GradeMax



Mark Scheme (Results)

January 2022

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

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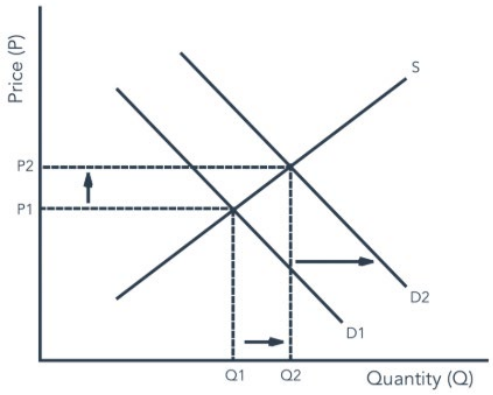
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General Marking Guidance

- 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	Define the term 'quantitative data' (Extract A, line x) **Answer**	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term 'quantitative data ' e.g.: • Information gathered **(1)** that relates to numbers/amounts **(1)**.	**(2)**

Question	Construct a supply and demand diagram to show the impact of increased publicity on the biodegradable packaging market. **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 original equilibrium price and quantity **(1)** Shifting the demand curve to the right **(1)** **Analysis** 1 mark for showing the new equilibrium and its effect on price (increasing) and quantity supplied (increasing) **(1)**  	**(4)**

Question	Analyse **two** entrepreneurial characteristics shown by Vaibhav Anant that may have helped *Bambrew* to succeed. **Answer**	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** Up to 2 marks for defining entrepreneurial characteristics, e.g.: • Qualities or traits **(1)** demonstrated by an individual starting up and running a business **(1)** **OR** For giving two entrepreneurial characteristics, e.g. • Creativity **(1)** Passion **(1)** **Application** Up to 2 marks for answers contextualised to Vaibhav Anant e.g.: • Vaibhav Anant looked for alternative materials and methods to produce biodegradable food packaging **(1)** • Vaibhav Anant wanted to help tackle the global problem of waste in the oceans and the damage to wildlife **(1)** **Analysis** Up to 2 marks for reasons / causes / consequences for *Bambrew*, e.g.: • This has enabled Vaibhav Anant to establish a unique selling point for his straws and other packaging resulting in growth of the business **(1)** • This passion has attracted interest from international businesses that are sourcing ethically and has led to increased sales revenue (**1)**	**(6)**

Question	Discuss the benefits for Vaibhav Anant of using secondary market research when starting his business
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** • Secondary research, referred to as desk research, is using data that already exists, such as using data from the internet • An advantage of using secondary research is the speed at which data can be collected from websites and journals • Vaibhav Anant would have been able to quickly collect data on biodegradable material and bamboo species to help him react quickly to changes in social trends • The cost of secondary research is low compared to primary research. This may have enabled Vaibhav Anant to minimise research costs, leading to lower prices for the biodegradable packaging • However secondary data may not be relevant. *Bambrew* developed a technology for making straws from bamboo fibres and secondary data may not be useful for the design of new products/technology • Secondary data may not be accurate or up-to-date. The availability of different species of bamboo and availability in India was crucial to the success of *Bambrew*. This may have impacted the success of new products if the data was incorrect • Primary research may be more suitable to enable Vaibhav Anant to be market orientated and understand the requirements of the packaging market. However, this can be costly and Vaibhav may not have been able to afford this when starting *Bambew*.

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	Assess if there is likely to be a trade-off between an ethical stance and profit for *Bambrew*
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 trade-off occurs when two objectives cannot be fully achieved. Having more of one may mean having less of the other • Ethics is about 'doing the right thing' and behaving morally and responsibly • There is a potential trade-off as not using chemicals or pesticides in production may increase waste/increase costs. This may lead to higher unit costs for the goods compared to non-biodegradable products and decrease demand or profitability for *Bambrew* • *Bambrew* behaves ethically by paying the communities who produce the straws a fair wage. This may push up the price of the straws and may impact revenue and profits if customers choose to buy cheaper straws and packaging • However, a business which behaves ethically and cares for the environment may attract customers. Customers who have the same ethical values are likely to support the business and *Bambrew* may benefit from increased demand and profitability • The materials used for the straws to replace the use of plastic may create a USP and differentiate the straws. This may help *Bambrew* to attract socially aware investors and customers leading to growth of the company • The outcome depends if consumers are socially aware of environmental issues and/or if price is a dominant factor in the packaging industry.

