

- 1 A plumbing firm is struggling to keep up with demand.

What would help the business to succeed?

- A Asking regular customers with blocked toilets to ring back another day
- B Giving customers unrealistic appointment times
- C Ignoring customer complaints about delays in fixing water leaks
- D Planning all business activity and work schedules carefully

Your answer

[1]

- 2 What is a non-financial method of motivation that a manufacturer of handmade wooden toys could use?

- A Giving production operatives a bonus for every 1000 toys made
- B Increasing the rate of pay for workers in the dusty woodcutting shed
- C Praising the workers who take the greatest care when painting the designs
- D Providing free private medical insurance to all workers

Your answer

[1]

- 3 Limited liability protects:

- A business owners
- B customers
- C suppliers
- D the local community

Your answer

[1]

- 4 A restaurant constantly monitors the dishes on its menu. It has collected data about customers' preferred flavours of soup for three years.

| Year | Percentage of customers who preferred each flavour of soup | | |
|------|--|-----------------|---------|
| | Tomato | Leek and potato | Chicken |
| 2020 | 40% | 25% | 35% |
| 2021 | 37% | 28% | 35% |
| 2022 | 32% | 32% | 36% |

According to the data, over the last three years which of the following is true?

- A Chicken soup has never been the customers' preferred flavour
- B In 2020, chicken soup and tomato soup were equally popular with customers
- C Leek and potato soup has gained in popularity with customers over the years
- D Tomato soup has always been the customers' preferred flavour

Your answer

[1]

5

Employee retention:

- A extends the working hours of employees
- B leads to higher recruitment costs
- C minimises time spent selecting new workers
- D reduces discrimination in the workplace

Your answer

[1]

- 6 Finley and Umi are business partners. They create personalised pictures, using shells and pebbles. They started the business after attending an art class together.

What would **not** be an appropriate reason for Finley and Umi to have started this business?

- A They developed an idea for a business by making pictures that are unique
- B They satisfied the needs of customers looking for sustainable gifts
- C They spotted an opportunity to earn money from a leisure activity they loved
- D They wanted to test their physical and mental health by working long hours

Your answer

[1]

- 7 What would be included in the job description for a hospital doctor?

- A A list of the medical qualifications required
- B An ability to listen carefully to patients' concerns
- C Previous experience of working in a hospital
- D The main duties of medical staff when working in a hospital

Your answer

[1]

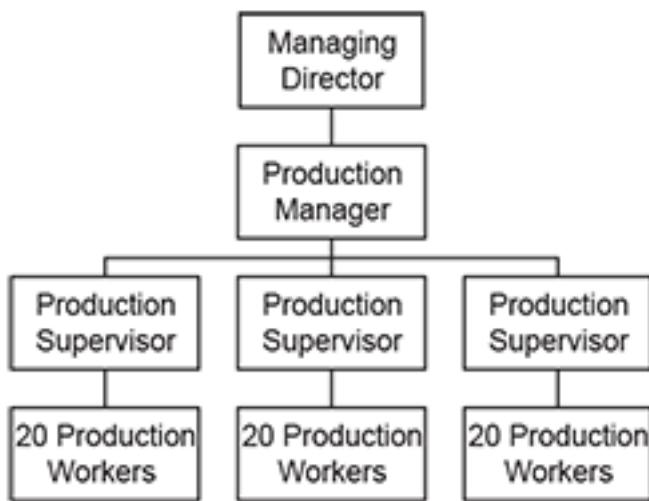
- 8 What is **not** a secondary source of market research?

- A Focus groups
- B Internal business data
- C Newspapers
- D Websites

Your answer

[1]

- 9 An extract from the organisation chart of a manufacturing company is shown below.



The span of control of the Production Manager is:

- A 1
- B 3
- C 21
- D 63

Your answer

[1]

- 10 Which type of ownership is most suitable for an entrepreneur who wishes to start up their own business quickly and with as little paperwork as possible?

- A Partnership
- B Private limited company
- C Public limited company
- D Sole trader

Your answer

[1]

- 11 One role of marketing within a hair salon is:

- A to advertise a vacancy for a trainee hairdresser
- B to ensure that each hairdresser has a contract of employment
- C to increase the number of hair appointments booked
- D to minimise the likelihood of customers getting head lice

Your answer

[1]

- 12 DM plc manufactures canned drinks. The company's main objective for the coming financial year is to increase its market share by 2%.

What would help the company achieve its objective?

- A Increasing the cost of its canned drinks
- B Increasing the number of retail outlets it supplies
- C Increasing the price of its canned drinks
- D Increasing the time it takes to process orders

Your answer

[1]

- 13 Mia is the owner of a small, independent, fashion store. She is wondering whether to start selling clothing specifically targeted at people aged over 65.

Which type of market research activity would **best** help Mia make this decision?

- A Searching lifestyle magazines for articles about saving for retirement
- B Searching national census data to find out how many people live in the UK
- C Searching the internet for charities that support the elderly
- D Searching the local government's website for age-related population figures

Your answer

- 14 Firms A and B both operate in the same industry.

- Firm A's objective is to make a profit
- Firm B's objective is survival.

What would explain this difference in objectives?

- A Firm A has a low market share and Firm B has a high market share
- B Firm B is a start-up business and Firm A is an established business
- C The owners of Firm A have less determination than the owners of Firm B
- D The owners of Firm B are more confident than the owners of Firm A

Your answer

[1]

- 15 A supermarket chain is receiving an increasing number of complaints about the poor attitude of its sales assistants, especially when the stores are busy.

What would help to deal with this problem?

- A Employ fewer sales assistants at each of its stores
- B Find ways to increase employee motivation at each of its stores
- C Limit the number of customers that can enter each store at any one time
- D Reduce the holiday entitlement of any employee that is rude to a customer

Your answer

[1]

16(a) Nina's Knitting Supplies

Nina runs a successful business selling knitting wool and sewing products. She opened her first shop 15 years ago. The business has grown organically and now sells products from 10 shops and a website. Nina uses market segmentation to target customers. Nina employs 80 people. She works hard to meet the shared objectives of her employees, as well as external stakeholder groups such as customers, suppliers, lenders and the local community.

Nina produces a weekly update that is sent by email to all employees every Friday. The updates contain information about the future development of the business, plus other stories of interest to employees. Recent stories include congratulating an employee on the birth of a child and the charity fundraising activities of one shop.

Nina plans to develop the business further over the next five years, especially as knitting is becoming an increasingly popular pastime. This has led to more competitors entering the market.

Explain one way that a business can segment its market.

[2]

(b) Explain how the objectives of **three** external stakeholder groups can be satisfied by Nina's Knitting Supplies.

1

2

3

[6]

- (c) Analyse one likely reason why Nina sends a weekly update to her employees.

[3]

(d)

- i. Identify two methods of external growth that a business could use.

1

2

[2]

- ii. Evaluate whether or not Nina's Knitting Supplies should continue to grow organically.

[7]

HSBC offers a range of banking and financial services for personal and business customers. The bank has branches in many cities and towns across the UK.

Employing the best people is important to HSBC. It uses several methods to select new employees. Once appointed, all employees are offered training and development opportunities that include studying for academic qualifications such as degrees and professional diplomas.

Over 70% of HSBC's call centre employees in the UK have begun working from home permanently. Before this change the employees worked together in a busy call centre. The tasks performed by call centre employees are varied, but include taking telephone calls from customers and completing administrative work, such as opening new bank accounts. Senior managers are now considering whether to introduce working from home for all of its UK call centre employees.

State two methods that a business can use to select new employees.

1

2

[2]

(b) Explain **three** methods of training HSBC may use.

1

2

3

[6]

- (c) Analyse one benefit for HSBC's employees of studying for academic qualifications.

[3]

(d)

- i. Analyse one advantage for HSBC of its UK call centre employees working from home.

ii. Analyse one disadvantage for HSBC of its UK call centre employees working from home.

[3]

iii. Recommend whether HSBC should introduce working from home for all of its UK call centre employees. Give a reason for your answer.

