Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Short Answer and Essay **May/June 2022**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2022 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

© UCLES 2022

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

© UCLES 2022

Social Science-Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)

b DO credit alternative answers/examples which are not written in the mark scheme if they are correct

c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).

d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)

e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities

f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).

g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

© UCLES 2022

4 Annotation:
- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

PREPARATION FOR MARKING

1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
2 Make sure that you have read and understand the question paper, which you can download from https://support.rm.com/ca
3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
2 If you are in doubt about applying the mark scheme, consult your Team Leader.
3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS

Crossed out work

1 **All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.**
2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

Annotation

1 Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
2 Every page of a script must have at least one annotation e.g. <BP> for a blank page.

© UCLES 2022

9609 Paper 1 Specific Marking Principles
Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.
AO1 – Demonstrate knowledge and understanding of business concepts.
The focus in Section A of the Examination Paper is on this first AO.

a) Questions 1, 2, and 4 will meet this AO using definitions and explanations of business concepts.
b) Question 3 provides an opportunity for the application and a more developed explanation of a business concept. The 4–5-mark level specifically provides for this more developed explanation.

In Section B of the Examination Paper

a) Questions 5, 6, and 7 still require supporting Knowledge and Understanding (AO1), but there is now a focus on **Application (AO2), Analysis (AO3),** and **Evaluation (AO4).** These skills are set out below:

AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.

a) Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
b) It is not sufficient to merely repeat the name of the business or the context.

AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.

a) Level 3 answers will likely use terms such as – because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

AO4 – Limited Evaluation is given
a) When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
b) These comments may be quite brief and be more opinionated than reasoned.
c) A mere concluding summary of preceding analysis is, however, not evaluation.

AO4 – Evaluation occurs
a) When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
b) This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

© UCLES 2022

9609 Paper 11, 12, 13 and 14
Annotations and their Use

Annotation	Use
✓	As an indication of relevant and rewardable content. Better to put these in the body of the answer.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates that there is specific application to the context of the question.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
SEEN	Indicates that content has been recognised but not rewarded.

© UCLES 2022

Question	Answer	Marks
1(a)	**Define the term 'workforce planning'.** Workforce planning is an assessment of the number of employees (1) and the skills of employees (1) required to meet the future needs/objectives of the business (1) Clear definition of 2 of the factors listed above 2 marks Partial definition of 1 of the factors listed above 1 mark No creditable content 0 marks	**2**
1(b)	**Explain <u>two</u> advantages to a business of using induction training.** Induction training is training given to new employees when they join a business. Answers could include: • Employees will know what is expected of them / know how to do the job • Employees will understand their role within the overall business • Employees will become familiar with the work practices in this business which might be different to a business where they were previously employed • Employees would understand the internal structure of the business including the chain of command • Employees will understnad future routes for promotion/progression • Attracts employees as it indicates the willingness of a business to invest in its employees Accept any other valid response. Clear explanation of **two** advantages to a business of using induction training 3 marks Clear explanation of **one** advantage or a partial explanation of **two** advantages 2 marks Partial explanation of **one** advantage or a list of **two** advantages 1 mark No creditable content 0 marks	**3**

Question	Answer	Marks
2(a)	**Define the term 'corporate social responsibility' (CSR).** Corporate social responsibility is when a business considers the impact of its activity (1) on all/different stakeholders. (1) Business policies to show the commitment of a business to the well-being of society (1) and the environment. (1) Goes beyond legal responsibilities (1) Clear definition of 2 of the factors listed above 2 marks Partial definition of 1 of the factors listed above 1 mark No creditable content 0 marks	**2**
2(b)	**Explain <u>two</u> disadvantages to a business of having CSR as a business objective.** Answers could include: • CSR is likely to involve additional costs for a business • A business that fails to meet its CSR aims/claims (e.g. window-dressing in published accounts) might suffer a loss of reputation and credibility • Social responsibility might mean different things in different countries/cultures so can make it difficult for businesses that trade regionally or internationally. It can be hard for a business to understand what is most important in terms of CSR in different countries/regions • Stakeholder conflict: different stakeholder groups have different expectations of any business and might want a business to focus on different issues during its activities • Too much focus on CSR and not enough on profit Accept any other valid response. Clear explanation of **two** disadvantages to a business of having CSR as a business objective 3 marks Clear explanation of **one** disadvantage or a partial explanation of **two** disadvantages of having CSR as a business objective 2 marks Partial explanation of **one** disadvantage or a list of **two** disadvantages 1 mark No creditable content 0 marks	**3**