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	Define the term 'social trends' (Extract D, line x) **Answer**	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term 'social trends' e.g. • Changes in the pattern of mass behaviour **(1)** that impacts society and businesses **(1)**.	**(2)**

Question	Using the data, calculate the increase in monthly revenue for *Aldi* between January 2019 and January 2020 You are advised to show your workings. **Answer**	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS2:** calculate, use and understand percentages and percentage changes **Knowledge** 1 mark for identifying a suitable formula e.g. • Difference in revenue = total revenue (2020) minus total revenue (2019) **(1)**. **Application** Up to 2 marks for calculating the correct data: £16bn x 9% **(1)** = £1.44bn **(1)** **Analysis** 1 mark for calculating the difference in revenue • £1.44bn - £1.19bn = £0.25bn **(1)**. **NB: if no working is shown award marks as below:** If the answer given is £0.25bn award 4 marks If the answer given is 0.25bn award 3 marks	**(4)**

Question	Analyse **two** benefits for *Aldi* of having employee welfare as one of its main business objectives **Answer**	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining employee welfare e.g.: • Facilities and benefits provided by a business **(1)** to meet the well-being of the employee **(1)** **Or** For providing two benefits of employee welfare, e.g.: • Staff Retention **(1)** Increased efficiency **(1)** **Application** Up to 2 marks for answers contextualised to *Aldi*, e.g.: • As *Aldi* provide comfortable working conditions for the employees this may discourage staff from seeking alternative employment (**1**) • *Aldi* staff may be motivated to work hard as they are paid a competitive salary **(1)** **Analysis** Up to 2 marks for reasons / causes / consequences for *Aldi*, e.g.: • This may reduce costs for *Aldi* in terms of recruitment and retraining, helping it to keep prices of products low **(1)**. • If the employees in the store are motivated this is likely to increase productivity and will help *Aldi* offer an improved shopping experience to retain its customers **(1)**	**(6)**

Question	Assess the benefits for *Aldi* of sponsoring the UK Olympic team.
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** • Sponsorship is a form of marketing in which a payment is made by a business, or goods supplied by a business to an individual or group of people. This is given in return for the right to be associated with a person or event • Sponsoring the British Olympic Team to promote a healthier lifestyle, may raise the brand image of *Aldi* and help to increase its market share • Television advertising by the athletes may increase awareness of *Aldi*, leading to increased sales revenue • Sponsored athletes who take part in international events may help to increase sales, not only in the UK but around the world, as the Olympics reaches wide audiences • However, it is very costly to fund sponsorship which may reduce profit margins for *Aldi* or result in an increase in prices to customers, which may be a problem in the competitive grocery market • If a sponsored athlete receives bad publicity this may affect the reputation and image of *Aldi* • The Olympic games are only held every four years and therefore the impact of this promotional strategy may become less effective as the years go by

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	Assess the likely impact of price comparison websites on supermarkets in the UK.
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** • Price comparison websites compare the price of a particular product or service in different stores or from different businesses • A supermarket will have to ensure that the pricing of its products is competitive in comparison to other supermarkets if customers are price conscious • The websites may have a negative effect on sales for some supermarkets as customers are able to compare prices on the internet and select the cheapest place to shop. This may affect the sales of those supermarkets not focussing on low prices • Some supermarkets may have to promote other elements of the marketing mix to gain a competitive edge rather than competing on price, such as *Tesco* offering a one-hour delivery service • It may have no impact because there are many factors that affect demand for supermarkets, such as range of foods and location of the store • Although the market share of *Aldi* and *Lidl* has increased. *Tesco* has lost little market share between 2019 and 2020 which may indicate customers are less concerned with price and have some loyalty to a specific supermarket • Overall if more customers use the price comparison websites it is likely than some businesses, such as *Aldi*, are likely to gain market share whilst others selling at higher prices may see their market share falling

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	Evaluate the extent to which *Nike*'s distribution strategy is likely to contribute to its future success
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 contentBP3** • A distribution strategy is a plan to get a product or service to the customer • Distribution channels include retailers, wholesalers and selling directly to the customer using e-commerce • *Nike* plans to reduce the number of businesses it sells through. The advantage of fewer businesses selling *Nike* products may give them better control over how their products are displayed and promoted. • The plan to use the chosen businesses may lead to better customer service in those stores and create brand loyalty for *Nike* • *Nike* plans to reduce the number of wholesalers. This could reduce costs due to fewer intermediaries in the distribution channel • Increasing online sales gives *Nike* more control and potential increased profit • The online app will reduce the number of intermediaries used leading to cost saving as well as providing convenience and improved customer support to *Nike* customers • The app will provide *Nike* with useful information about customers • However, reducing the number of retailers may lead to less demand in some areas. Previously 60% of North American sales came from smaller retailers. If the chosen businesses are not convenient / within easy reach for some customers, this may result in the loss of revenue • Not everyone will respond to using the online app and many may prefer the conventional shopping experience • In the short run, the distribution strategy will be costly. This may impact the profitability or lead to an increase in the price of *Nike* products. • Reducing intermediaries may increase the costs for *Nike* as wholesalers generally share the responsibility for storage, stock management and transportation of goods • Other factors will also determine the success of *Nike* such as the actions of competitors • In the short run the cost of the reorganisation may be high but in the long run the new distribution strategy may lead to better customer service and increased demand/brand loyalty

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.