



Pearson
Edexcel

Mark Scheme (Results)

Summer 2023

**Pearson Edexcel GCE AS Level
in Business (8BS0)
Paper 01 Marketing and People**

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1(a)	<p style="text-align: center;">Knowledge 2</p> <p>Knowledge/understanding: of innovation e.g.</p> <ul style="list-style-type: none"> • Creating a new idea/product/process (1) and turning it into a marketable/sellable product/service (1) 	(2)

Question Number	Answer	Mark
1(b)	<p style="text-align: center;">Knowledge 2</p> <p>Knowledge/understanding: viral marketing e.g.</p> <ul style="list-style-type: none"> • Encouraging customers to share information/adverts (1) through existing social media platforms e.g. Facebook (1) 	(2)

Question Number	Answer	Mark
1(c)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for understanding resilience/entrepreneur</p> <ul style="list-style-type: none"> • The ability to recover from difficulties and try again • An individual who sets up and runs a business taking on the financial risk <p>Application: up to 2 marks for</p> <ul style="list-style-type: none"> • The failure of the phone case for retractable headphones could have lost Griffith, Hutchinson and Day money • The entrepreneurs started again with the protective phone cases and achieved \$2.4m in pre-orders <p>Analysis: 1 mark is available for</p> <ul style="list-style-type: none"> • This enabled them to have a successful business that now sells to 100 countries. 	(4)

Question Number	Answer	Mark
1(d)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for understanding brand or USP</p> <ul style="list-style-type: none"> • A brand is a symbol, logo or design that is recognisable and distinguishes a product from competitors • A USP is a feature that makes a product stand out from the competition <p>Application: 2 marks for</p> <ul style="list-style-type: none"> • By creating its own high impact material, the phone cases are different to all other phone cases • Mous have proven that its phone cases are durable by sharing videos on social media <p>Analysis: 1 mark is available for</p> <ul style="list-style-type: none"> • This could result in customers preferring to buy Mous branded phone cases over competitors. 	(4)

Question Number	Indicative content	Mark
1(e)	<p>Knowledge 2, Application 2, Analysis 2, Evaluation 2</p> <ul style="list-style-type: none"> • The design mix is the combination of elements, (function, aesthetics, cost) that a business considers when creating a product • Function may be the most important element of the design mix because Mous is known for its durable phone cases. The product must be able to protect the phone even when it is thrown on the floor as they show in their viral marketing campaigns • Aesthetics may be the most important element of the design mix for Mous because most customers want a sleek, stylish phone case so their phone looks good. They may also want different colours and designs • Cost may be the most important element of the design mix because Mous needs to be able to create the Airoshock material at a low cost. The cases must not be more expensive than the cost of replacing an iPhone screen, otherwise customers may think the case is not worth the price <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Function may not be important to customers as how the case looks and feels, since they do not want a bulky phone case • Customers may be more concerned about whether the case protects their iPhone if they drop it because iPhones are expensive, so safety may be more important than style • Customers may be willing to pay a higher price for a phone case with unique Airoshock material that is proven to protect their phone which means Mous can spend more on its development and still make a profit. 	(8)

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	3-5	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 by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question Number	Indicative content	Mark
1(f)	<p>Knowledge 2, Application 2, Analysis 3, Evaluation 3</p> <ul style="list-style-type: none"> • Some customers may prefer to be able to touch the phone case to test how heavy or bulky it is before buying it, which they could not do if they could only order online • If the phone cases were available in phone shops such as Apple or O2, customers may see the cases in the shop and buy one when renewing their phone contract • If Apple shops stock Mous' products, customers that trust the Apple brand may trust the Mous brand because of the association and become loyal to Mous • The durability of Mous' phone cases could be demonstrated by retailers when customers come into the shop, which could convince more customers to buy <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> • Online retail is more popular with consumers, so selling the phone cases online may result in higher sales • Mous can showcase all varieties of its phone case as well as its accessories on their website, so that customers have plenty of choice which may lead to more sales as their needs are met • Selling direct to customers could allow Mous to charge lower prices as they do not have to allow retailers to gain a mark-up <p><i>Potential Judgement</i></p> <ul style="list-style-type: none"> • The importance of selling its products in retail stores would depend on which retailers agreed to stock the phone cases, as customers may be more likely to trust Apple which specialises in mobile phones rather than Selfridges that do not • The importance of selling its products in retail stores would depend on whether the stores could stock the whole range and/or could demonstrate the durability of the phone case. 	(10)

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 is 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	5-6	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with 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	7-10	Accurate and thorough knowledge and understanding, supported 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 and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors leading to a supported judgement

Question Number	Answer	Mark
2(a)	<p style="text-align: center;">Knowledge 2</p> <p>Knowledge/understanding: for promotion, e.g.</p> <ul style="list-style-type: none"> • A way of making customers aware of the brand/business (1) and persuading them to buy products/appropriate examples e.g advertising/discounts (1) 	(2)

Question Number	Answer	Mark
2(b)	<p style="text-align: center;">Knowledge 2</p> <p>Knowledge/understanding: for competitor, e.g.</p> <ul style="list-style-type: none"> • A rival business operating in the same market (1) offering similar goods or services/an appropriate example e.g. KFC and McDonalds (1) 	(2)

Question Number	Answer	Mark
2 (c)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for understanding social trends or identifying a social trend</p> <ul style="list-style-type: none"> • Social trends are changing patterns in consumer behaviour reflected in changing demands • Identifying a social trend e.g increased use of social media/being environmentally friendly <p>Application: 2 marks for</p> <ul style="list-style-type: none"> • Bulb has used social media to promote its brand • Bulb has encouraged existing members to refer new members by giving them £50 <p>Analysis: 1 mark is available for</p> <ul style="list-style-type: none"> • This could help reach more customers because of the increasing use of social media. 	(4)