[3]

18(a) Walkers Snack Foods Ltd

Walkers Snack Foods Ltd (Walkers) manufactures well-known snacks, including Walkers crisps, Quavers and Wotsits. The company has a market share of more than 50% of the UK potato snack market. The company aims to maintain its market share and to increase profitability.

Walkers uses different marketing strategies as the snacks move through the stages of the product life cycle. Flavours are regularly added to Walkers' range of crisps, often trialling new flavours before launching them. Recent examples have included 'fish & chips' and 'chicken burrito' flavours.

Walkers have responded to concerns about healthy eating by adapting its product range, including:

- recipe changes to reduce added salt by 25% and saturated fats by up to 70%
- a reduction in bag size
- multipacks now containing 22 bags rather than 24, with no change in price.

These changes were supported by a marketing strategy which affected all elements of the marketing mix.

An independent market research company arranged focus groups in both 2017 and 2022 to look at healthy eating trends. It found that:

- 46% of people were concerned about healthy eating in 2017, compared with 60% in 2022.
- In 2022, 36% of people considered whether a snack was healthy before buying it.
- In 2017, 26% of people thought that snack companies were trying to produce more healthy products. By 2022 this figure had increased to 29%.

Identify one stage of the product life cycle.

[1]

(b) Analyse two advantages for Walkers of trialling new products before launching them.

1

2

[6]

(c) The marketing department at Walkers is considering a new promotion method for the Quavers brand and is considering either:

- advertising in national newspapers for a four-week period, or
- running a prize competition.

i. Analyse **one** advantage for Walkers of each promotion method.

Advertising in national newspapers for a four-week period

Prize competition

[6]

- ii. Recommend whether advertising in national newspapers or a prize competition would be the most appropriate promotion method for Walkers to use. Give a reason for your answer.

[3]

- (d) Evaluate, with reference to the data in the text, whether Walkers' marketing department should consider introducing healthier products.

[9]

END OF QUESTION PAPER

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|---------------------------|-------|--|
| 1 | | D | 1 | 2 |
| | | Total | 1 | |
| 2 | | C | 1 | 2 |
| | | Total | 1 | |
| 3 | | A | 1 | 1a |
| | | Total | 1 | |
| 4 | | C | 1 | 2 |
| | | Total | 1 | |
| 5 | | C | 1 | <p>Examiner's Comments</p> <p>This question was testing whether candidates understood the meaning of the human resource term 'employee retention'. The correct answer is C. Some candidates got the answer to this question wrong, with responses being evenly split across the three distractors.</p> <p> Assessment for learning</p> <p>Centres are advised to spend sufficient time ensuring that candidates have a robust understanding of all business-specific terms within the teaching content of the specification. This could be frequently reinforced as a lesson starter using definition cards or an electronic equivalent which match terms to their meanings.</p> |
| | | Total | 1 | |
| 6 | | D | 1 | 2 |
| | | Total | 1 | |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|---------------------------|-------|--|
| 7 | | D | 1 | <p>2</p> <p><u>Examiner's Comments</u></p> <p>This question was testing understanding of the content of a job description. The correct answer, D, was selected by only 50% of candidates. By far the most common incorrect answer was A. A list of medical qualifications would appear on a person specification rather than a job description.</p> |
| | | | |  Assessment for learning <p>Centres are advised to make sure candidates have seen real examples of person specifications and job descriptions to help them answer questions relating to content and purpose of these documents.</p> |
| | | Total | 1 | |
| 8 | | A | 1 | 1a |
| | | Total | 1 | |
| 9 | | B | 1 | 2 |
| | | Total | 1 | |
| 10 | | D | 1 | <p>1b</p> <p><u>Examiner's Comments</u></p> <p>This question tested understanding of legal types of business ownership. The correct answer is D. Incorrect answers were fairly evenly split across the three distractors. This seems to indicate a lack of robust understanding of this area of the specification, across the entire ability range.</p> |
| | | Total | 1 | |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|---------------------------|-------|----------|
| 11 | | C | 1 | 2 |
| | | Total | 1 | |
| 12 | | B | 1 | 2 |
| | | Total | 1 | |
| 13 | | D | 1 | 2 |
| | | Total | 1 | |
| 14 | | B | 1 | 1b |
| | | Total | 1 | |
| 15 | | B | 1 | 2 (PS) |
| | | Total | 1 | |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|---|---|---------------------------------|---|
| 16 | a | <p>Explain one way that a business can segment its market.</p> <p>Knowledge:</p> <ul style="list-style-type: none"> • Age • Gender/Sex • Income • Location • Lifestyle <p>Understanding may include:</p> <ul style="list-style-type: none"> • Age e.g. target young/old/babies/children/teenagers/over 50s, etc • Gender/sex e.g. target male/female/men/women/non-binary, etc • Income e.g. target well paid/low paid/affluent/rich/poor/high earners, etc • Location e.g. target locals, specific region, nations, etc • Lifestyle e.g. healthy, sports, outdoor pursuits, hobbies, etc <p>Exemplar responses:</p> <p>One way a business could segment its market is by age (K), for example aiming to sell to elderly people (U).</p> <p>By gender (K) by targeting your marketing particularly at women (U).</p> | 2 (AO1a) 1 (AO1b) 1 | <p>One mark for knowledge of a method of segmentation. </p> <p>One mark for showing understanding of how the method of segmentation can be used. </p> <p><i>Answers do not need to relate to Nina's Knitting Supplies.</i></p> <p>Accept 'boys' for age or gender. Accept 'girls' for age or gender. 'Boys and girls' age only.</p> <p>Examiner's Comments</p> <p>Examiners were looking for a 'way'. The majority of candidates were able to suggest a 'way', gaining at least 1 of the available 2 marks. By far the most common correct 'ways' were 'by age' and 'by gender'.</p> <p>Those candidates who developed their answer through explanation, e.g. by stating that 'by age' might mean targeting the elderly or 'by gender' might mean advertising specifically to women, etc. were given full marks.</p> <p>Assessment for learning</p>  <p>Centres are advised to spend sufficient time developing candidate understanding of the demands of the command words in the questions. This question began with the word 'explain' rather than 'identify' therefore some development was needed to gain full marks.</p> <p>OCR support</p>  <p>To help centres and candidates OCR has included in the specification for this qualification a full list of possible command words that could appear on the exam paper.</p> <p>Centres should make sure that candidates</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|---|--------------------------------|--|
| | | | | have a robust understanding of what is required by each command word listed in the specification. |
| b | | <p>Explain how the objectives of three external stakeholder groups can be satisfied by Nina's Knitting Supplies.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Customers e.g. wide product range, quality products, low prices, value for money, good customer service, convenient opening hours, accessibility, fast delivery, free delivery, etc • Suppliers e.g. to be paid, paid quickly, paid on time, high prices, large orders, frequent orders, repeat orders, client loyalty, etc • Lenders e.g. repayment, payment on time, high interest rates, etc • Government e.g. taxes paid, tax paid on time, job creation, sustainability, eco-friendly, recycle waste, etc • Local community e.g. operate in an environmentally/socially responsible manner, minimise litter/noise/pollution/congestion, aesthetically pleasing, no late night opening, provide employment opportunities, prosperity, boost local economy, etc <p>Application may include:</p> <ul style="list-style-type: none"> • Nina sells knitting wool and sewing products • Has 10 shops/a website • Knitting is becoming an increasingly popular pastime • Nina runs a successful business <p>Exemplar responses:</p> <p>Customers want to pay low prices (U) when buying wool (APP).</p> <p>Suppliers would like to receive large orders (U). Since Nina has 10 shops her orders are likely to be relatively large (APP).</p> | 6 (AO1b) 3 (AO2) 3 | <p>One mark for understanding of an objective of an external stakeholder group, up to a maximum of three different stakeholder groups. </p> <p><i>No application marks can be gained without understanding.</i></p> <p>One further mark for application to Nina's Knitting Supplies. APP</p> <p>NB No reward for naming the stakeholder group.</p> <p>NB <u>External</u> stakeholders only.</p> <p>Customer: 'satisfy needs', 'can buy' TV. Supplier: 'orders', 'buys from' TV. Local community: Do not award answers suggesting the local community is interested in charity work.</p> <p>While local residents may well be customers, the objective declared must match the stakeholder group identified.</p> <p>NB Question asks how external stakeholder objectives are <u>satisfied by the business</u>. Do <u>not</u> award answers that solely state what the stakeholder objective is.</p> <p>Examiner's Comments</p> <p>By far the most common answers to this question were that Nina's store can meet the objectives of customers by selling high quality knitting wool, the objectives of the local community by providing 80 jobs, and the objectives of supplier by making large orders to stock the 10 stores. All of these answers are correct and are applied to Nina's business. Such responses gained the full 6 marks.</p> <p>Candidates who gained 2 or 3 marks are likely to be able to improve their answers by ensuring that they give applied answers. The question wording explicitly</p> |