Question	Answer	Marks
3	**Explain why a business might choose to hold low levels of inventory**. Inventory is the amount of goods held ready for sale or components ready for use in a business. Answers could include: • Items can go out of fashion resulting in inventory being unsold or unused but there will still have been a cost to the business • Storage space might be limited therefore limiting the amount that can be held • Storage conditions would need to be suitable to prevent deterioration of inventory. Some items held in stock can become damaged and then cannot be sold or used at all • Items might be made/obtained to order when required (JIT) rather than being held in stock • New businesses might only be able to afford to hold low levels of inventory • A business might be involved in specialised work for which there is not a high demand Accept any other valid response. Effective explanation of why a business might choose to hold low levels of inventory 4–5 marks Limited explanation of why a business might choose to hold low levels of inventory 2–3 marks Explanation of inventory levels 1 mark No creditable content 0 marks	**5**

Question	Answer	Marks
4(a)	**Define the term 'price discrimination'**. Price discrimination is when a business charges a different price (1) in different markets (1) for the same product. (1) Clear definition 2 of the factors listed above 2 marks Partial definition 1 of the factors listed above 1 mark No creditable content 0 marks	**2**

Question	Answer	Marks
4(b)	**Explain <u>two</u> disadvantages to a business of using competitive pricing**. Answers could include: Competitive pricing is when a business bases its pricing on that charged by its competitors. That price might be lower, higher or the same as competitors. • Might mean that a business cannot cover its costs • In order to maintain lower prices, it requires suppliers to lower their prices which may affect supplier relationships • Could lead to lower quality products in order to reduce price • Could start a price war if competitors also reduce prices • If a business' prices are lower than competitors it might lead to consumers thinking that the lower priced product is of inferior quality, leading to a fall in sales • If price is same as competitors, brand recognition might cause customers to choose the competitors • A business might spend too much time monitoring competitors' prices rather than developing other aspects of the business • A business might lose focus on differentiation of its product(s) in terms of customer service, etc. Accept any other valid response. Clear explanation of **two** disadvantages to a business of using competitive pricing 3 marks Clear explanation of **one** disadvantage or a partial explanation of **two** disadvantages to a business of using competitive pricing 2 marks Partial explanation of **one** disadvantage or a list of **two** disadvantages 1 mark No creditable content 0 marks	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>

Analyse the disadvantages to a sole trader of changing to a partnership.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the disadvantages to a sole trader of changing to a partnership</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the disadvantages to a sole trader of changing to a partnership</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the disadvantages to a sole trader of changing to a partnership</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of sole trader or partnership</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and understanding 2 marks
- Demonstrates a clear understanding of being a sole trader
- Demonstrates a clear understanding of being a partnership.

Application 2 marks
- Reference to the disadvantages of changing from a sole trader to a partnership business.

Analysis 4 marks
- Loss of ownership. The sole trader might have been the sole owner of their business for some time and this change would be difficult to take, knowing that they no longer fully own their business.
- Shared decision-making. New partners might not agree with the approach of the original owner. Previously all decision-making was done by the sole owner of the business. Agreement would need to be reached with the new partner(s) which would take time. Any advantage of quick decision-making might be lost
- Shared profit. Previously any profit made was for the sole owner but after taking in partners any profit would have to be shared between them
- Responsible for the actions of the partner(s). The actions of one partner are binding on all other partners. If one partner's actions result in a large debt, then all partners are liable for that debt whether they agreed with the action or not.

Accept any other valid response.

</td><td>8</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(b)</td><td>

Discuss whether entering into a franchise agreement is the best way for a new entrepreneur to start a business.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of whether entering into a franchise agreement is the best way for a new entrepreneur to start a business.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of whether entering into a franchise agreement is the best way for a new entrepreneur to start a business.</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of entering into a franchise agreement as a way to start a business</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of a franchise agreement/new entrepreneur/start a business</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and understanding 2 marks
- Understanding of a franchise agreement
- Understanding of new entrepreneur
- Understanding of starting a business

Application 2 marks
- Clear reference to a franchise agreement
- Reference to ways to start a business

Analysis 2 marks

Advantages of franchise agreement include:
- There is some reduction in the risk of starting a new business because the franchise will be an established business with a recognised reputation/product
- The franchisor may offer help with training of staff and with learning essential business management skills
- Access to market research that has been undertaken by the franchisor
- Advertising by the franchisor is likely to be more widespread than an individual with a new business could afford. The franchisee would have access to the marketing expertise within the franchise ‘family’
- Central purchasing of goods/materials by the franchisor could mean bulk-buying cost benefits for the franchisee

