



Examiners' Report

June 2024

IAL Business WBS11 01

Introduction

This paper is split into three sections: sections A and B have a combination of short and longer questions ranging from 2-10 marks and section C has one 20 mark essay-style question.

A good level of knowledge was demonstrated by candidates taking this exam. Many appeared to be well prepared and some very good responses were seen. There did not appear to be a problem with timing and very few responses were unanswered including the final 20 mark evaluation question.

It was notable that more candidates are making better use of the extract provided to contextualise their answers. More successful candidates were also able to write balanced arguments with logical chains of reasoning, making effective use of the case studies.

However, it is still the case that candidates are not reading the questions carefully enough. An example of this is Q01(d) where candidates are required to discuss how job rotation might make the workplace an enjoyable place to work. A vast number of responses discussed how job rotation would make the business more efficient which is not what the question asked. The same applied to Q01(c) where candidates were required to suggest methods of secondary research but some instead wrote about the advantages of secondary research. Candidates should take care to carefully read all elements of the question and check they are fully answering what is being asked.

Candidates generally performed well on the 6 mark 'explain' questions where points of knowledge application and analysis is required.

It was pleasing to see some very good responses to the essay questions. Candidates today generally have a good awareness of the benefits and problems of sponsorship and social media. This gave way to some excellent contextualised responses. However, what has not improved with the 20 mark question is the conclusion. There was a distinct lack of recommendations for the essay question that showed the significance of competing arguments. Many candidates who provided a conclusion simply repeated the points already given without weighing up their arguments to provide a justified and contextualised response.

Question 1 (a)

Candidates should provide a thorough definition for Q01(a) and Q01(b). Here they are asked to define customer satisfaction but many just repeated the words in the term and stated 'customer are satisfied with a product.' This is insufficient for 2 marks. Please note that marks are not awarded for examples given.

Customer satisfaction is achieved by a business when they are successful in fulfilling the needs of the customers using their product.



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Examiner Comments

This is a very good definition. It is important that centres are aware that the mark scheme provides indicative content only and other answers are acceptable. Examiners are looking for good understanding of the term.

(2)

Customer satisfaction - the extent to which customers are pleased and satisfied with the product or service.



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Examiner Comments

This answer referred to how pleased customers were in addition to mentioning being satisfied, and therefore is awarded the marks.



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Examiner Tip

Keep definitions reasonably short and to the point. Remember that marks are not awarded for giving examples. It is imperative that candidates do not simply repeat the words given in the term.

Question 1 (b)

Many candidates gained full marks for calculating the total market share of three businesses. Some lost marks for not rounding their answers to two decimal points or not including the percentage sign.

$$\text{Market Share} = \frac{\text{Sales made by business}}{\text{Total sales in market}} \times 100$$

$$\text{Market share} = \frac{854}{18,000} \times 100 = 4.7$$

Leading three coffee brands in Vietnam are, highland (573), The coffee house (154), ~~Phuc long~~ (118)
 $(573 + 154 + 118) = 845$
 $= \underline{\underline{4.7}}$



Calculation questions should fulfil the requirements of the question. This question requires rounding answers to two decimal places which unfortunately some candidates failed to do. However as this response shows a suitable formula and correct workings, it is awarded 3 of the 4 marks.

(4)

Market share = $\frac{\text{total sales of the business}}{\text{total sales in the market}} \times 100$

Highland + The Coffee House + Starbucks

$$573 + 154 + 118 = 845$$

$$\frac{845}{18000} \times 100 = 4.69$$



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Examiner Comments

Although this candidate does calculate the total market share to two decimal places and shows correct workings, they fail to include the percentage sign. This gains 3 of the 4 marks available.



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Examiner Tip

Candidates should always make a mental note to show workings, round to two decimal places when instructed, and show the unit/percentage sign.

Question 1 (c)

Candidates appeared well practised in the 6 mark 'explain' questions which require knowledge, application (context) and analysis. This question, on the whole, was answered well by many candidates who gave two methods of secondary research that could be used to assist in the growth of the business. However, some responses confused primary and secondary research and gained no marks. Others did not pick up the analysis marks as they did not suggest how the method may lead to business growth. Some candidates did not read the question carefully enough and wrote about the benefits of secondary research.