Mark Scheme

| Question | Answer/Indicative content | Marks | Guidance |
|----------|---------------------------|-------|---|
| | | | <p>asks how Nina's business can meet the objectives of external stakeholders, not how any business can do so. Generic answers such as 'paying lenders on time' or 'paying tax to the government on time' are valid but each can only gain 1 mark.</p> <p>Candidates who did less well on this question tended to make one particular error i.e. giving responses about store managers', Nina's and employees' objectives. Presumably overlooking the word 'external' in the question or confusing 'external' with 'internal'.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|--|---|---|
| c | | <p>Analyse one likely reason why Nina sends weekly updates to her employees.</p> <p>Knowledge may include:</p> <ul style="list-style-type: none"> • To inform employees/to make employees aware • To keep employees up to date • To praise employees • To share achievements • To show gratitude to employees • To encourage employee team building/group gelling/teamwork • To help make the employees feel part of the business/valued/important/ included/part of a family, etc <p>Application may include:</p> <ul style="list-style-type: none"> • Over 80 employees based at 10 shops • Plans to develop the business further over the next five years • Congratulate an employee on birth of a child • Stories about charity fundraising at one store <p>Analysis may include: Common analytical comments (which must stem from the reason stated) include positive impacts on motivation, labour turnover, employee retention, absenteeism, quality of work, number of mistakes, engagement, commitment, productivity, etc.</p> <p>Exemplar responses:</p> <p>The weekly update will enable Nina to share the achievements (K) of some of the 80 employees (APP). This should help improve employee motivation (AN).</p> <p>The firm may experience increased employee retention (AN) <u>because</u> the workers have been informed (K) about future development of the business (APP).</p> <p style="text-align: right;">ARA</p> | 3 (AO1a) 1 (AO2) 1 (AO3a) 1 | <p>One mark for knowledge of a reason for business communication to employees. </p> <p><i>No further marks can be gained without knowledge.</i></p> <p>One further mark for application to Nina's Knitting Supplies.</p> <p>APP</p> <p>One further mark for analysis of the reason for business communication to employees. </p> <p>NB Analysis must be a business-facing impact.</p> <p>Analysis = the business-facing benefit of the stated reason e.g. 'to support employee team building (K) which leads to increased motivation (AN)'.</p> <p>'To update employees' TV. 'To communicate' TV. 'Improved communication' for AN is TV.</p> <p>NB Motivation can only be awarded as AN.</p> <p><u>Examiner's Comments</u></p> <p>This question was generally well answered with at least a third of candidates gaining full marks.</p> <p>This is the first question on the exam paper that uses the command word 'analyse'. To achieve full marks the response needed to suggest a valid reason, apply it to Nina's business and then analyse this reason. Throughout this paper analysis means an impact of a previously made point, in this case on Nina's business. Valid analytical answers commonly seen by examiners included to increase employee retention, to increase productivity and to improve levels of customer service. Please see the published mark scheme for suggested answers to this question.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|----|---|---|--|
| d | i | <p>Identify two methods of external growth that a business could use.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Merge(r): <ul style="list-style-type: none"> ◦ Horizontal merger ◦ Vertical merger <ul style="list-style-type: none"> ▪ Backwards ▪ Forwards ◦ Lateral merger ◦ Diversified merger • Takeover/acquisition: <ul style="list-style-type: none"> ◦ Horizontal takeover ◦ Vertical takeover <ul style="list-style-type: none"> ▪ Backwards ▪ Forwards ◦ Lateral takeover ◦ Diversified takeover/Diversification | 2 (AO1a) 2 | <p>One mark for each of two methods of external growth.</p> <p><i>Answers do not need to relate to Nina's Knitting Supplies.</i></p> <p>Accept any two correct answers.</p> <p>'Horizontal/vertical growth' TV.</p> <p>Examiner's Comments</p> <p>This question dichotomised candidates. Few candidates gained 1 mark; candidates either knew what was meant by external growth methods (and therefore could suggest two methods and gained full marks) or did not appear to know (and therefore gained no marks). By far the most common correct answers were 'merger' and 'takeover'. Please see the published mark scheme for a list of other acceptable answers.</p> |
| | ii | <p>Evaluate whether or not Nina's Knitting Supplies should continue to grow organically.</p> <p>Application may include:</p> <ul style="list-style-type: none"> • Nina sells her products from 10 shops and a website • Business traded for 15 years • Business has grown organically so far • Knitting is an increasingly popular pastime <p>Analysis may include: Common analytical comments (which must stem from stated advantages/disadvantages) include positive/negative impacts on strategic control, direction of business, aims and objectives, reputation, costs, profit, cash flow, future expansion, market share, competitive advantage, break-even, etc.</p> <p>Evaluation may include: Candidate may justify continuing to grow organically or not continuing to grow organically.</p> <p>Exemplar responses:</p> | 7 (AO2) 2 (AO3a) 2 (AO3b) 3 | <p>Use the level of response marking grid to assess skill levels.</p> <p>Annotate as: Up to 2 marks for application to Nina's Knitting Supplies APP</p> <p>Up to 2 marks for analysis AN</p> <p>Up to 3 marks for evaluation EVAL</p> <p>NB Context must be <u>used</u> to show <u>understanding of</u> <u>advantages/disadvantages</u> to be awarded APP.</p> <p>Analysis must be a business facing impact.</p> <p>Analysis = the business-facing impact of any stated advantage/disadvantage of organic (or external) growth e.g. 'organic growth less expensive (U) reducing</p> |

Mark Scheme

| Question | | Answer/Indicative content | | Marks | Guidance | | |
|----------|--|---|--|-------|--|--|--|
| | | <p>Organic growth would help her keep control (U) in the same way she has done for 15 years (APP). This means she does not have to share future profits with anyone (AN).</p> <p>However knitting is becoming very popular (APP) so external growth may help her rapidly increase her market share by reducing the competition (U). This may lead to an increase in profit (AN).</p> <p>Overall I believe Nina should use external growth (EVAL). A merger with another knitting (CONT) shop would help her increase her market share faster than if she grew organic organically (EVAL)(EVAL).</p> | | | <p>business costs (AN)'.</p> <p>For strong evaluation i.e., the full three marks, the evaluation must be contextual. Suggested advantages/disadvantages (U) to base APP and AN on include:</p> <p>Organic growth:</p> <ul style="list-style-type: none"> - keeps control - less costly - builds own expertise - slower <p>External growth:</p> <ul style="list-style-type: none"> - faster - benefits from expertise of others - immediate rise in market share - removes a competitor - gives away control - expensive <p>Examiner's Comments</p> <p>The 7 marks for Question 16 (d) (ii) were allocated as follows: 2 marks for application, 2 marks for analysis and 3 marks for evaluation. Each assessment skill was marked independently. Further details of this mark breakdown can be found in the published mark scheme on the marking grid for this question.</p> <p>Most candidates managed to achieve at least 1 mark for evaluation i.e. by making a decision as to whether or not Nina's business should continue to grow organically. Those who were able to justify their decision gained extra evaluation marks. Those whose justifications were deemed good (i.e. valid but non-contextual) were given an extra 1 mark (totalling 2 marks for evaluation) and those whose justifications were deemed 'strong' (i.e. valid and contextual) were given an extra 2 marks (totalling the full 3 marks for evaluation).</p> <p>To gain analysis marks examiners were looking for a discussion of the advantages and disadvantages to a business of using organic growth (or external growth). Candidates needed to show a sound understanding of the difference between these two types of growth to achieve marks.</p> <p>The most commonly suggested, correct,</p> | | |
| ARA | | | | | | | |
| | | | | | | | |
| | Application (2 marks) | Analysis (2 marks) | Evaluation (3 marks) | | | | |
| Strong | 2 marks Two contextual advantages / disadvantages (or one of each) of organic / external growth <u>analysed</u> . | 2 marks Two advantages / disadvantages (or one of each) of organic / external growth <u>analysed</u> . | 3 marks A justified contextual decision about whether Nina's Knitting Supplies should continue to grow organically / externally, [EVAL] [EVAL] [EVAL] | | | | |
| Good | Go od [APP] [APP] | [AN] [AN] | 2 marks A justified decision about whether Nina's Knitting Supplies should continue to grow organically / externally. [EVAL] [EVAL] | | | | |

