GradeMax



Mark Scheme (Results)

October 2021

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

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October 2021
Question Paper Log number P66997
Publications Code WBS11_01_2110
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General Marking Guidance

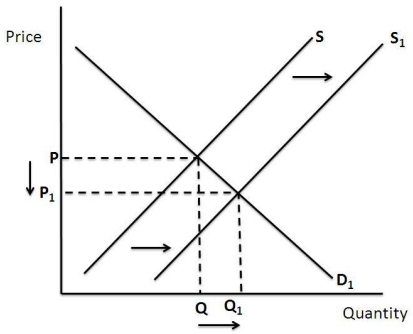
- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should 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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- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:

  i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
  ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
  iii) organise information clearly and coherently, using specialist vocabulary when appropriate.

Question	Answer	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term 'niche market' e.g. • The subset of a large/mass market (1) that focusses on a segment of the population (1)	**(2)**

Question	Answer	Mark
1(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 supply and demand curves with original equilibrium **(1)** Shifting the supply curve to the right **(1)** **Analysis** 1 mark for showing the new equilibrium and its effect on price (decreasing) and quantity (increasing) **(1)**  	**(4)**

Question	Answer	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining price elasticity of demand (PED), or giving a correct formula e.g. • Responsiveness of demand **(1)** to a change in price **(1)** **OR** For giving two factors that would influence PED for ice cream e.g. • Brand loyalty **(1)** Number of substitutes **(1)** **Application** Up to 2 marks for answers contextualised to the ice cream market e.g. • Some consumers will be brand loyal to businesses such as *Unilever* that dominates the global market owning 8 of the 15 top selling brands **(1)** • The global ice cream market value is expected to reach $89 bn by 2023 and is attracting new businesses to the market **(1)** **Analysis** Up to 2 marks for reasons / causes / consequences for ice cream businesses, e.g. • This may lead to inelastic demand for market leaders that are able to increase the price without significantly reducing consumer demand **(1)** • This may lead to more elastic demand if there is increased competition in the market allowing customers to switch brands **(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** • Product differentiation is the process of distinguishing a product or service from others, to make it more attractive to a target market • *Oppo* has created an ice cream with 60% fewer calories and less sugar than standard ice cream. *Oppo* claims that one portion of its ice cream contains fewer calories than an apple – this may differentiate them from competition and increase revenue • It is important that *Oppo* differentiates its products because the market is competitive with dominant brands and market leaders such as *Unilever* and *Nestlé* • The sales of low-quality ice cream have been declining, due to the increased preference for premium ice cream. To build its brand it is important that *Oppo* makes its ice cream different to stand out in the market • There is also an increase in demand for organic and naturally sweet desserts due to changing social trends. *Oppo* uses ingredients such as coconut oil and stevia leaf which may help create a USP and attract new customers • However, there are many other factors that will contribute to the success of *Oppo* • *Oppo* is competing with well established brands and are unlikely to have the marketing budget and distribution channels of the major brands. These factors are necessary to ensure *Oppo* succeeds and is able to compete in the market • It is also important that the ice cream tastes good to encourage repeat purchase and brand loyalty. *Oppo* must ensure it meets the needs of consumers by offering innovative flavours to appeal to new segments such as the over 50's

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** Primary market research is new data collected, which is specific to the needs of the business. It is referred to as field research. • Interviews with ice cream professionals such as Gary Martin who had worked on the *Häagen-Dazs* product range may have helped give *Oppo* an insight into the ice cream market. This advice may have helped the brothers avoid pitfalls in the industry • Product trials have allowed *Oppo* to assess the products to determine the potential success of the ice cream. *Oppo* was able to gather feedback and make changes to the ice cream before launching on a larger scale and so preventing costly mistakes • Selling in a few supermarkets enabled them to gather sales data to assist with production planning for potential future demand. • However, using interviews may result in biased results. Many experts told the brothers that they would not succeed in the industry. If they had listened to this advice, they may not have produced their winning recipe • A disadvantage of product trials is the cost which can be expensive and time consuming • Selling in only a limited number of supermarkets may have delayed the launch of new products which may mean losing first-mover advantages • During product trials *Oppo* may have run the risk of competitors learning about their products which may be copied and brought to the market earlier • Results from test marketing may not be conclusive and do not always predict success. Products that sell locally may not sell well in other geographical areas, as findings from the trials may not be representative of other groups of customers

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 'social media' e.g. • The use of websites and applications **(1)** that enable users to create and share content **(1)**	**(2)**

Question	Answer	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS9:** interpret, apply and analyse information in written, graphical and numerical forms **Knowledge** 1 mark for identifying any suitable formula e.g. • Total redundancy payment = Total payment per employee x number of employees **(1)** **Application** Up to 2 marks for selecting the correct data: $80 000 x 0.25 = $20 000 **(1)** $20 000 + $8 000 = $28 000 **(1)** **Analysis** 1 mark for calculating the total redundancy payment • $28 000 x 18,000 = $504m **(1)** **NB if no work is shown award marks as below**: • If the answer given is $504m or $504 000 000 award 4 marks • If the answer given is 504m or 504 000 000 award 3 marks	**(4)**