Secondary research refers to when a business uses research that has been already collected by another organization for different purpose

One method of secondary ^{research} ~~see~~ they could have used is simply ^{using the} ~~articles on the~~ internet. Coffee house is ~~can~~ an innovative brand that regularly updates their menus with regard to changing consumer tastes and trends. Through the internet they will see what sort of coffee people like as ~~the~~ ^{internet} Starbucks has many coffee varieties from \$ Frappuccino to all sort of unique blends. Coffee house can learn from this and incorporate new coffee blends to help grow their business as this will retain more customers.

Another method would be using articles that are being published regarding new fashion trends. From this they can learn unique interior designs for their shops. Coffee house can incorporate these unique designs they get on these fashion articles as they have to provide a welcoming atmosphere that will give their shops a unique selling point to attract consumers from abroad ~~as~~ well which will increase their market share, revenue and help them grow.



This answer gains 6 marks. It gives two relevant methods of secondary research which are well contextualised. Analysis marks are given for explaining how this might help the business grow. Please also note that whilst the candidate gives a definition, there are a maximum of 2 marks for knowledge which can come from either a definition or from giving the methods of secondary research.

Question 1 (d)

Although this topic area has not been examined, candidates demonstrated good understanding of it. Unfortunately, many failed to read the stem of the question which referred to the impact of job rotation on the **employees**. A significant number of responses focused on the impact on the business rather than the employees and as a result did not fully answer the question. Subsequently, many candidates failed to reach the top level in the mark scheme.

(5)

Job rotation is when a group of workers change their tasks together for a specific period of time.

Job rotation helps to keep employees motivated and engaged, so this will increase in their productivity, and establish customer loyalty, as Coffee House aims to provide excellent customer satisfaction, which will increase brand loyalty and boost sales.

As job rotation helps to motivate the employees, so this will help to keep low labour turnover rate as employees can go to ~~the~~ other successful businesses like Starbucks and leave Coffee House. So by decreasing labour turnover rate this will reduce costs on Coffee House and improve profit margins.

In summary, job rotation can help Coffee House in making an enjoyable workplace, and this will benefit Coffee House ~~in the~~ as this will improve their customer satisfaction levels, build brand loyalty, and decrease labour turnover rate and costs.



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Examiner Comments

This answer is awarded level 1, 2 marks. Whilst there are isolated elements of understanding, the response does not specifically answer the question regarding how job rotation would help make the workplace an enjoyable place.



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Examiner Tip

Candidates are advised to read the question a couple of times and underline the main elements of the question. Double check who is the stakeholder referred to in the question, for example, is it the business or the employee or the customer?

Job rotation ~~is a non-financial~~ refers to when employees take onto different roles in the workplace and switching these roles with their colleagues from time to time. It can be considered a non-financial method of motivation. This method can provide an enjoyable workplace because employees in a coffee shop often have repetitive tasks such as constantly taking orders or cleaning tables. Allowing for job rotation gives them the chance to switch from these roles and not get bored. If boredom is prevented, employees may feel more motivated to come to work as their workplace isn't dull. Job rotation also means employees are multi-skilled, possibly caused by the training of employees by the coffee house. ^(if it's provided) If employees are multiskilled, they may have higher self-esteem and feel valuable to the business. This can make them feel happier and more comfortable at their work place. Moreover, job rotation provides flexibility in working conditions and this may help provide a quicker response to market changes, which can boost employee motivation if they're able to help the business and maximise its benefit. Flexibility in working conditions may also help retain employees who want to be able to utilise all their capabilities at their job, improving their satisfaction.

