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Edexcel

Mark Scheme (Results)

November 2021

Pearson Edexcel GCE

In Business (9BS0)

Paper 1: Marketing, people and global businesses

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November 2021

Question Paper Log Number P66556A

Publications Code 9BS0_01_2111_MS

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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 1, Application 3</p> <p>QS2: calculate, use and understand percentages and percentage changes QS9: interpret, apply and analyse information in written, graphical and numerical forms</p> <p>Knowledge: 1 mark for</p> <ul style="list-style-type: none"> • Change in value of sales = 2023 value – 2018 value <p>Application: up to 3 marks for</p> <ul style="list-style-type: none"> • 3% of £2 388m = £71.64m • 5% of £2 734m = £136.7m • The difference in value = £136.7m - £71.64m = £65.06m <p>NB: if the only answer given is £65.06m award 4 marks if answer is not given to 2 decimal places award 3 marks</p>	(4)

Question Number	Answer	Mark
1(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for understanding what is meant by adding value</p> <ul style="list-style-type: none"> • Adding value is the process of turning factor inputs into something that will sell for more than it costs • Developing a USP is one way to add value <p>Application: up to 2 marks for e.g.</p> <ul style="list-style-type: none"> • Hand-packed confectionery • Traditional flavours <p>Analysis: 1 mark for e.g.</p> <ul style="list-style-type: none"> • This gives retailers/customers greater convenience and as a result they may be prepared to pay a higher price to Bon Bon's 	(4)

Question Number	Indicative content	Mark
1(c)	<p>Knowledge 2, Application 2, Analysis 3, Evaluation 3</p> <ul style="list-style-type: none"> • A trade-off is a situation where having more of one thing leads to having less of something else • By not having mass market ambition, Bon Bon's is potentially sacrificing the additional sales it could have made by selling to a wider range of retailers such as supermarkets • Not having mass market ambition may mean that Bon Bon's has a niche marketing approach, which could lead to lower total costs/profits for the business <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Not having mass market ambitions can provide a strong brand image as a niche provider of traditional sweets to specialised retailers. This could lead to higher profit margins per sale • The mass market for sweets is likely to be more competitive, so rather than Bon Bon's facing a negative trade-off, this approach could be a positive strategy for future growth <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • All businesses face trade-offs in the decisions they make • For a small business like Bon Bon's it seems that the trade-off they face in not having mass market ambitions could be positive as it allows them to focus on the needs of niche customers like shops in tourist attractions • The sweet market is growing in the UK and the trade-off that Bon Bon's are making by avoiding the mass market could limit their future growth 	(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 and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	7-10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
1(d)	<p>Knowledge 2, Application 2, Analysis 4, Evaluation 4</p> <ul style="list-style-type: none"> • A dog in the Boston Matrix is a product that has a low share of a low growth market • Including 'dogs' such as Traffic Light lollies in the product portfolio attracts some customers to purchase Bon Bon's products, which could lead to additional sales of other products • Dogs such as Traffic Light lollies do not need an increase in marketing. Their low sales can be accepted, and Bon Bon's could focus on other sweets such as Candy Necklaces <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Traffic Light lollies may still require increased marketing, possibly in the form of sales promotions or discounts in order to boost sales • Continuing to package and sell Traffic Light lollies could divert valuable funds away from a growing market segment such as 'better-for-you' sweets (problem child) potentially having a lower market share than Bon Bon's might otherwise have <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • Traffic Light lollies, despite poor sales in a low growth market, might still provide an important part of Bon Bon's product portfolio and so provide cash inflow from sales. This is particularly true if they are a prominent part of the 'old sweet shop' image of the retail spaces in which they are sold • Bon Bon's are much better to focus on growing markets such as sugar free sweets, as these might be the problem child of their portfolio. They could provide greater cash inflows from sales, and the marketing required to raise awareness of these products would be justified. 	(12)

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	5-8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9-12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide-ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
1(e)	<p data-bbox="411 566 1283 600">Knowledge 4, Application 4, Analysis 6, Evaluation 6</p> <p data-bbox="376 647 517 680">Option 1</p> <ul data-bbox="427 689 1310 1659" style="list-style-type: none"> <li data-bbox="427 689 1310 801">• Business to business (B2B) is where a company sells its products to another business e.g. Bon Bon’s sells to shops at tourist attractions <li data-bbox="427 853 1310 1088">• Profitability may be improved by Bon Bon’s using their existing marketing channels and securing bulk purchases from retailers. These bulk purchases will allow Bon Bon’s to gain economies of scale from purchasing from its suppliers and these lower unit costs can help to improve Bon Bon’s profitability <li data-bbox="427 1099 1310 1211">• Bon Bon’s know the retailers they currently deal with and they can extend this model to securing purchases from other retailers such as department stores <li data-bbox="427 1223 1310 1379">• The new distribution warehouse should help with reliability of deliveries to retail customers, which could lead to an enhanced reputation and new contracts of Bon Bon’s ability to supply stock when required <li data-bbox="427 1391 1310 1503">• Bon Bon’s packaging in larger quantities may allow greater automation in the warehouse increasing efficiency thereby reducing unit costs <li data-bbox="427 1514 1310 1659">• Selling to customers (B2C) requires Bon Bon’s to set up new retail space or other facilities to accept online orders. This could damage profitability by adding to fixed costs in the short-term <p data-bbox="376 1711 517 1744">Option 2</p> <ul data-bbox="427 1753 1310 2063" style="list-style-type: none"> <li data-bbox="427 1753 1310 1832">• Business to customer (B2C) is where a company targets to sell its products to individual customers <li data-bbox="427 1877 1310 2063">• Customers often make purchases based on emotional involvement and in response to promotion and branding. A nostalgic, traditional brand such as Bon Bon’s could take advantage of this by retailing directly to consumers 	