Mark Scheme

| Question | | Answer/Indicative content | | | Marks | Guidance |
|----------|--|---|--|---|-------|--|
| | | <p>Li mit ed</p> <p>1 mark</p> <p>One co ntextua l advan tage / disadv antage of organic / exter nal growth. (Applie d Unde rstandi ng) [APP]</p> | <p>1 mark</p> <p>One busine ss-facing advantage / disadvant age of organic / external growth <u>analysed.</u> [AN]</p> | <p>1 mark</p> <p>A decision about whether Nina's Knitting Supplies should continue to grow organically / externally. [EVAL]</p> | | <p>advantages to Nina's business of using organic growth were the relatively low cost and the high degree of control that Nina would retain. On the other hand, the most commonly suggested correct, advantages to Nina's business of choosing to use external growth were faster growth and the removal of a competitor.</p> <p>To gain application marks candidates needed to apply the advantages and disadvantage of using organic growth (or external growth) specifically to Nina's business. Candidates should be encouraged to embed this application of understanding throughout their entire response. Please see exemplar 1 for a clearly laid out response that demonstrates this skill and gained full marks.</p> <p>Exemplar 1</p> <p>An advantage to Nina's Knitting Supplies is that it is low cost. This would mean that Nina has more <u>play</u> to spend elsewhere, such as on her Knitting supplies in order to stay ahead of the new competitors.</p> <p>A drawback to Nina's Knitting Supplies is that growing organically is much slower than growing externally. If there are new competitors in the market, Nina will want to grow faster over the next 3 years in order to keep her Knitting supplies sales up.</p> <p>I think that Nina's Knitting Supplies should begin growing externally because the risk of being overtaken by competitors is too big when Nina has been in business for 15 years. Nina could take over one of the competitors to eliminate them from the market, increasing her Market Share.</p> <p>This response begins by suggesting that an advantage of organic growth is its low cost. This valid understanding is developed by a logical chain of argument to suggest that lower costs lead to higher profits which can be used to buy extra supplies to stay ahead of the competition. This is analysis. By including in the response that 'knitting supplies' would be purchased to stay ahead of the 'new' competition the response also</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|---------------------------|-------|--|
| | | | | <p>demonstrates application. This first paragraph, therefore, gains 1 mark for application and 1 mark for analysis.</p> <p>The second paragraph correctly suggests that growing organically is likely to be slower than growing externally. This valid understanding is developed by a logical chain of argument through to an impact on the increased ability of the business to maintain sales in the face of competition. This is analysis. The inclusion within the argument of 'new' competition, '5 years' and 'knitting supplies' shows that the candidate has applied their understanding to Nina's business. This second paragraph, therefore, gains 1 further mark for application and 1 further mark for analysis.</p> <p>The final paragraph begins with a clear decision in favour of external growth. This decision is supported by valid justification via an argument related to speed and the need to eliminate one of the competitors to increase market share. The inclusion within this argument of the reference to the slower time frame of '15 years' that Nina's business has been in operation makes the justification contextual. Therefore, as per the mark scheme, 3 marks are given for evaluation because the response contains "a justified contextual decision".</p> |
| | | Total | 20 | |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|---|---|------------------|--|
| 17 | a | <p>State two methods that a business can use to select new employees.</p> <p>Answers may include:</p> <ul style="list-style-type: none"> • CV • Application <u>form</u> • <u>Letters</u> of application • Interviews • Tests • (Individual) tasks • Group/team activities • References • Presentations • Shortlisting | 2 (AO1a) 2 | <p>One mark for each of two methods of selecting new employees.</p> <p></p> <p><i>Answers do not need to relate to HSBC.</i></p> <p>'Application' TV.</p> <p>Do not accept 'qualifications', 'apprenticeships', 'work experience', etc as these are selection criteria not selection methods.</p> <p><u>Examiner's Comments</u></p> <p>ARA</p> <p>Approximately two-thirds of candidates achieved at least 1 mark on this question. By far the most common correct answers were 'interview', 'application form' and 'CV'.</p> <p>Of those that did less well on this question a significant proportion suggested answers such as 'focus groups' and 'questionnaires'. This suggests some confusion with market research methods. Others appeared to confused selection methods with recruitment methods suggesting 'job advertisements' or 'external recruitment'.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|---|--|---|--|
| | b | <p>Explain three methods of training HSBC may use.</p> <p>Knowledge:</p> <ul style="list-style-type: none"> • Induction • On-the-job • Off-the-job <p>Application may include:</p> <ul style="list-style-type: none"> • Serves business and personal customers • Employing the best people is important to HSBC • All employees are offered training and development opportunities • 70% of its UK call centre employees work from home • Call centre employees do a variety of tasks such as opening new bank accounts • Need to be able to work in a busy call centre <p>Exemplar responses:</p> <p>HSBC could use on-the-job training (K) because it will help the staff learn exactly how to open a new bank account using HSBC's IT systems (APP).</p> <p>HSBC could use off-the-job training (K) to allow staff to practise answering phone calls from customers complaining about the bank (APP).</p> | 6 (AO1a) 3 (AO2) 3 | <p>One mark for each training method, up to a maximum of three.</p> <p><i>No further marks can be gained without knowledge.</i></p> <p>One further mark for each application to HSBC, up to a maximum of three marks. APP</p> <p>Accept any type of explanation so long as it includes APP and matches the training method identified.</p> <p>Do not award 'on site', 'off site', 'internal' or 'external' as these relate to the location of the training or who is doing the training not the method of training itself.</p> <p><u>Examiner's Comments</u></p> <p>The vast majority of candidates scored at least 2 marks by identifying 'on-the-job training' and 'off-the-job training'. Recall of the term 'induction training' was far more sporadic with candidates more likely to suggest 'online training' or 'at home training'.</p> <p>Those who did well on this question gave answers specifically applied to HSBC (as required by the question). Applied answers often included reference to opening bank accounts, administrative tasks, answering phone calls, working in a busy call centre or working at branches across the UK. Each correct method applied to HSBC gained 2 rather than 1 mark.</p> |
| | c | <p>Analyse one benefit for HSBC's employees of studying for academic qualifications.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Gain new skills/knowledge/understanding • <u>Personal</u> satisfaction/sense of achievement • Improved confidence/esteem/feeling valued • Motivational | 3 (AO1b) 1 (AO2) 1 (AO3a) 1 | <p>One mark for understanding of one benefit to an employee of studying for academic qualifications.</p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to HSBC. APP</p> <p>One further mark for analysis of a</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|--|-------|---|
