis** 1 mark for calculating YED: • 2 **(1)**. **NB: Award 4 marks for answers that give the correct answer regardless of working.**	**(4)**

Question Number	Answer	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining supply, e.g. • the quantity of goods and services **(1)** sellers are willing/able to supply at a given price **(1).** **OR** For providing two factors leading to a change in supply, e.g. • new technology **(1)** increased input costs **(1).** **Application** Up to 2 marks for answers contextualised to on-demand delivery suppliers, e.g. • delivery businesses are adapting new technology by developing applications to allow people to shop online **(1)** • businesses like *BiSU* have a large team of delivery drivers, and wages in Turkey are increasing **(1).** **Analysis** Up to 2 marks for reasons/causes/consequences for on-demand delivery suppliers, e.g. • improvements in technology will attract new companies to the market that will utilise applications to become part of this growing online market, therefore increasing supply **(1)** • if labour costs and other input costs rise significantly this may reduce profit margins and result in a decrease in supply of the delivery services in the future **(1)**.	**(6)**

Question Number	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 generally work a few hours or a few days a week. Temporary work is generally for a limited period of time. • *Kapgel* uses part-time and temporary employees to deliver goods to customers in Istanbul. • 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 temporary employees is lower costs. Often temporary employees receive fewer or no benefits compared to permanent staff, depending on their contract. The lack of benefits saves money for the business which can be used elsewhere to grow the business. • Using part-time employees may attract staff who have other commitments and do not wish to work on a full-time basis. This may improve the work life balance of staff and result in motivated and productive staff. • However, temporary 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 staff may be high. This may reduce *Kapgel*'s profit margins. • Some employees prefer full-time employment and a permanent contract. This may lead to a lack of commitment by workers at *Kapgel*. This may lead to *Kapgel* losing workers to competitors and facing disruption to customer service.

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 Number	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** • Product is one element of the marketing mix. The other three elements are place (distribution), promotion and price. • Product range may be an important element in the delivery market. *Getir* stock 1,000 different products in its warehouses. *Kapgel* do not keep stock and allow the customer to shop from a wide range of shops. • This may influence demand for the businesses if consumers are looking for a wider variety of goods. • Tap water in Turkey is not drinkable, therefore the product of clean water is crucial to the success of *BiSu.* • However, other aspects of the marketing mix: place, price and promotion are equally as important to the success of the delivery businesses. • Price may be an important element due to the competition in the on-demand market. Increased numbers of people are using the delivery services in Istanbul and therefore suppliers may need to compete on price to survive. • Deliveries are made within one hour by *Kapgel* for a delivery fee of 5 Turkish Lira. *Getir* add a cost to each product and has a minimum shopping total of 15 Turkish Lira before it will deliver an order. Price may be an important element for some consumers resulting in reduced revenue for *Getir.* • Due to the intense competition in Turkey, delivery businesses must stand out in the market and ensure they are using promotional methods suited to the audience. • The distribution of the goods may also be important to consumers. *Kapgel* deliver in one hour but *Getir,* who have warehouses located around Istanbul, are able to delivery to customers in under ten minutes. If speed of delivery is important to consumers' then place will be an important element of the marketing mix. • Whilst product is crucial to the success of the delivery services, all elements of the marketing mix are equally importance to ensure the business succeeds in the long term.

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 Number	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** **Cost efficiency** • Cost efficiency aims to minimise the costs of producing goods and services. • *TOMS* is experiencing increasing costs and low profit margins. Due to financial problems in 2014 it was given a $313m investment from a private company but growth and profit margins remain lower than expected. • Reducing its costs may be important to increase its profit margins. Profits are important to *TOMS* to enable it to reinvest into the growth of the company and develop its portfolio. • Reducing costs and increasing profit margins are also necessary to keep its investors satisfied. *TOMS* may fail to attract further private investors if returns are low. • Reducing material costs of the shoes may help the company to sell at a lower price and compete with companies such as *Skechers* that are selling a similar style shoe at half the price. • However, reducing the costs may impact the quality of the shoes. If *TOMS* use an inferior quality of material or less responsible suppliers it may lose its brand identity. **Social objectives** • Social objectives are a company's goals and commitment to manage the impact of its operations on others. This is also referred to as corporate social responsibility. • *TOMS* donate a pair of shoes for every pair it sells. For some customers, the social goals and practices of a company are important which may increase sales and encourage repeat purchase for *TOMS.* • Helping to improve eyesight should help to improve the public image of the company. This shows consumers that the business is going above and beyond to help the society in which it operates and may lead to higher levels of revenue for *TOMS.* • Pursuing social objectives may lead to increased media coverage for *TOMS* and increased demand.

	• A benefit of focussing on social goals is the possibility of attracting new investors. If the social goals align with an investor's view, they may be more inclined to invest in a company. • Likewise, employees who share the same social goals of the company will be more motivated at work when they know the company is working toward the same objectives. • However, social objectives can increase the costs for the company. The one-for-one policy and helping improve eyesight is an expensive commitment. • Also using sustainable and re-cyclable materials pushes up costs and prices of goods. If price is an important factor for consumers, they are likely to buy from rivals such as *Skechers.* • Other factors may also be important to its survival such as widening its portfolio. The portfolio of products is small and since it was founded in 2006, the company has done little to expand beyond its basic style of shoe. • Overall it is likely that cost efficiency is important to *TOMS* in order to survive financially. It may need to reduce costs and increase its profitability if it is to survive long term. • However, the USP of *TOMS* is its ethical behaviour and its pursuit of social objectives. If this is compromised, then *TOMS* may lose its means of differentiation and not survive in the long term.

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding – recall based. 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.

Pearson Education Limited. Registered company number 872828
with its registered office at 80 Strand, London, WC2R 0RL, United Kingdom