	<ul style="list-style-type: none"> • The UK sweet market is forecast to grow to £2 734m by 2023, so Bon Bon's could expect to see increased revenue from growing consumer demand for their sweets • Extract B suggests that convenience store sales are important in the sweet market, so there is scope for Bon Bon's to open similar, small-scale outlets • Once the methods of distribution have been decided (via shops or online), the potential profit margins for selling B2C are higher, because there are fewer intermediaries between producer and consumer, taking their share of the profits. <p><i>Potential judgement:</i></p> <ul style="list-style-type: none"> • Bon Bon's are an established B2B company, with a growing reputation. They have just invested in a new distribution centre, so it makes sense to continue to supply their current retail customers. These customers, such as Stonehenge are more likely to buy in bulk, which may allow Bon Bon's to gain economies of scale and improve profitability this way • Bon Bon's becoming a B2C business could be less profitable in the short-term, due to the need to set up distribution networks to get their products to customers. However, in the long-term, selling directly to customers via online could increase sales, and because some of the costs like a new distribution centre have already been accounted for, could raise sales and increase profitability. It depends on the success of the marketing needed to get their brand known to customers. 	(20)
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Market	The market is growing, and there seems to be an opportunity for increased profitability via B2B or B2C. Remaining B2C and supplying current market niches may avoid some of the more powerful international brands such as Nestle.
Objectives	Bon Bon's has already stated that they don't have mass market ambitions, so to be more profitable could be best achieved through continuing B2B sales and reducing costs
Products/ services	Bon Bon's is a niche business focusing on traditional sweets. The internet provides an opportunity for them to sell directly to customers and increase sales this way. They could still remain niche, but increase the range of customers within that niche.

Situation

Bon Bon's invested in a new distribution centre in 2018. This is geared towards supplying existing retailers. Therefore, profitability may be improved through making this centre work as efficiently as possible and driving down average costs.

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 of business examples. 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 well 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 recommendations.</p>

Question Number	Answer	Mark
2(a)	<p style="text-align: center;">Knowledge 1, Application 3</p> <p>Quantitative skills assessed: QS2: Calculate, use and understand percentages and percentage change QS9: Interpret, apply and analyse information in written, graphical and numerical forms</p> <p>Knowledge: 1 mark for</p> <ul style="list-style-type: none"> Total McDonald's = Franchise owned + McDonald's owned <p>Application: up to 3 marks</p> <ul style="list-style-type: none"> $198 + 533 = 731$; $384 + 584 = 968$ $968 - 731 = 237$ $237/731 \times 100 = 32.42\%$ growth <p>NB: if the only answer given is 32.42% award 4 marks if answer is not rounded to 2 decimal places award 3 marks</p>	(4)

Question Number	Answer	Mark
2(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for</p> <ul style="list-style-type: none"> Knowledge of Ansoff's strategies: Market development; Market penetration; Product development; Diversification <p>Application: up to 2 marks for</p> <ul style="list-style-type: none"> American business Taco Bell is entering the Brazilian market It is selling Tex-Mex dishes already sold in the USA <p>Analysis: 1 mark for</p> <ul style="list-style-type: none"> Taco Bell is selling existing products e.g. Market Development is potentially more risky than Market Penetration, as the new market is not familiar to the business. 	(4)

Question Number	Indicative content	Mark
2(c)	<p>Knowledge 2, Application 2, Analysis 3, Evaluation 3</p> <p>Marks for application and analysis include up to two marks for quantitative skills</p> <p>QS8: use and interpret quantitative and non-quantitative information in order to make decisions QS9: interpret, apply and analyse information in written, graphical and numerical forms</p> <ul style="list-style-type: none"> • Exchange rates measure the value of one currency in terms of another e.g. US dollar to the Brazilian Real • Between January 2019 and April 2019, the US dollar appreciated against the Brazilian Real. This will make Brazilian exports, such as orange juice, cheaper for US businesses such as Tropicana to import • In October 2018, the Brazilian Real appreciated, which would have made exports from Brazil more expensive for US business customers, such as Tropicana • The change in the exchange rate affects a business such as Tropicana’s costs, and when the rate is constantly changing this makes planning more difficult <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • The changes in the exchange rate between January 2019 and April 2019 have been relatively small (between R3.8 and R4), so the effects on costs for Tropicana might be small • We need to know what proportion of Tropicana’s costs are from orange prices. It might be that other costs, such as wages are more important in their operations. <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • The cost of oranges could be a significant portion of Tropicana’s total costs. The effect of the Real exchange rate movement on Tropicana’s costs will depend on the proportion of its orange juice that it imports from Brazil. The higher the proportion the more impact it is likely to have 	(10)