| | | <ul style="list-style-type: none"> • May lead to a more interesting/varied job role • Improve opportunities for promotion • Networking/meet new people, e.g. fellow learners and/or tutors <p>Application may include:</p> <ul style="list-style-type: none"> • Serves business and personal customers • Employing the best people is important to HSBC • Staff development such as degrees and professional diplomas • Call centre employees do a variety of tasks such as opening new bank accounts <p>Analysis may include: Common analytical comments (which must stem from stated benefit) include positive impacts on salary, lifestyle, morale, motivation, job satisfaction, stress levels, mental health, likelihood of promotion, future career, etc.</p> <p>Exemplar responses:</p> <p>Upon finishing the academic qualification, the employee may be promoted to a higher role (U) say assistant bank manager (APP) leading to an increased salary (AN).</p> <p>The employee will learn new skills (U) so may be allowed to start serving business customers as well as personal customers (APP). This may help increase the employee's job satisfaction (AN).</p> | ARA | <p>benefit to an employee of studying for academic qualifications.</p> <p>NB Analysis must be <u>employee-facing</u> impact.</p> <p>Analysis = the <u>employee-facing</u> advantage of the stated benefit e.g. 'become more confident (U) leading to greater job satisfaction (AN)'.</p> <p>NB Benefit must be to an employee and NOT the business. Look for <u>personal</u> benefits.</p> <p>'Better opportunities' TV. 'Better career opportunities' (1).</p> <p>Examiner's Comments</p> <p>This question uses the command word 'analyse' so requires a benefit developed through a chain of argument to an impact. However, unlike all other analyse questions on the paper, the wording of this question indicates that the analysis is to be from the employees' point of view. Examiners were therefore looking for personal benefits of studying for academic qualifications with personal impacts.</p> <p>By far the best answers related to improved chances of promotion leading to higher pay. Those that also contained application to HSBC gained full marks. Other good answers included improved self-esteem, gaining new skills and gaining a sense of achievement.</p> <p>Those who did less well on this question suggested benefits that were business facing. Responses such as higher employee retention, greater productivity or more profit could not be given as these are benefits to HSBC rather than its employees.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|---|---|---|--|
| d | i | <p>Analyse one advantage for HSBC of its UK call centre employees working from home.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Motivation • High staff retention/low labour turnover • Low absenteeism/lateness • Encourages creativity • High productivity • Low overhead costs e.g. savings on heating and lighting • Wide pool of workers to recruit from (as they do not have to live locally) <p>Application may include:</p> <ul style="list-style-type: none"> • Serves business and personal customers • Employing the best people is important to HSBC • 70% of UK call centre employees work from home • Call centre employees carry out a variety of tasks • Effects of working in a busy call centre <p>Analysis may include: Common analytical comments (which must stem from stated advantage) include positive impacts on custom, market share, customer satisfaction, customer retention, competitive advantage, employee retention, absenteeism, overheads, expenses, cashflow, profit, etc.</p> <p>Exemplar responses:</p> <p>It improves staff motivation (U) which could lead to better customer service (AN). This is important as HSBC's call centres are busy and its workers have to do a variety of tasks (APP).</p> <p>Staff absenteeism may reduce (U) as 70% of UK call centre employees might enjoy working from home (APP). This will reduce HSBC's operating costs (AN).</p> <p style="text-align: right;">ARA</p> | 3 (AO1b) 1 (AO2) 1 (AO3a) 1 | <p>One mark for understanding of an advantage for a business of employees working from home. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to HSBC. APP</p> <p>One further mark for analysis of an advantage for a business of employees working from home. </p> <p>NB Advantage must be for the business and NOT the employee.</p> <p>NB Analysis must be a business-facing impact.</p> <p>Analysis = the business-facing benefit of the stated advantage e.g. 'will save on energy bills (U) which improves cashflow (AN)'.</p> <p>NB To be awarded answers must be in the positive.</p> <p>'Lower costs' (TV for understanding tick), however awardable as AN.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|----|---|---|---|
| | ii | <p>Analyse one disadvantage for HSBC of its UK call centre employees working from home.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Lack of motivation • Difficult to monitor/manage/control/communicate with staff • Hard for managers to monitor employee performance • Limited opportunity for teamwork • Low productivity (if employees are distracted at home) • Poor staff retention/labour turnover • Need to provide IT equipment/IT training • Reliance on technology <p>Application may include:</p> <ul style="list-style-type: none"> • Serves business and personal customers • Employing the best people is important • 70% of UK call centre employees work from home • Call centre employees carry out a variety of tasks • Effects of working at a busy call centre <p>Analysis may include: Common analytical comments (which must stem from stated disadvantage) include negative impacts on custom, market share, customer satisfaction, customer retention, competitive advantage, employee retention, absenteeism, overheads, expenses, cashflow, profit, etc.</p> <p>Exemplar responses:</p> <p>Limited control over staff (U) which could impact negatively on the services provided for business and personal customers (APP), damaging the bank's reputation (AN). 70% of call centre employees work from home (APP) so a lot of equipment needs to be purchased (U) which will increase costs (AN).</p> | 3 (AO1b) 1 (AO2) 1 (AO3a) 1 | <p>One mark for understanding of a disadvantage for a business of employees working from home. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to HSBC. APP</p> <p>One further mark for analysis of a disadvantage for a business of employees working from home. </p> <p>NB Disadvantage must be for the business and NOT the employee.</p> <p>NB Analysis must be a business-facing impact.</p> <p>Analysis = the business-facing drawback of the stated disadvantage e.g. 'poor staff retention if employees do not like working from home (U), increasing recruitment costs (AN)'.</p> <p>NB To be awarded answers must be in the negative.</p> <p>'Increased costs' (TV for knowledge tick), however awardable as AN.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|-----|--|------------------|---|
| | iii | <p>Recommend whether HSBC should introduce working from home for all of its UK call centre employees. Give a reason for your answer.</p> <p>A full answer needs an <u>explicit</u> comparative, contextual justification for why one course of action is <u>BETTER THAN</u> the other for <u>HSBC</u>.</p> <p>Further analysis of the advantages/disadvantages of home working should not be rewarded (but can form part of a candidate's argument).</p> <p>Justification includes:</p> <p>NB reasoning depends on course of action chosen</p> <ul style="list-style-type: none"> • <u>Cheaper/lower</u> cost because .. • <u>More</u> motivated because ... • <u>More</u> creativity/innovation because ... • <u>Higher</u> productivity because ... • <u>Lower</u> labour turnover/<u>higher</u> staff retention because • <u>Lower</u> absenteeism because ... • <u>Closer</u> control over staff because ... • Managers monitor employee performance <u>more</u> easily because ... • <u>More</u> opportunities for teamwork because ... • <u>More</u> training/support needed because ... <p>Exemplar responses:</p> <p>HSBC should introduce working from home for all UK call centre employees (1) because it will be <u>cheaper</u> as overheads will be lower when the other 30% of workers (CONT) start working from home (+2).</p> <p>HSBC should keep some call centre employees working in the call centre (1) because staff are <u>more</u> motivated because they are more comfortable in their own home helping customers to open new bank accounts (CONT) (+2).</p> | 3 (AO3b) 3 | <p>One mark for a judgement whether HSBC should introduce home working for all UK call centre employees. </p> <p>PLUS</p> <p>Two marks for a contextual justification of the judgement on whether HSBC should introduce home working for all UK call centre employees.  </p> <p>OR</p> <p>One further mark for a non-contextual justification of the judgement on whether HSBC should introduce home working for all UK call centre employees. </p> <p>NB Justification is for why one course of action is <u>BETTER THAN</u> the other for the business (rather than just good for business).</p> <p>Look for comparative words (e.g. more, higher, lower, less, better, etc. e.g. cheapER, greatER, highER, fewER,) and a reason.</p> <p>NB Context (but not application) required for full marks.</p> <p>Examiner's Comments</p> <p>Questions 17 (d) (i), (d) (ii) and (d) (iii) comprise one question, split into three parts for accessibility. The question is testing 'ways of working' (topic 3.2 on the specification) and in particular 'working from home'.</p> <p>In Questions 17 (d) (i) and 17 (d) (ii) examiners were looking for positives and negatives, respectively, of having employees working from home (from the business' perspective).</p> <p>Once the first mark was secured those who applied their answer or gave an impact on the business of this feature gained extra marks (application/analysis respectively). Candidates generally did well at parts 17d (i) and 17 (d) (ii) of this</p> |

