

Examiners' Report/
Principal Examiner Feedback

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PL Retail Business (RB301) Paper 01

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Principal Learning Retail Business

Introduction

This was the second series in which RB301 Examining the World of Retail has been assessed and this report gives guidance to centres on the performance of candidates. Where appropriate we have advised centres on ways they can help their candidates improve their performance.

Generally this paper performed as expected and generated marks across the whole spectrum for the level. Generally level 3 learners were able to access the questions which began with; identify, outline, describe and explain. Questions beginning with the following; analyse, assess, justify and evaluate differentiated between candidates and it is success on these questions that will deliver the higher grades.

It was pleasing this series that many centres had clearly taken on board the feedback from the June series and this enabled the performance of learners to improve. There were far more able to access the top levels on levelled questions and full marks on those responses requiring development. In addition some of the topics learners struggled with in the summer were clearly addressed and worked on in centres as there was a marked improvement in responses to questions relating to these themes.

General comments

The examination questions were designed to cover all four Learning Outcomes (LO) and the majority of associated assessment criteria. The best candidates showed a sophisticated understanding of the relevant material and were able to apply this to Retail Business and specifically Fast Retailing plc. Candidates did less well where they failed to grasp the basic concepts or were unable to apply these to a Retail Business context. Some candidates need to read the questions more thoroughly to ensure they answer the question asked to ensure they can provide rewardable material that is focussed on the specific question. For question 2d, learners were asked to explain how functional areas may reorganise to support international expansion and many responses many ignored how they may be reorganised or how international expansion may require changes. This resulted in many scoring 0 for this question. Performance on the early part of the paper, question 1 and 2 were weakest with learners continuing to find topics of acquisition, economies of scale, Total Quality Management and functional areas still causing a challenge for many. However achievement on questions 3 and 4 was strong with learners performing well on CSR, ethics, online retailing, staff responsibilities, discrimination, importance of training and teamwork. Below you will find specific guidance on performance on each question.

It is necessary for learners to apply their responses to the retail context and developing student's skills in understanding the requirements of the command word to enable them to provide responses that can be awarded marks at the top end.

Q1

The context related to Fast Retailing Plc and its international expansion with questions relating to growth by acquisition, economies of scale and entrepreneurial skills. Responses this year tended to be better than questions on these topics from June 2011 and there were more learners accessing full marks. However these were still concepts many learners struggled with. A key development for centres is to ensure their learners can apply to the context of the question.

Q1a

Growth by acquisition was a challenging concept for learners. Many answered a different question about the risk of growth rather than the risk of growing by acquisition. Those achieving the higher grades were not that much more likely to perform well on this question. Cultural differences and reputation were common responses to this question.

Q1b

Learners normally identified an economy of scale with some basic explanation/ development of how it cuts costs, although this was not always in context of Fast Retailing. Common responses related to purchasing economies and marketing economies. Better responses made a clear link to how the economy of scale emerges as a business expands internationally. This was a question similar to one asked last series but similarly challenging for many. But some centres had clearly put effort in to this question as there were more good responses. This was a great differentiator at the top with many top performers on the paper picking up the full 3 marks.

Q1c

This question differentiated well at the bottom end as the worst performers scored zero. At the top end there were strong performances. The best students were able to identify the entrepreneurial skill, explain how it helps the manager in the context of international expansion for a clothing retailer. Commonly answers related to communication, analytical skills and risk taking.

Q2

This question focussed on Fast Retailing Plc and concepts of ownership, TQM and functional areas related to international expansion. The questions on ownership and the Marketing Function were well answered by most but the others continued to cause a problem.

Q2a

Most learners were able to identify a way being a PLC will help when a business expands abroad. Commonly they talked about limited liability and selling shares but it was often not linked to how this helps with international expansion.

Q2b

The question required learners to explain how TQM contributed to the success of Fast Retailing stores. There were some superb responses from learners who achieved the higher grades but was a challenging question for weaker candidates. TQM was either understood and scored very well or was not well accessed by some.