Job rotation may also encourage a better bond with fellow employees. For example, if ~~one~~^{a barista} another needs help with their role or is bored of it, ~~another~~^{a cashier (with necessary skills)} can step in and ~~rotate them~~^{assist} due to the flexibility and multi-skilling provided by job rotation. However, if workers are constantly rotating jobs, they may not feel like they have a well defined role to the business and thus feel undervalued, decreasing happiness and enjoyment at the work place. Another point to note is that some workers may feel ~~better at the workplace~~^{the workplace} paid better. Moreover, if job rotation results in ~~the figure~~^{they're} workers feeling like they're doing more work than they are being paid for, then it becomes difficult for them to feel happy at work and demotivates them. ~~So, job rotation should also be combined with an increase in pay if more work has to be done/learnt. Furthermore, workers that are good at certain jobs and roles but not good at others may still be given work that doesn't suit their skills, leading to frustration and difficulty in the workplace. Finally, if workers are looking to specialise in a particular skill, for example the cashier may want to improve and sharpen their accounting skills. Or a barista wants to become excellent at preparing certain coffees, then these specialised skills may not have the chance to be developed due to constant switching of jobs.~~^{!(as Taylor suggests money is a strong motivator)} Adding on if competitors like Highland or Blue Cow have better tactics to provide enjoyable workplaces, they may feel dissatisfied at their own, hindering coffee house's ability to achieve their aim.



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Examiner Comments

This response is very good as it clearly answers the question posed and achieves level 3 marks. It focuses on how job rotation might impact the employees of the business.

Question 1 (e)

This was answered well by many candidates. Most candidates demonstrated some knowledge and understanding of value added and used the extracts well to contextualised responses. Generic counterbalance and a lack of a judgment prevented many candidates from accessing the higher marks.

Centres are reminded that in order to achieve the higher marks in level four the assessment should be balanced and well contextualised. As per the descriptors in the mark scheme it should use quantitative and/or qualitative information and show an awareness of competing arguments/factors, leading to a supported judgement.

Adding value means offering extra features for a product, such as a high-quality customer service, which helps to exceed the customer expectation.

One of the main benefits The Coffee House might be able to enjoy by adding value to its products and services is they might be able to sell their products and services at a higher cost because of adding value to them, therefore they might be able to increase the profits that they earn and reduce their costs of production.

As the above case also mentioned, The Coffee House had provided created a unique design for each shop to provide a welcoming atmosphere that feels like home, so this is adding value for the services that they provide. Therefore, it is beneficial for them.

Moreover, when adding value to ^{the} products and services that the Coffee House sold, they might be able to build up a strong brand name in the market. As the Extract A also mentioned, The Coffee House had considered as an innovative brand that has been built by offering an attractive space, excellent customer service, and product quality at affordable prices. So when they build up a strong brand name in the market, they might be able to attract

attract more customers for their business, therefore their customer base might be increased.

However, when adding value to its products and services the Coffee House might have to face for several drawbacks. One of the main is they might have to spend a huge cost on doing this, therefore it might cause a negative impact for the profits that they earn. As the extract A is mentioned, The Coffee House had spent a lot on investing in its own farm in Vietnam to provide coffee beans for its shop, therefore it might have caused them to face for a huge cost on doing that. And also sometimes the customers might not buy products and get services from the Coffee House because of the higher prices that are set among them by adding value because of adding value for them, therefore the sales of The Coffee House might decrease.

In conclusion, The Coffee House can enjoy more benefits by adding value for its products and services when compared to the drawbacks.



This response contains some very good analytical points, which are well contextualised with some good chains of reasoning. The counterbalance has fewer chains of reasoning and the conclusion fails to weigh up the arguments or suggest the significance of the points made. High level 3, 7 marks are given for this answer.

Question 2 (a)

This question was not well answered as unfortunately many candidates provided a definition of product trial rather than test marketing. Whilst the terms have some similarities they are different concepts. Many answers were too vague to gain the 2 marks.

(2)

It is when the business sell products to a limited area, to identify the customer needs and wants and if any improvements can be made to those products so that it is more successful in the global market.