Mark Scheme

| Question | Answer/Indicative content | Marks | Guidance |
|----------|---------------------------|-------|---|
| | | | <p>question.</p> <p>Part (d) (iii) was the first 'recommend' question on the paper. It required candidates to decide whether or not HSBC should introduce working from home for all of its UK call centre employees. There was no right or wrong answer here, all candidates were required to do for the first of the 3 available marks was to make a choice. Almost all candidates managed this and, thus, gained at least 1 mark. Of the very few candidates that scored zero on this question, the reason was invariably one of 'sitting on the fence' and never reaching an overall decision.</p> <p>The other 2 marks available for Question 17 (d) (iii) were given for the quality of the candidate's justification of their decision. To be awardable the justification needed to argue why the decision was 'better' than the alternative (rather than just 'good'). As such the justification needed to be comparative and supported with valid reasoning, e.g. cheaper because .., lead to greater productivity because ..., etc. For full marks the response also needed to be contextual.</p> <p>Please see exemplar 2 for a response to Question 17 (d) (iii) that was given full marks.</p> <p>Exemplar 2</p> <p><i>I think HSBC's employees should work from home because HSBC will have to spend less money on places for them to work so their total costs will decrease and profit will increase. Also, employees will feel more motivated as we give them more flexibility so their attitude towards customers will be better. Also, all of their call centre employees already work from home so it's not much of a change.</i></p> <p>This response begins with a clear decision in favour of employees working from home. Two comparative arguments are given: The first, that it would be cheaper, because the bank would need to spend less money on places for them to work. The second, that customer service will be better, because of the increase flexibility and motivation of the work force. Either argument is acceptable as justification.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|---------------------------|-------|---|
| | | | | The reference to '70% of their call centre workers already work from home' makes the response contextual. The response is, therefore, given 3 marks for evaluation as per the mark scheme '1 mark for a judgement' plus '2 marks for a contextual justification'. |
| | | Total | 20 | |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|---|--|------------------|---|
| 18 | a | <p>Identify one stage of the product life cycle.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Introduction • Growth • Maturity • Decline • Development • Saturation | 1 (AO1a) 1 | <p>One mark for a correct stage of the product life cycle.</p> <p></p> <p><i>Answers do not need to relate to Walkers.</i></p> <p><u>Examiner's Comments</u></p> <p>Three-quarters of candidates gained the mark for this question, with answers fairly evenly split. The mark scheme allowed examiners to award stages as per the J204 specification or the more detailed product life cycle as listed in OCR's A Level qualification (H431).</p> <p>Those that did not achieve the mark on this question appeared to have no knowledge of the product life cycle.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|--|---|--|
| b | | <p>Analyse two advantages for Walkers of trialling new products before launching them.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> Identifies if there is demand for the product/whether a launch would be successful/gives an indication of likely sales levels Avoids the expense of a full product launch Reduces likelihood of negative impact on reputation/brand image (if product not well received) Reduces risk of launching an unsuccessful product/paying out large sums on an unsuccessful product <p>Application may include:</p> <ul style="list-style-type: none"> Walkers manufactures a range of well-known snacks Aim to maintain market share and increase profitability Walkers adds new flavours to its range of crisps/chicken burrito/fish and chips Recent public concern about healthy eating prompted Walkers to change product recipe <p>Analysis may include: Common analytical comments (which must stem from the advantage stated) include a positive impact on growth/expansion/ output/sales/market share/customer loyalty, publicity, wastage, planning, cost, cashflow, profit, etc.</p> <p>Exemplar responses:</p> <p>Reduces the risk of introducing an unsuccessful product (U) which may have led to a reduction in the firm's reputation (AN) and a fall in Walkers' 50% market share (APP).</p> <p>Sales figures will give an indication of which products will be successful (U). Walkers can then concentrate its resources on those particular flavours (APP), increasing profit (AN).</p> | 6 (AO1b) 2 (AO2) 2 (AO3a) 2 | <p>One mark for an advantage of trialling new products, up to a maximum of two.</p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to Walkers of an advantage of trialling new products, up to a maximum of two marks.</p> <p>One further mark for analysis of an advantage of trialling new products, up to a maximum of two marks.</p> <p>NB Advantage must be to the business (not the customer).</p> <p>NB Analysis must be a business-facing impact.</p> <p>Analysis = the business-facing benefit of the stated advantage e.g. 'does not require a full product launch (U) reducing costs (AN)'.</p> <p>Do not award answers relating to gaining (qualitative) feedback/improving the product since trialling does not provide this information.</p> <p>Do not accept 'saves MONEY' for AN. 'Reduced cost' or similar required.</p> <p>NB Mentioning the name of a Walkers product/ brand, e.g. 'Wotsits' is not enough for APP, the context must be USED. e.g. NEW FLAVOUR of Wotsits.</p> <p>Examiner's Comments</p> <p>This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding of trialling as a market research technique and the ability to analyse the impact on Walkers of using this method. Please see the published mark scheme for suggested answers to this question.</p> <p>By far the most common incorrect answers examiners read related to gaining customer opinions or receiving qualitative feedback that could be used to improve</p> |