Q2c

This question needed learners to analyse the importance of one activity conducted by marketing to ensuring success in international expansion. The question was accessible for all and a significant number accessed level 3. Nearly all learners were able to achieve some points on this question. They were able to identify an activity e.g. advertising, research and at the top end explain fully how it helps the business and link to expanding a clothing business internationally.

Q2d

This was a poorly answered question with many struggling to achieve any marks. Some learners achieved very well. Many struggled with how functional areas may need to be changed as a business expands internationally and centres need to be directed to teaching about this more thoroughly. The best learners focused on one functional area and looked at how they will have to reorganise when the business expands internationally. They appreciated the challenges posed by the diversity of customers across the world on departments.

Q3

The context related to Fast Retailing Plc and covered concepts including CSR, ethics, economic downturn and online trading. This question was well answered by learners.

Q3a

Most were able to identify a feature of CSR such as being green or helping the community. The ability to develop this to outline what CSR enabled many learners to achieve full marks for this question.

Q3b

Learners were able to identify a way Fast Retailing could produce clothing ethically and offered some development. Common answers spoke about Fair Trade, paying fair wages and ensuring good working conditions.

Q3c

This question was accessible to all learners and the average score shows it to be an accessible question probably relating to the topical nature of it in terms of the current economic climate. The best candidates were able to

fully develop why a downturn would make it difficult to sell ethical products. Learners appreciated that ethically produced products will be less attractive in a downturn because they are expensive and people will move to cheaper goods they can afford.

Q3d

The best learners made the connection between going online and how this cuts costs and how this can be passed on to consumers. They appreciated the global reach of online retail and developed the response well. However few candidates accessed mark band 3.

Q4

The next context was focussed on LO4. Learners had to answer questions relating to employee responsibilities, discrimination, training and teamwork. This was a question that learners performed well on.

Q4a

There was a good understanding of employee responsibility. Common answers related to meeting the terms of their contract, following health and safety rules, welcoming customers and meeting their needs. Most were able to both identify the responsibility and develop this response to achieve full marks.

Q4b

The performance of this question on discrimination was strong. Learners identified reasons to avoid discrimination and offered development. Most related to it being illegal, ending up in court and receiving fines/ bad reputation.

Q4c

The question explored the importance of training to helping achieve store targets. Learners did well at identifying and developing the importance of training but only the best were able to relate how this helped with achieving store targets.

Q4d

Many offered a strong argument about the importance of teamwork to stores. Generally the assessment was one sided though so few accessed above half marks. The question asked learners to assess so care should be taken in offering a two sided assessment that not only looks at how teamwork is important but also how it may not be so important.

Q5

The question was about how the product life cycle may influence the product range offered by Fast Retailing different countries. There was poor understanding of product life cycle and those that did understand it often finished in mark band 1. The issue is that they were unable to understand how they might take a product in decline in one country and introduce it in another. Few accessed above half marks as they did not offer a two sided evaluation. As in the previous series learners still need to understand that the work evaluate will need a two sided argument

Recommendations

- Growth by acquisition was again poorly executed. Ensure learners are confident with methods of international expansion including self entry, licensing and joint ventures, agencies, franchising and acquisition. See LO.2 of the specification. This will include considering the advantages and disadvantages of each.
- Ensure learners can identify and explain different types of economies of scale as required under LO.2 of the specification. Being able to link this to international expansion is key.
- Ensure learners understand what is meant by TQM and that they can apply it to a retail environment. Refer to LO.1 in the specification.
- Ensure learners can look at how functional areas can reorganise to support with international expansion. Please refer to LO.1 in the specification for the functional areas they need to consider. The mark scheme will also offer some possible responses to this question.
- Product life cycle was a concept that may need further work as there was some confusion
- Ensure learners understand the features, advantages and disadvantages to different types of business ownership. This can be found in LO.1 of the specification. Being able to relate this to the context is important as learners could often identify advantages of being a PLC but not relate this to benefits when expanding overseas
- Ensure learners follow instructions as to how many points to discuss- if is says explain one only explain one. They will only be rewarded for their best response
- Ensure learners use the marks available for each question to consider how many development points to offer
- Ensure learners understand the command word evaluate requires them to offer a two sided argument and then offer a conclusion that they can justify.

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