Question Number	Answer	Mark
2(d)	<p style="text-align: center;">Knowledge 1, Application 3</p> <p>Quantitative skills assessed: QS1: Calculate, use and understand ratios, averages and fractions QS2: Calculate, use and understand percentages and percentage changes</p> <p>Knowledge: 1 mark for the formula</p> <ul style="list-style-type: none"> • $(\text{Sales of company} / \text{total sales of the market}) \times 100$ (1) <p>Application: up to 3 marks for</p> <ul style="list-style-type: none"> • Calculate Bulb's 2019 sales revenue <ul style="list-style-type: none"> = $\pounds 183\text{m} \times 12 = \pounds 2\,196\text{m}$ • Calculate Bulb's 2019 market share <ul style="list-style-type: none"> = $\pounds 2\,196\text{m} / \pounds 55\,000\text{m} \times 100$ • = 3.99% <p>NB: If the only answer given is 3.99% award 4 marks. If answer not given to 2 decimal places (e.g. 4%) only award 3 marks.</p>	(4)

Question Number	Indicative content	Mark
2(e)	<p>Knowledge 2, Application 2, Analysis 2, Evaluation 2</p> <ul style="list-style-type: none"> • Customer loyalty means repeat purchases with the same business • By having 'excellent' customer service, this could lead to greater customer satisfaction, resulting in customers staying with Bulb • Providing cheaper tariffs than the main energy companies may allow Bulb customers to save money on their bills, so they are less likely to switch to a competitor <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> • Members may never experience the 'excellent' customer service as they may not have any problems with Bulb and would not therefore be influenced by this method • Cheaper tariffs may not be a sufficient method to retain customers because they are not as well-known as larger energy companies e.g. British Gas that may have other promotions, such as dual fuel deals. 	(8)

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	3–5	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 by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question Number	Indicative content	Mark
2(f)	<p>Knowledge 2, Application 2, Analysis 3, Evaluation 3</p> <ul style="list-style-type: none"> • Ethical sourcing involves the business buying materials that are produced with fair working conditions/pay and minimum impact on the environment • Bulb uses renewable resources for most of its energy, which is a growing social trend, so some customers may choose Bulb over E.On and British Gas because they feel like they are helping the environment • Bulb’s use of renewable energy, such as hydro and wind power, has helped them keep prices lower than British Gas. This may attract customers away from the larger competitors <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> • Although more customers are interested in environmentally friendly products, many are still price sensitive so may only be loyal whilst Bulb’s tariffs are cheaper than other suppliers • Bulb is not as well known as companies, such as British Gas, so even though Bulb is more ethical some customers may stick to brands that they trust or have used before <p><i>Potential Judgement</i></p> <ul style="list-style-type: none"> • The importance of ethical sourcing depends on the extent and/or nature of customer loyalty the big energy companies have, e.g. prices are paramount when people are on a budget/some people are reluctant to switch. 	(10)

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 is 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	5-6	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with 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	7-10	Accurate and thorough knowledge and understanding, supported 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 and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
3	<p style="text-align: center;">Knowledge 4, Application 4, Analysis 6, Evaluation 6</p> <p>Financial Incentives</p> <ul style="list-style-type: none"> • Financial incentives include piecework, share options, commission • Financial incentives such as piecework could encourage Huel’s production staff to produce more of the meal replacement as they try to earn more wages therefore increasing output per employee • Providing Share options to the Hueligans could encourage them to work more efficiently in their role in the business as they want the company to be more profitable, so they can receive more dividends from their shares/increase the value of their shares • Commission could be used to encourage sales staff to sell more meal replacements in order to gain an increase in their overall pay <p>Non-financial Incentives</p> <ul style="list-style-type: none"> • Non-financial incentives such as flexible hours could result in Hueligans being happier due to achieving a good work-life balance. This could lead to improved focus when, for example, creating marketing campaigns for the environmentally friendly product meaning the campaigns released are more effective • Non-financial incentives such as job rotation for production staff could reduce boredom at work, therefore reducing labour turnover and resulting in a more experienced workforce who can complete tasks more efficiently • By treating its employees as assets rather than costs, Huel may have a more loyal workforce and as they are ‘ambitious’ they could be keen to progress within the company, such as moving from a UK office to the New York office, and therefore be more productive to prove themselves <p><i>Potential recommendation</i></p> <ul style="list-style-type: none"> • Huel only has 80 employees so the cost of using financial incentives such as performance related pay may not be 	(20)

	<p>too high and could be balanced by the costs saved due to greater productivity</p> <ul style="list-style-type: none"> • Herzberg and Maslow both place greater emphasis on non-financial methods of motivation as these may be more likely to increase motivation in the long term as employees could feel more valued if they are cared for by the company by receiving flexible hours and/or empowerment. 	
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Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1-4	<p>Isolated elements of knowledge and understanding – recall based.</p> <p>Weak or no relevant application to business examples.</p> <p>An argument may be attempted, but will be generic and fail to connect cause(s) and/or consequence(s)/effect(s).</p>
Level 2	5-8	<p>Elements of knowledge and understanding, which are applied to the business example.</p> <p>Arguments and chains of reasoning are presented, but connections between cause(s) and/or consequence(s)/effect(s) are incomplete.</p> <p>Attempts to address the question.</p> <p>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.</p>
Level 3	9-14	<p>Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context.</p> <p>Uses developed chains of reasoning, so that cause(s) and/or consequence(s)/effect(s) are complete, showing an understanding of the question.</p> <p>Arguments are developed.</p> <p>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.</p>
Level 4	15-20	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>Quantitative and qualitative information is/are used well to support judgements.</p> <p>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 recommendation(s).</p>