Question	Answer	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** . **Knowledge** Up to 2 marks for defining collective bargaining, e.g.: • Negotiation of wages/conditions of employment **(1)** between employee representatives / trade unions and the employer **(1)** **OR** For stating 2 possible benefits of collective bargaining for *Deutsche Bank* e.g.: • Less time consuming **(1)** • Lower costs in the long term **(1)** **Application** Up to 2 marks for answers contextualised to *Deutsche Bank* e.g.: • *Deutsche Bank* is a global company with employees based in Hong Kong, New York and London **(1)** • The bank aimed to reduce the number of unfair dismissal cases **(1)** **Analysis** Up to 2 marks for reasons / causes / consequences for *Deutsche Bank,* e.g.: • Negotiating with representatives / trade unions is likely to have made the process quicker than using an individual approach, allowing *Deutsche Bank* to focus on the restructuring plan **(1)** • Unfair dismissal cases can be costly and may impact on the bank's profitability **(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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Promotion refers to any type of marketing communication used to inform or persuade consumers to use/buy a particular brand Promotion is one of the elements of the marketing mix • Television advertisements are designed to reach a significant number of potential customers and may lead to increased awareness of the bank to attract new customers • Television advertisements are a good way of reaching the mass market in which *Deutsche Bank* operates • Using advertisements of Laura Dekker may be considered emotional branding. Emotional branding is a term used within marketing communication that refers to the practice of building brands that appeal directly to a consumer's emotional state, needs and aspirations. This may lead to customer loyalty and repeat purchase by customers • However, television advertisements are very expensive. The bank is currently undergoing a restructuring exercise which is likely to be costly. A combination of these factors may lower the short-term profits for *Deutsche Bank* • A problem associated with television advertisements is that the communication is one way. Also, many people are inclined to skip the advertisements whilst watching television, hence limiting customer awareness of the new campaign

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	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. QS9 Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • Organisational structures show the hierarchy of the business. Structures may be described as tall, flat or matrix • The 18,000 redundancies are likely to have impacted the efficiency of the bank in the short term. The tasks of redundant employees may have been given to other employees and increased their workload. This may have led to stress and low labour productivity • Reducing layers of management to flatten the structure may have resulted in disruption to the level of customer service. Customers may have taken their business elsewhere • Reducing its investment division, as well as the redundancies, may have signalled to customers that the bank was not performing well. This may have resulted in lack of confidence in the bank • However, in the longer term the costs of *Deutsche Bank* will decrease due to employing fewer employees. This may help it offer a more competitive service and/or increase its profitability to help increase its market share • The restructuring may enable it to focus on profitable divisions of the bank and increase its profits in these divisions • A flatter structure will decrease the chain of command in the organisation. This may improve communication in the business leading to improved customer service • Employees remaining in the business may react positively due to the fact they have retained their jobs and may work more efficiently

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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** • Recruitment is the process of finding and selecting workers. • Training is the developing of a person, to enhance skills and knowledge. Training can be on-the-job or off-the-job • *Sony* began to offer competitive salaries of up to ¥7.3m for those with AI skills. This financial incentive may attract the best candidates to the industry • *Sony* is also recruiting workers who have attended favoured universities such as Carnegie Mellon University. This may bring new ideas and techniques into *Sony* • *Line Corporation* is recruiting 37% of its workers from outside of Japan who may bring expertise into the country. This may be significant to the development of AI in Japan, particularly because there seems to be a lack of AI teachers in the country • *Daikin* plan to train over 1,000 of its current employees who have no current knowledge of AI. This may inspire its employees to work hard if given the opportunity to learn new skills, particularly as *Daikin* is offering financial rewards to retain these staff • Graduates hired by *Daikin* are trained externally at Osaka University. This off-the-job training should ensure its staff are trained to a high level and given the expertise to develop AI • On-the-job training used at *Daikin* will help the workers develop their skills by watching and learning from other experienced staff • However, businesses such as *Sony* and *Toshiba* that are paying higher wages will have increased costs and potentially lower profit margins. This may reduce the ability to invest into new AI projects • Although Japan plan to recruit and train 250,000 people in AI skills annually, this plan was criticised as being unrealistic due to a shortage of AI teachers. Unless they can recruit more teachers then the plan may be flawed • Whilst *Daikin* is externally training its new graduates, they are at university for one year which may cause a time lag in benefitting from its training programme. This may put it further behind technology advancements in China and the US • Also, the success of on-the-job training at *Daikin* depends on the skills of existing staff and their expertise in AI • Overall Japanese businesses are using a variety of recruitment and training methods to increase the level of AI expertise in the country to compete with other countries. However, its success may depend on the time taken to select and recruit the staff

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.