ARA

Mark Scheme

| Question | Answer/Indicative content | Marks | Guidance |
|----------|---------------------------|-------|---|
| | | | <p>the flavour of the crisps. This shows a fundamental misunderstanding of trialling as a method of market research.</p> <p> Misconception</p> <p>A common misconception among candidates appears to be that trialling involves giving out free samples (either in store or in a focus group) to obtain feedback that can be used to improve the product. This is not what 'trialling' involves.</p> <p>Trialling is a primary market research technique that involves launching a product in a limited number of stores/distribution channels for a limited timeframe. The main purpose of trialling is to test whether a full launch should go ahead.</p> <p>By way of example, Walkers could have put new flavours of crisps on sale at selected supermarkets in London, or wherever. Shoppers seeing the product on the shelves will choose whether to purchase them. At the point of sale there is no opportunity for Walkers to gain any customer opinions or qualitative feedback on how to improve the product, indeed at this point the crisps remain untasted. The only direct feedback that Walkers gain from this method is quantitative i.e. the sales figures. Sales figures which the company can use to decide whether to proceed to a full launch.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|---|--|---|--|
| c | i | <p>Analyse one advantage for Walkers of each promotion method.</p> <p><u>Advertising in national newspapers</u></p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Large readership/seen by a lot of people/large range of who will see it/reach a wide audience/across the UK/lots of customers being aware of the product • Can include colour and/or pictures of products • Can reach readers who are unfamiliar with/do not purchase the firm's products <p>Application may include:</p> <ul style="list-style-type: none"> • Aim to maintain market share and increase profitability • Walkers represents over 50% of the UK potato snack market • Walkers adds new flavours to its range of crisps/chicken burrito flavour/fish and chips flavour • Recent public concern about healthy eating prompted Walkers to change product recipe <p>Analysis may include:</p> <p>Common analytical comments (which must stem from the advantage stated) include a positive impact on sales, growth/expansion/output, market share, customer loyalty, brand awareness, brand image, reputation, profit, etc.</p> <p>Exemplar responses:</p> <p>National advertising allows lots of people to find out about the product (U), which may lead to an increase in sales (AN) and help Walkers to achieve its aim of maintaining its 50% market share (APP).</p> <p>They can reach people who are unfamiliar with Walkers (U) as it reaches anyone who buys that newspaper, increasing profit (AN) from selling crisps (APP).</p> | 6 (AO1b) 2 (AO2) 2 (AO3a) 2 | <p>One mark for understanding of an advantage of advertising in national newspapers. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to Walkers. APP</p> <p>One further mark for analysis of an advantage of advertising in national newspapers. </p> <p>NB Advantage must be to the business (not the customer).</p> <p>NB Analysis must be a business-facing impact.</p> <p>Analysis = the business-facing benefit of the stated advantage e.g. 'the newspapers have a high readership (U) which will increase brand awareness (AN)'.</p> <p>Do not award 'the whole country/world will <u>see</u> it'.</p> <p>'More people will see the advert' TV.</p> <p>Do not award arguments relating to age e.g. 'loads of older people read the newspaper' (0).</p> <p>Do not award reasons why newspaper is better than other methods of advertising e.g. in comparison with TV, radio, social media, etc.</p> <p>The first tick must be for a specific advantage of advertising in national newspapers. Do not award advantages of promotion in general, such as 'more people will buy'(0).</p> <p>One mark for understanding of an advantage of using a prize competition. </p> <p><i>No further marks can be gained without understanding.</i></p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|--|--|-------|---|
| | | <p><u>Prize competition</u></p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Encourages large/multiple/repeat purchases/bulk buy (for additional entries to the competition) • Low cost/cost effective/cost controlled by size of prizes • Reaches an audience who already buy/like Walkers' snacks <p>Application may include:</p> <ul style="list-style-type: none"> • Aim to maintain market share and increase profitability • Walkers represents over 50% of the UK potato snack market • Walkers adds new flavours to its range of crisps/ chicken burrito flavour/fish and chips flavour/crisps • Walkers often trials new flavours prior to launch <p>Analysis may include:</p> <p>Common analytical comments (which must stem from the advantage stated) include a positive impact on sales, growth/expansion/output, market share, customer loyalty, brand awareness, brand image, reputation, profit, etc.</p> <p>Exemplar responses:</p> <p>Customers are likely to make repeat purchases (U) to have additional entries into the competition which will increase revenue (AN) from selling their well-known snacks (APP).</p> <p>People who already like these crisps (APP) would buy more than usual (U) in the hope that they would win the prize, which would make the company more profit (AN).</p> | ARA | <p>One further mark for application to Walkers.</p> <p style="text-align: right;">APP</p> <p>One further mark for analysis of an advantage of using a prize competition.</p> <p style="text-align: right;">✓</p> <p>NB Advantage must be to the business (not the customer).</p> <p>NB Analysis must be a business-facing impact.</p> <p>Analysis = the business-facing benefit of the stated advantage e.g. 'the prize competition will not be too expensive to run (U) depending on the prize they offer then this will boost Walkers' profits (AN) from selling Quavers (APP).</p> <p>'Buy more' TV.</p> <p>Do not award arguments relating to age e.g. 'it reaches a younger audience' (0).</p> <p>Do not award reasons why a prize competition is better than other methods of advertising e.g. in comparison with TV, radio, social media, etc.</p> <p>The first tick must be for a specific advantage of using a prize competition. Do not award advantages of promotion in general, such as 'to encourage people to buy more' (0).</p> <p>NB Mentioning the name of a Walkers product/ brand, e.g. 'Quavers' is not enough for APP, the context must be USED. e.g. 'new flavour of Quavers' or 'sales of Quavers'.</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
|----------|----|--|------------------|---|
| | ii | <p>Recommend whether advertising in national newspapers or a prize competition would be the most appropriate promotion method for Walkers to use. Give a reason for your answer.</p> <p>A full answer needs an <u>explicit</u> comparative, contextual justification for why one course of action is <u>MORE APPROPRIATE</u> than the other for Walkers.</p> <p>Further analysis of the advantage of advertising methods should not be rewarded (but can form part of a candidate's argument).</p> <p>Justification includes: NB reasoning depends on course of action chosen</p> <ul style="list-style-type: none"> • <u>Cheaper/lower</u> cost ... • <u>More</u> likely to reach existing/new customers ... • Effective for a <u>longer</u> period of time ... • Reach <u>more</u> people ... <p>Exemplar responses:</p> <p>Newspapers (1) because prize competitions target existing customers, <u>whereas</u> the newspaper can attract new customers . This is what Walkers needs to achieve its objective of maintaining market share (CONT)(+2).</p> <p>Newspapers attract fewer customers because fewer people read them these days. Therefore Walkers should use a prize competition (1) to sell more Quavers (CONT)(+2).</p> <p style="text-align: right;">ARA</p> | 3 (AO3b) 3 | <p>One mark for a judgement whether Walkers should advertise in national newspapers or run a prize competition.</p> <p>PLUS</p> <p>Two marks for a contextual justification of the judgement on whether Walkers should advertise in national newspapers or run a prize competition.</p> <p>OR</p> <p>One further mark for a non-contextual justification of the judgement on whether Walkers should advertise in national newspapers or run a prize competition.</p> <p>NB Context (but not application) required for full marks.</p> <p>NB 'Newspaper' can be awarded for decision (it does not have to say NATIONAL newspaper).</p> <p>NB Justification is for why one course of action is <u>MORE APPROPRIATE THAN</u> the other for the business (rather than just good for business).</p> <p>Look for comparative words (e.g. more, higher, lower, less, better, etc. e.g. cheapER, greatER, highER, fewER,) and a reason OR whereas with comparison of both options.</p> <p>Examiner's Comments</p> <p>Questions 18 (c) (i) and 18 (c) (ii) comprise one question, split into three parts for accessibility. The question is testing candidate understanding of methods of promotion. This question was not well answered.</p> <p>General answers about the advantages of promotion i.e. more customers, more sales, etc. could not be given. Examiners were looking for particular advantages of each specific method. For example, a national newspaper has a very large readership or can reach people who would</p> |

Mark Scheme

| Question | | Answer/Indicative content | Marks | Guidance |
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| | | | | <p>not normally consider buying crisps. On the other hand, a prize competition reaches existing customers and entices them to purchase in greater quantities and costs little other than for the prizes which are cost-controllable by the business. Please see the published mark scheme for other suggested answers to Question 18 (c) (i).</p> <p>Question 18 (c) (ii) was the second 'recommend' question on the paper and had the greatest number of blank responses of any question. The question required candidates to recommend which of the two promotional methods Walkers should use. There was no right or wrong answer here, all candidates were required to do for the first of the 3 available marks was to choose one of the two promotional methods. Those who left the response space blank did not gain this mark. Almost all other candidates clearly identified their recommendation and, thus, gained at least 1 mark (even if their reason for selection was for totally incorrect reasons).</p> <p>The other 2 marks available for 18 (c) (ii) were given for the quality of the candidate's justification of their recommendation. To be awardable the justification needed to argue why one method was 'better' than the other method. As such the justification needed to be comparative and supported with valid reasoning, e.g. cheaper because... or reach a larger audience because ..., etc. Arguments that only argued that a method was good were not awardable (as this would be the type of answer expected for Question (c) (i)).</p> |
| d | | <p>Evaluate, with reference to the data in Text 3, whether Walkers' marketing department should consider introducing healthier products.</p> <p>Knowledge may include:</p> <ul style="list-style-type: none"> • Role = e.g. to identify/understand/inform customers/to increase sales/help satisfy customer needs/to promote products <p>Understanding of advantages /</p> | 9 (AO1a) 1 (AO1b) 1 (AO2) 2 (AO3a) 2 (AO3b) 3 (Quant 2) | <p>Use the level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>1 mark for knowledge K</p> <p>1 mark for understanding U</p> <p>Up to 2 marks for quantitative</p> |