This response achieves 2 marks. It correctly identifies that test marketing involves selling a product in a limited area before full launch of the product

test marketing is where products are tested with consumers before they are released on to the market, in order for feedbacks and for further improvements



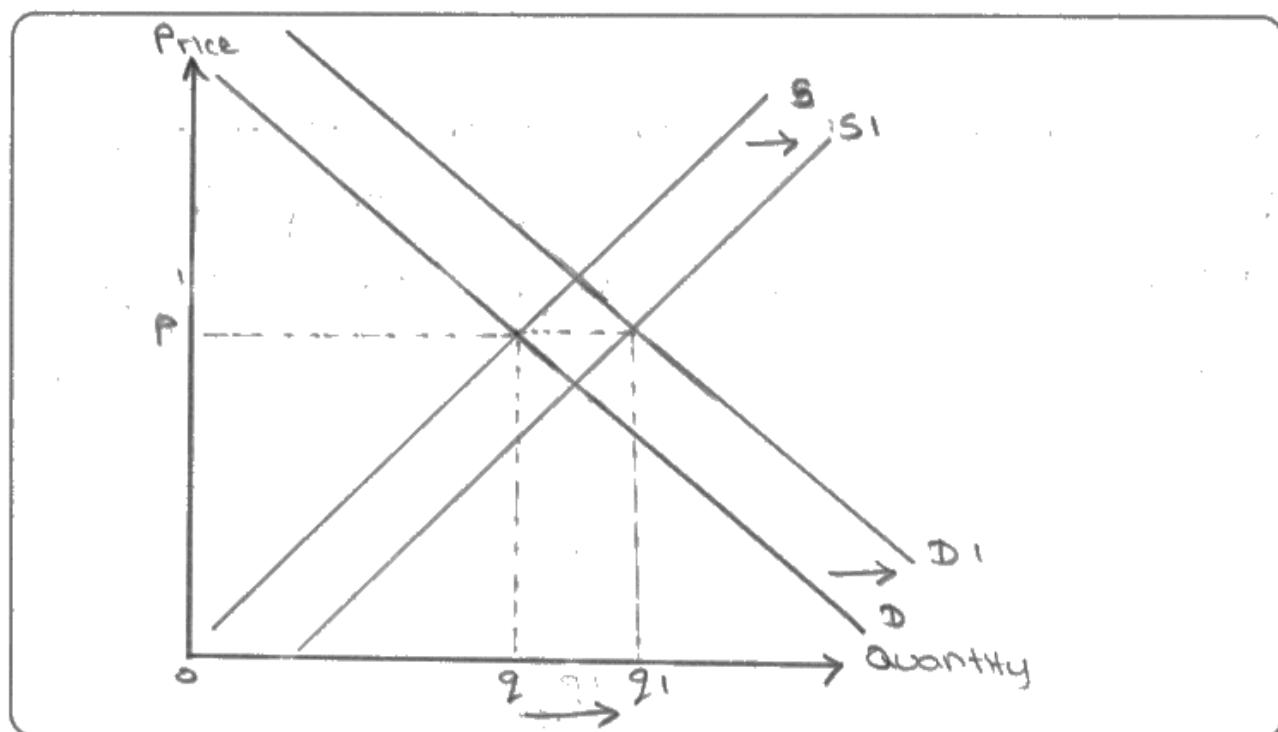
This response refers to product trials rather than test marketing so achieves no marks.

Question 2 (b)

The construction of a supply and demand diagram has been examined on many occasions. Candidates need to learn the factors that shift demand and supply and be able to accurately construct a supply and demand diagram. Many candidates are now well practiced in doing this but too many are still failing to fully label the diagram.

Examiners are still seeing answers that show both a shift in demand as well as a shift in supply. In these cases, candidates will not be awarded the mark for the shift or for the new equilibrium point.

(4)

