



Oxford Cambridge and RSA

GCSE

Business

J204/01: Business 1: business activity, marketing and people

General Certificate of Secondary Education

Mark Scheme for June 2023

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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MARKING INSTRUCTIONS

PREPARATION FOR MARKING

RM ASSESSOR

1. Make sure that you have accessed and completed the relevant training packages for on-screen marking: *RM Assessor Online Training*; *OCR Essential Guide to Marking*.
2. Make sure that you have read and understood the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal <http://www.rm.com/support/ca>
3. Log-in to RM Assessor and mark the **required number** of practice responses ('scripts') and the **number of required** standardisation responses.

YOU MUST MARK 5 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

MARKING

1. Mark strictly to the mark scheme.
2. Marks awarded must relate directly to the marking criteria.
3. The schedule of dates is very important. It is essential that you meet the RM Assessor 50% and 100% deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.
4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone, the RM Assessor messaging system or by email.
5. **Crossed Out Responses**
Where a candidate has crossed out a response and provided a clear alternative then the crossed out response is not marked. Where no alternative response has been provided, examiners may give candidates the benefit of the doubt and mark the crossed out response where legible.

Multiple Choice Question Responses

When a multiple choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark should be awarded (as it is not possible to determine which was the first response selected by the candidate).

When a question requires candidates to select more than one option/multiple options, then local marking arrangements need to ensure consistency of approach.

Contradictory Responses

When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

Short Answer Questions (requiring only a list by way of a response, usually worth only **one mark per response**)

Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response. *(The underlying assumption is that the candidate is attempting to hedge their bets and therefore getting undue benefit rather than engaging with the question and giving the most relevant/correct responses.)*

Short Answer Questions (requiring a more developed response, worth **two or more marks**)

If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

Longer Answer Questions (requiring a developed response)

Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there, then add a tick to confirm that the work has been seen.
7. Award No Response (NR) if:
 - there is nothing written in the answer space
















Award Zero '0' if:

- anything is written in the answer space and is not worthy of credit (this includes text and symbols).

Team Leaders must confirm the correct use of the NR button with their markers before live marking commences and should check this when reviewing scripts.


8. The RM Assessor **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.**
If you have any questions or comments for your team leader, use the phone, the RM Assessor messaging system, or e-mail.
9. Assistant Examiners will send a brief report on the performance of candidates to their Team Leader (Supervisor) via email by the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses. Constructive criticism of the question paper/mark scheme is also appreciated.

10. Annotations


Annotation	Meaning
	Analysis (AO3a)
	Application (AO2)
	Benefit of doubt
	Blank page
	Cross
	Evaluation (AO3b)
	Knowledge (AO1a)
	Not answered question
	No use of text
	Own figure rule
	Repeat
	Noted but no credit given
	Too vague
	Tick
	Understanding (AO1b)

SECTION A			
Question	Answer	Marks	Assessment Objective
1	D	1	2
2	C	1	2
3	A	1	1a
4	C	1	2
5	C	1	1b
6	D	1	2
7	D	1	2
8	A	1	1a
9	B	1	2
10	D	1	1b
11	C	1	2
12	B	1	2
13	D	1	2
14	B	1	1b
15	B	1	2 (PS)

Question		Answer	Mark	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> <p style="text-align: right;">ARA</p>	<p>2</p> <p>AO1a 1 AO1b 1</p>	<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>

16	(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> <p style="text-align: right;">ARA</p>	<p>6 AO1b 3 AO2 3</p>	<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>
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16	(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>	<p>3 AO1a 1 AO2 1 AO3a 1</p>	<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>One further mark for analysis of the reason for business communication to employees. ✓</p> <p>APP</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>
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16	(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 	<p>2 AO1a 2</p>	<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>
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16	(d)	<p>(ii) 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 response:</p> <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 style="text-align: right;">ARA</p>	<p>7 AO2 2 AO3a 2 AO3b 3</p>	<p>Use the level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>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 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 business costs (AN)’.</p> <p>For strong evaluation i.e., the full three marks, the evaluation must be contextual.</p> <p>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
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Q16(dii) Evaluate whether or not Nina's Knitting Supplies should continue to grow organically.