Mark Scheme

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| | | <p>disadvantages may include impact on:</p> <ul style="list-style-type: none"> • Reputation • Brand awareness • Levels of publicity • Target market • Number of customers • Competitive advantage • Market share • Time • Financial cost <p>Application (quantitative) may include:</p> <ul style="list-style-type: none"> • Those concerned about healthy eating increased by 14 percentage points in recent years/30.4% change (accept 30% or 31%) • In 2017 54% were not concerned about healthy eating • In 2022 40% were not concerned about healthy eating • 3 out of 5 (or 6 out of 10) people now concerned about healthy eating • More than 1/2 of people now concerned about healthy eating • 64% (almost 2/3s) of people do not consider whether a snack is healthy before buying it • Proportion of people who think businesses are trying to produce healthy products is lower than 1/3 • 3 percentage point increase/11.5% change (accept 11% or 12%) in those who think businesses are trying to produce healthy products in recent years • Walkers already reduced the amount of added salt by a 1/4 • Walkers already reduced the amount of saturated fat by more than 1/2 by almost 3/4 • Multipacks have 2 fewer bags/are 8.3% smaller (accept 8%) • Over 5 years <p>Analysis may include:</p> <p>Common analytical comments (which must stem from a stated advantage/disadvantage) include positive/negative impact on reputation/brand image, brand awareness, customers, sales/revenue, market share, costs, cash flow, breakeven, profit, dividends to shareholders, etc.</p> | | <p>application*</p> <p>Up to 2 marks for analysis</p> <p>Up to 3 marks for evaluation</p> <p>*Application refers to use of data only. Candidate should undertake some form of calculation</p> <p>NB Analysis must be a business facing impact.</p> <p>Analysis = the business-facing impact of any correct piece of understanding about a stated advantage/disadvantage of introducing new products e.g. 'larger target market (U) increased revenue (AN)'.</p> <p>NB For strong evaluation i.e., the full three marks, the evaluation must be contextual.</p> <p>NB ensure candidate makes a final decision about whether or not new products should be introduced.</p> <p>Do not award any figures copied from the text; candidate must show quantitative skill.</p> <p>Examiner's Comments</p> <p>This is the highest tariff question on the paper. The 9 marks were allocated as follows: 1 mark for knowledge, 1 mark for understanding, 2 marks for numerical application, 2 marks for analysis and 3 marks for evaluation. Each assessment skill was marked independently. Further details of this mark breakdown can be found in the published mark scheme on the marking grid for this question.</p> <p>The question was well answered by the majority of candidates. Most candidates achieved some marks for understanding, analysis and evaluation. Candidates across all ability ranges did less well achieving the knowledge and application marks. For an example of how to achieve</p> |

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| | | <p>Evaluation may include: Candidate may justify whether Walkers' marketing department should or should not introduce healthier products.</p> <p>Exemplar responses:</p> <p>Marketing involves finding out what products people want (K).</p> <p>Introducing healthier products would widen the company's target market (U) as 6 out of 10 people are now concerned about healthy eating (APP), so this would increase Walkers' sales (AN).</p> <p>As 14% more people are concerned about healthy eating (APP), then the new snacks would appeal to more customers (U) which would increase Walkers' market share (AN).</p> <p>I think that Walkers should make its product ranges healthier (EVAL). Although more customers of snacks (CONT) are less bothered about healthy eating, the trends is growing and to attract new customers healthier snacks may be needed (EVAL) (EVAL).</p> | | | | <p>these marks, please see exemplar 3.</p> <p>For the knowledge mark, examiners were looking for explicit knowledge relating to marketing. This could be achieved by stating the role or purpose of marketing or the marketing department. It was noticeable that of those that did not achieve this mark, a significant proportion appeared to be high ability candidates. For some candidates, a deliberate exam technique defining key terms in the question at the beginning of a response might be helpful here.</p> <p>For the understanding mark, examiners were looking for one or more advantages or disadvantages to a business of introducing new products. The vast majority of candidates achieved this mark.</p> <p>For the application marks, examiners were looking for the use of the numerical data given in the text (as indicated in the question by the phrase 'with reference to the data in Text 3'). A mark was given each time a candidate made use of the numerical data in a calculation (to a maximum of 2 marks). Some calculations were relatively straightforward, e.g. the number of years over which the data was collected, others were more complex, e.g. percentage change in those concerned with healthy eating. Candidates were not penalised for incorrect use of mathematical terminology when referring to percentage change.</p> <p>For the analysis marks, examiners were looking for a logical chain of reasoning which culminated in the potential impact on Walkers of introducing/not introducing new products. Examiners saw lots of reasoning that linked to impacts on sales revenue, profit, brand awareness and reputation; less so (but equally valid) impacts on cash flow, dividends to shareholders, break-even and market share.</p> <p>For the evaluation marks, examiners were looking for a clear decision coupled with justification of this decision. There was no right or wrong answer here, all that was required for the first of the 3 available marks was to make clear their decision as</p> |

| Kno wledge (1 mark) | Understa nding (1 mark) | Appli catio n (2 ma rks) | Analy sis (2 ma rks) | Evalu ation (3 marks) |
|---|---|--|---|---|
| Str on g Kno wledge of market eting [K] | 1 mark One or more adv antage(s) / disadva ntage(s) of introdu cing new products [U] | 2 mark s Two uses of the data in Text 3 de mons tratin g qua ntitati ve | 2 mark s Two adva ntage s / diadv antag es (or one of each) of intr oduc i | 3 marks A justifie d cont extual decis ion about wheth er Wal kers should intro duce h |

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| | | <p>skills [APP] [APP]</p> <p>ng new produ cts analy sed. [AN] [AN]</p> <p>althie r prod ucts. [EVAL] [EVAL] [EVAL]</p> | | | | | | <p>to whether Walkers should or should not consider introducing healthier products. Almost all candidates clearly indicated their decision and, thus, gained at least 1 mark for evaluation. Of the very few candidates that scored zero for evaluation, the reason was usually one of 'sitting on the fence' i.e. giving reasons for and against but never stating an overall decision, such responses could not be rewarded with evaluation marks.</p> <p>The other 2 marks available for evaluation were given for the quality of the candidate's justification. A good justification was given 1 extra mark for being valid but appropriate to most businesses, e.g. 'Walkers should not introduce healthier products (1 mark) because it might lead to a loss of loyal customers (+1 mark)'. A strong justification was given 2 extra marks for being valid and contextual, e.g. 'Walkers should introduce healthier products (1 mark) because the proportion of the general public concerned about healthy eating has increased in the last few years (+2 marks)'. Some candidates did not give reasons for their decision (limiting their evaluation mark to 1 mark out of an available 3).</p> <p>Exemplar 3</p> <p><i>The purpose of the marketing department is to make customers aware of new products, and to help satisfy their needs.</i></p> <p><i>One advantage to Walkers by introducing healthier products is that they may increase their market share. This is because there is a 14% increase from 2017 to 2018. About people concerned with healthy eating, so if Walkers expand their crisp range, they will draw in even more new customers, therefore increasing and maintaining their over 80% market share, which is one of their aims.</i></p> <p><i>One drawback to Walkers introducing healthier products is that they may lose customers</i></p> |
| | | <p>Good</p> <p>Li mit ed</p> <p>1 mark</p> <p>One use of the data in Text 3 demon strating quantitative skills. [APP]</p> <p>1 mark</p> <p>One advan tage / disad vant age of intro ducing new produ cts analy sed. [AN]</p> <p>1 mark</p> <p>A decisi on about wheth er Walkers should intro duce he althie r prod ucts. [EVAL] [EVAL]</p> | | | | | | |

Mark Scheme

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| | | | <p>to less healthy competitors, such as Monster Munch. This is because they are well known for their unhealthy products, and larger portion, and larger quantities in multipack bags, which has now decreased by 1 bag. This would lead to a decrease in sales and profit, and potentially in market share as well, for Walkers, as some customers may not be interested in new healthy crisps.</p> <p>I think that the Walkers marketing department should introduce healthier products because they will increase their sales and profit as these new healthy crisps will be attractive to new customers. There has also been an increase of 3%, of people thinking snack companies were trying to produce healthy crisps, and Walkers needs to do that in order to maintain their over 50% market share.</p> <p>END OF QUESTION PAPER</p> <p>This response is a good example of how a candidate can include knowledge marks and quantitative application into their response.</p> <p>The knowledge mark was given for the opening paragraph which clearly states the role of the marketing department i.e. raising awareness of products and satisfying customer needs.</p> <p>There are three instances in this response where application marks could be given. The first is in paragraph 2 where the candidate calculates that those concerned with healthy eating have increased by 114% (14 percentage points). The second is in paragraph 3 where the candidate calculates that the number of bags in a multipack has reduced by 2. The third is at the end of the final paragraph where the candidate calculates that there has been a 3% (increase) 3 percentage points in those who think businesses are trying to introduce healthier products. As the maximum award for application on this question is 2 marks, the first two evidenced were given.</p> <p>Centres are encouraged to reinforce to candidates the importance of using any numerical data given, especially on the highest tariff question on the paper.</p> |
| | Total | 25 | |