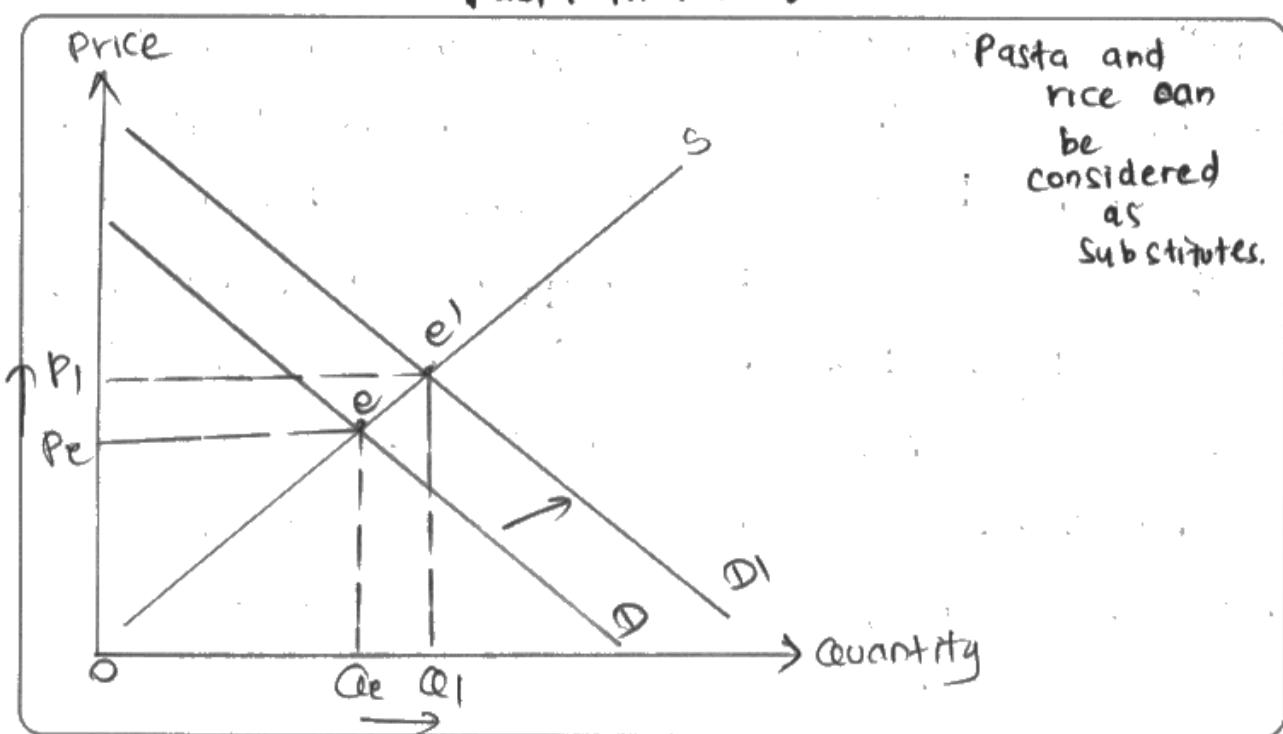


This answer gained 2 marks – one for drawing the diagram to show price, quantity, supply and demand curves and the second mark for showing and labelling the original equilibrium point.

market if there is an increase in the price of rice.

Pasta Market

(4)



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Examiner Comments

This response achieves full marks. It has a fully labelled supply and demand diagram and labelled equilibrium points on the axis, as well as showing the correct shift in demand.

Question 2 (c)

As with Q01(c), this question was well answered by many candidates and centres appear to be well practised in answering the 6 mark 'explain' questions. Some responses confused entrepreneurial characteristics with motives and many candidates wasted time by defining entrepreneur which could not be awarded marks as the topic examined is entrepreneurial characteristics.

Entrepreneurial characteristics are the qualities and traits of a person who takes a risk and starts a business. One characteristic shown by Sophie Lern is the Creativity. The ability to foster new ideas such as creating Korea's first billion dollar grocery app would never have been if Kim had the ability to think outside of the box. This has led to her becoming one of Korea's most successful female entrepreneurs.

Secondly, Kim displays the ability to motivate others. take calculated risks. She could have continued her job at dancing or in the management consultancy, but took the risk of starting Morning Star. Her belief in her judgement may have helped Morning Star become a billion dollar grocery business.



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Examiner Comments

This is an example of a very good answer achieving full marks. It gives two traits with relevant context and these points are then developed to address why the characteristics may have helped the business to succeed.

Question 2 (d)

Whilst this question is of a similar style/level of difficulty to other 'discuss' questions it was not answered well. Many candidates wrote that part-time workers were not trained, did not have any employment rights and could be called into work by the employee whenever needed, which is not entirely correct. It appears that candidates confused part-time workers with temporary or zero hour workers. It is important that candidates are able to distinguish between the various terms.