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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 and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	7-10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
2(d)	<p style="text-align: center;">Knowledge 2, Application 2, Analysis 4, Evaluation 4</p> <ul style="list-style-type: none"> • Legal controls include the use of legislation and government policies • Multinationals can also be controlled using: political influence; pressure groups; Social media • The Brazilian government has used legal controls in its control of advertising and selling sugary and fatty foods. This could limit the ability of multinationals such as KFC and Pepsi from increasing sales, or it might force them to change the contents of their products and the way in which they are marketed • Often legal controls are expedient and easily enforced in order to make the required change rather than having to rely on the behaviours of other stakeholders • Social media campaigns can be unsuccessful and in some cases the resources available to the multinational can be greater than the pressure group, which means messages are countered with the strong brand image of KFC or Pepsi <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Legal controls only work if they are enforced. An economy such as Brazil's may have corruption, which means that officials are paid off and laws on ingredients in foods may not be fully enforced. • Pressure groups, such as Supply Cha!nge can be more effective, for example because they can highlight the plight of workers in the orange juice industry. Their reports and possibly media coverage can damage the reputation of businesses such as Tropicana and force them to adapt their approach to human resources • Social media campaigns can be more powerful in controlling the actions of multinationals. For example, the way workers are treated in some orange farms could be shared widely, and damage the reputation of the multinational in Brazil and international markets <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • Multinationals care about their image in new markets, because it can affect this image world-wide. This means that legal controls on their actions can be successful, limiting the damage they do and maximizing the benefits • Multinationals operate in many markets, and although Brazil is large and growing, these businesses can pull out and concentrate on other markets. This could disappoint consumers and prevent them consuming the brands many people see as aspirational. This may mean that any control method will not affect the actions of multinationals 	(12)

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	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	5-8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/ context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/ or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9-12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide-ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
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2(e)

Knowledge 4, Application 4, Analysis 6, Evaluation 6

Decision for adopting a polycentric approach

- Polycentric approaches consider each host country to be unique. Businesses adapt their marketing mix to these individual markets to maximise sales
- Taco Bell has adapted to local tastes by including Brazilian drinks such as maté on the menu. This is aimed at encouraging Brazilian consumers to try their restaurant by providing something familiar to their tastes
- As well as product, Taco Bell could adapt other aspects of the marketing mix, such as place. This might involve focusing on city centre locations, rather than at the side of major roads as Taco Bell do in the USA. Brazil is an urbanised, developing country and being convenient to customers could help to maximise sales
- This approach is often expensive because extensive market research may need to be undertaken in order to identify specific consumer tastes rather than transferring the model from what Taco Bell do in the US

Decision for taking an ethnocentric approach

- This approach is where a business such as Taco Bell approaches the world primarily from the perspective of its own culture. Products and marketing are not adapted
- Taco Bell decided to sell the same Tex-Mex dishes, such as 'Crunchwrap Supreme' and the 'XXL Grilled Stuft Burrito,' which are sold in their US outlets. If these have been a success in the USA, then Taco Bell may judge that they are likely to be a success in Brazil.
- In a 'crowded' market like Brazil, Taco Bell could differentiate itself from competitors such as McDonald's, which sell very different products
- The ethnocentric approach could also be more profitable, more quickly as there may be less need to design new flavours and adapt production methods to provide these
- Taco's could have lower fat and salt content than other fast food, meaning that they are more likely to comply with Brazil's laws on fast food

Potential judgement:

- Polycentric models have worked well for businesses such

	<p>as McDonald's, and because Taco Bell want to expand it could be beneficial to adapt products at least, to reflect local tastes. This may help to maximise sales, rather than put off potential customers unsure about the Tex-Mex products</p> <ul style="list-style-type: none"> • Tex-Mex is Taco Bell's USP and should therefore be the central feature of their marketing in Brazil. There is no need to adapt the US model, because customers may want to purchase something different to what is currently available in Brazil. 	(20)
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Market	The fast-food market in Brazil is crowded with other brands, such as McDonald's, so Taco Bell should take an ethnocentric approach in order to differentiate themselves.
Objectives	Taco Bell want to grow in Brazil, and this is more easily achieved by being ethnocentric. The business will sell familiar products, marketed in a familiar way, which can allow more finance for expansion
Products/ services	Tex-Mex may be too unfamiliar for the Brazilian market, and therefore a polycentric approach may be more suitable. If larger competitors such as McDonald's use it, then it may be an approach worth copying
Situation	Taco Bell has only just entered the Brazilian market. They are considering expanding through franchising, so it may be appropriate to take an ethnocentric approach to ensure consistency with brand image across the new franchises.

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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 well 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>