	Application (2 marks)	Analysis (2 marks)	Evaluation (3 marks)
Strong	2 marks Two contextual advantages/disadvantages (or one of each) of organic/external growth. (Applied Understanding) [APP] [APP]	2 marks Two advantages/disadvantages (or one of each) of organic/external growth analysed .	3 marks A justified contextual decision about whether Nina's Knitting Supplies should continue to grow organically/externally, [EVAL] [EVAL] [EVAL]
Good	2 marks Two contextual advantages/disadvantages (or one of each) of organic/external growth. (Applied Understanding) [APP] [APP]	2 marks Two advantages/disadvantages (or one of each) of organic/external growth analysed . [AN] [AN]	2 marks A justified decision about whether Nina's Knitting Supplies should continue to grow organically/externally. [EVAL] [EVAL]
Limited	1 mark One contextual advantage/disadvantage of organic/external growth. (Applied Understanding) [APP]	1 mark One business-facing advantage/disadvantage of organic/external growth analysed . [AN]	1 mark A decision about whether Nina's Knitting Supplies should continue to grow organically/externally. [EVAL]

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 <p style="text-align: right;">ARA</p>	<p>2 AO1a 2</p>	<p>One mark for each of two methods of selecting new employees. </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>
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17	(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> <p style="text-align: right;">ARA</p>	<p>6</p> <p>AO1a 3 AO2 3</p>	<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>
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17	(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 • 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: 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> <p style="text-align: right;">ARA</p>	<p>3 AO1b 1 AO2 1 AO3a 1</p>	<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 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>
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17	(d)	<p>(i) 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). ARA</p>	<p>3 AO1b 1 AO2 1 AO3a 1</p>	<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>
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17	(d)	<p>(ii) 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: 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> <p style="text-align: right;">ARA</p>	<p>3 AO1b 1 AO2 1 AO3a 1</p>	<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>
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17	(d)	<p>(iii) 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: NB reasoning depends on course of action chosen</p> <ul style="list-style-type: none"> • <u>Cheaper</u>/lower 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><u>Exemplar responses:</u></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). ARA</p>	<p>3 AO3b 3</p>	<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>
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Question		Answer	Mark	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 	<p>1</p> <p>AO1a 1</p>	<p>One mark for a correct stage of the product life cycle. </p> <p><i>Answers do not need to relate to Walkers.</i></p>

18	(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: 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). 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> <p style="text-align: right;">ARA</p>	<p>6 AO1b 2 AO2 2 AO3a 2</p>	<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. APP</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. eg NEW FLAVOUR of Wotsits.</p>
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18	(c)	<p>(i) Analyse one advantage for Walkers of each promotion method.</p> <p><u>Advertising in national newspapers</u> 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: 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 response: 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). They can people who are unfamiliar with Walkers (U) as it reaches anyone who buys that newspaper, increasing profit (AN) from selling crisps (APP).</p> <p style="text-align: right;">ARA</p>	<p>6 AO1b 2 AO2 2 AO3a 2</p>	<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>
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		<p><u>Prize competition</u> 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: 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: 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> <p style="text-align: right;">ARA</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> <p>One further mark for application to Walkers. </p> <p>One further mark for analysis of an advantage of using a prize competition. </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>
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					<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. eg 'new flavour of Quavers' or 'sales of Quavers'.</p>
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18	(c)	<p>(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.</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"> • Cheaper/<u>lower</u> cost ... • <u>More</u> likely to reach existing/new customers ... • Effective for a longer<u>er</u> period of time ... • Reach <u>more</u> people ... <p>Exemplar response:</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>	<p>3 AO3b 3</p>	<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>
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<p>18</p>	<p>(d)*</p>	<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/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 	<p>9 AO1a 1 AO1b 1 AO2 2 AO3a 2 AO3b 3 (Quant 2)</p>	<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 application* APP</p> <p>Up to 2 marks for analysis AN</p> <p>Up to 3 marks for evaluation EVAL</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>
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		<ul style="list-style-type: none"> • 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: 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>Evaluation may include: Candidate may justify whether Walkers' marketing department should or should not introduce healthier products.</p> <p><u>Exemplar response:</u> Marketing involves finding out what products people want (K). 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). 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). 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 style="text-align: right;">ARA</p>		
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Q18(d)* Evaluate, with reference to the data in Text 3, whether Walkers' marketing department should consider introducing healthier products.

	Knowledge (1 mark)	Understanding (1 mark)	Application (2 marks)	Analysis (2 marks)	Evaluation (3 marks)
Strong					3 marks A justified contextual decision about whether Walkers should introduce healthier products. [EVAL] [EVAL] [EVAL]
Good	1 mark Knowledge of marketing [K]	1 mark One or more advantage(s)/disadvantage(s) of introducing new products [U]	2 marks Two <u>uses</u> of the data in Text 3 demonstrating quantitative skills [APP] [APP]	2 marks Two advantages/ disadvantages (or one of each) of introducing new products <u>analysed</u> . [AN] [AN]	2 marks A justified decision about whether Walkers should introduce healthier products. [EVAL] [EVAL]
Limited			1 mark One <u>use</u> of the data in Text 3 demonstrating quantitative skills. [APP]	1 mark One advantage/ disadvantage of introducing new products <u>analysed</u> . [AN]	1 mark A decision about whether Walkers should introduce healthier products. [EVAL]

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