Part-time employees are employees who are employed only for shorter periods during the day, and receive less money compared to full-time employees in general.

Using part-time employees could have a positive impact to business like Market Kurly, as they may be able to reduce their ^{fixed} costs. By having to pay lower wages for these employees they might be able to have higher profit margins and use their resources more efficiently, leading to more profits. These increased profits could be used to improve quality, that is already quite high, and increase their portfolio, by adding more non-food items, on top of the recent additions. This could help Market Kurly to target more customers and dominate the market.

However, part-time employees might not be as dedicated to the company as full-time ones, which might affect the quality of the delivery service negatively, as most part-time employees are likely to be delivery drivers. If those employees are not dedicated or unmotivated, they might not care if there are delays or damaged products delivered, leading to a loss of reputation of Market Kurly. This could lead to bad online reviews, and a loss of market share and decreased sales.

Another positive impact of ^{using} part-time employees for Market Kurly might be that they are better able to cover the

peak hours, which might be during lunch time, around 12:00 and dinner time, around 8pm. By employing more workers in those periods, they could keep their delivery times lower, increasing customer satisfaction. They operate from 7:00 - 23:00, where the demand might not be even - By employing less people in hours where there is a lower demand, they could decrease their costs. Both of these could help the company to be more successful.

However, by employing many part-time employees, communication inside the company might suffer, possibly leading to mistakes. Furthermore, part-time employees might be people who work this as a second job, meaning they might be more tired and less productive than full-time workers, increasing the costs of the company. These mistakes and higher costs might decrease the profitability of the company, possibly slowing down growth.



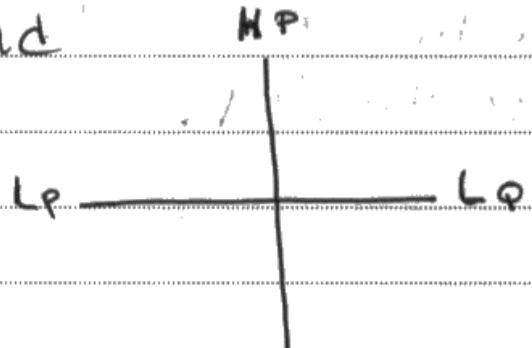
ResultsPlus
Examiner Comments

This is a good answer which meets the level descriptors in level 3, the top level for this question. It provides accurate knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Most points show logical chains of reasoning, and the assessment is balanced.

Question 2 (e)

The topic of market mapping has been examined a number of times previously. The examining team saw some very good answers that demonstrated good understanding of the topic. Answers were generally well contextualised using the case studies provided. Candidates should ensure there is good balance to their answers. Whilst many were able to explain the advantages of market mapping, evaluative points were brief and under developed. Some candidates simply wrote 'However market mapping is costly and may be inaccurate'. This level of counterbalance lacks any development or coherent chains of reasoning as referred to in the descriptors in the mark scheme. Ideally, responses should show logical chains of reasoning showing causes and effect to develop points.

Market mapping is a map that consists of high and low quality and high and low price.



Organising Market mapping is a way to organise the markets to see what each Market is consistante of, and this can lead to Sophie Kim's Productivity Since every thing is organised.

Sophie Kim can also use market mapping to compare other markets to another to see what ~~she can't make~~ the market is missing. ~~so she~~

However, this ~~area~~ may not be accurate, ~~because~~ so she can't depend on market mapping.



This is an example where the candidate fails to develop their points or provide any application so achieves less than half the marks available. Though the response shows isolated elements of understanding and attempts a counter balance there are no coherent chains of reasoning or context to the answer.

Question 3

The level of responses for this question were very good. The understanding demonstrated by candidates was strong in terms of the merits of sponsorship and social media. Candidates are generally quite familiar with these topics and used the evidence provided, plus their own examples, to provide a well contextualised and thorough answer. This is an 'evaluate' question, meaning that ideas need to be developed and presented with an understanding of the significance of competing arguments rather than simply giving advantages and disadvantages of the two types of promotion. As with previous series, many responses lacked an awareness of the validity of competing arguments or a justified and effective solution or recommendation.

Sponsorships and social media are both aspects of promotion and marketing. They are different mediums on which businesses can advertise their products. Often businesses in the sports industry, like Nike and Adidas, use a combination of both.

Sponsorships are when a brand provides resources ~~and~~ for, in this case, a team or player, and gets associated with it millions. One benefit of this is that ~~the~~ thousands of potential different consumers watch a sport. If Adidas and Nike have sponsored a team or player in that sport (such as the jerseys or the ball) then everyone will see their logo on it. This will expose their brand to millions of people leading to increased brand awareness. Also, if the team or player sponsored wins then their success gets attributed to Adidas or Nike. This helps showcase their 'innovation' and 'product design' on a grand scale helping them promote their performance. This will again cause brand awareness and brand loyalty (since fans often tend to wear merchandise made for the team ^{they} support). Leading to increased sales and, hence, a larger market share.

However, the opposite can happen. If a team or player loses then the loss is attached to Adidas or Nike who provided the gear. This will similarly, any ~~so~~ scandal or team goes through will taint the image of Nike and Adidas, as well since ~~with~~ the image of the team or player is linked to the images of the brand. This will cause brand loyalty to decrease leading to lower sales as consumers shift to rival companies (maybe Adidas to Nike if Man Utd keep losing). Sponsorships are also very expensive and require a lot of HR resources. However for huge companies like Adidas and Nike ^{who dominate a \$30bn market} [^] funding them might not be a ~~terr~~ problem if it proves to profitable.

Social media ~~ader~~ marketing is advertising the product on an online platform (such as Instagram or Tiktok). The main benefit of social media is that it reaches hundreds of millions of people around the world very easily, allowing Adidas and Nike to reach out to a vast proportion of the global sportswear market. Both brands primarily use Facebook, Twitter, Instagram, Tiktok and YouTube with IG and Tiktok having the most people online. By consistently uploading and utilising the tools available within the platforms both brands can project their 'trendy and cool' image to across the world leading to increased brand awareness. Therefore sales will increase.

~~leads~~ ~~using~~ a ~~re~~ in ~~market share~~. More on ~~the~~

even if it is not related to the clothing consumers love engaging and exciting content. If such content can be made and posted (by having a dedicated social media team) in order to increase brand loyalty, consumers will build a too more personal collection to either of the brands. Consumers sharing the videos and posts will market the sportswear by itself saving on costs and time. However, there are costs needed to boost content reach and to have a dedicated team for quality content although not as much as other advertising methods, such as TV which Nike does and sponsorships which Adidas prefer.

Both methods are viable methods for increasing sales and market share. The decision to focus what on depends on the objective. If ~~Adidas~~ prefer to market their product based on its performance and give consumers a real look at it then sponsorships; ~~but~~ but they should make sure that a successful player or team is being sponsored with a large fanbase. Social media on the other hand is cheaper but requires knowledge and research of the market as it relies on consumers' perceptions of the brand rather than what it actually is. Both brands should give sufficient focus to social media as that is where the highest opportunity is to reach a larger portion of the market and thus, increase their share.

(Total for Question 3 = 20 marks)



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Examiner Comments

This is a level 4 answer. It provides evidence of good knowledge which is contextualised in the main and presents some developed chains of reasoning which links to the effect on market share. The conclusion has some good points which start to weigh up the previous points given, though a little repetitive.

Paper Summary

Based on their performance on this paper, candidates are offered the following advice:

- Q01(a) and Q02(a) are each worth 2 marks and should provide clear understanding of the term. Do not simply repeat the words provided and remember that examples are not rewarded.
- Be careful to read the whole of the question. Certain requirements are given which were not acted upon by some in this series, eg answers being required 'to two decimal places'.
- Application marks will not be credited for simply repeating the evidence in the extracts. The evidence needs to support the knowledge and/or the analysis.
- Spend time practising writing a conclusion to achieve all of the top level descriptors.