</td><td>12</td></tr>
</table>

Question	Answer	Marks
5(b)	**Analysis 2 marks continued** Disadvantages of a franchise agreement include: • Some franchises are very expensive to buy into. More established franchises are more profitable • The entrepreneur will have to follow the procedures and product/service guidelines of the franchisor, not allowing individuality in their approach to the business • The entrepreneur might be able to source supplies cheaper elsewhere, but it is usual that goods/materials are purchased from the franchisor • Franchise advertising can be nationwide but might not be specifically relevant to the locality of the entrepreneur. Individual franchisees often have to carry out additional marketing for their own area. • Some of the revenue/profit of the business will have to be paid to the franchisor, reducing the amount of profit enjoyed by the entrepreneur • The reputation of the new business could be affected negatively because of the actions of another franchisee or the franchisor **Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement may be made using the following arguments: • A franchise might be safer but is the lack of control worth the extra security? • The reputation of the new business depends on the rest of the franchise maintaining the expected standards. If this does not happen, then the individual franchisee can see their business affected negatively because of the actions of another franchisee • Would it be more suitable for an entrepreneur to start a business by becoming a sole trader, a partnership or a private limited company? • The decision might depend on how risk averse the entrepreneur is, but safety is not the only factor to be considered • The skill level of the entrepreneur will also impact on how successful the business is, whether part of a franchise or not A supported judgement may be made that the advantages outweigh the disadvantages or vice versa. Accept any other valid response.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6</td><td>
‘The published accounts of a public limited company are only useful to internal stakeholders.’

Discuss the extent to which you agree with this view.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>5</td><td>Effective evaluation of the view that the published accounts of a public limited company are only useful to internal stakeholders</td><td>17–20</td></tr>
<tr><td>4</td><td>Limited evaluation of the view that the published accounts of a public limited company are only useful to internal stakeholders</td><td>15–16</td></tr>
<tr><td>3</td><td>Good analysis of the view that the published accounts of a public limited company are only useful to internal stakeholders</td><td>11–14</td></tr>
<tr><td>2</td><td>Limited analysis with application of the view that the published accounts of a public limited company are useful to internal stakeholders</td><td>5–10</td></tr>
<tr><td>1</td><td>Knowledge and understanding of published accounts/public limited companies/stakeholders</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Answers could include:

Knowledge and understanding 4 marks
• Clear understanding of published accounts
• Clear understanding of public limited companies
• Clear understanding of stakeholders

Application 4 marks
• Reference to how stakeholders might use published accounts
• Reference to internal and/or external stakeholders

Analysis 6 marks
Internal stakeholders e.g.:
• Employees, managers and shareholders/owners are the internal stakeholders who could all have access to the published accounts
• Managers use published accounts for calculating trends and as a basis for future financial planning
• Shareholders are interested in the financial performance of a business because they have invested money in the hope of a financial return when the business is profitable
• Employees will use the accounts to assess the possibility of wage/salary increase and the prospects for the future performance of the business
</td><td>20</td></tr>
</table>

Question	Answer	Marks
6	External stakeholders e.g.: • Banks might be approached by the business for a bank loan and the bank can use published accounts to assess the ability of the business to meet repayments • Potential investors use published accounts to assess the profitability of a business and to decide whether or not to buy shares in the business • Governments (tax collection) use the published accounts to assess the amount of taxation that is due to be paid. **Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement might be made that: • Published accounts only contain information that the business is willing to share or that it is required by law to provide, and there will be a lot of detailed information that will not be included • Some internal stakeholders i.e., managers will have more information available to them for example, the profitability of different parts of the business. This information is not in the published accounts • Are published accounts of limited use to any stakeholder because they contain only the amount of information that the company is obliged to publish? • Could the accounts have been 'window dressed'? • Does extra-ordinary financial activity in one accounting period make the published accounts difficult to compare to any other year or to other businesses in the same industry? For example, if a large asset was sold or purchased, if a large loan was repaid or taken out. Accept any other valid response.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(a)</td><td>

Analyse the benefits to a business of niche marketing.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the benefits to a business of niche marketing</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the benefits to a business of niche marketing</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the benefits to a business of niche marketing</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of niche marketing</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and understanding 2 marks
- Clear understanding of a niche market.

Application 2 marks
- Reference to the benefits to a business of niche marketing

Analysis 4 marks
- A business can focus on a small part of a larger market and therefore be able to meet the needs of a group of consumers more effectively. Products can be designed specifically for the identified group of customers
- It is an opportunity for a smaller business to compete with large businesses serving a mass market
- Marketing can be aimed directly at a specific demographic which can be less costly due to not spending money on marketing that does not result in any additional or repeat customers
- There will be fewer competitors than in a mass market because of the individuality of the products
- Usually, a higher price can be charged because of the uniqueness of products, therefore leading to the possibility of higher profit margins
- There is often a higher status or image (brand image) resulting from product differentiation

Accept any other valid response.

</td><td>8</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(b)</td><td>
Discuss whether a successful soft drinks business needs to continue to carry out market research.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of whether a successful soft drinks business needs to continue to carry out market research</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of whether a successful soft drinks business needs to continue to carry out market research</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of whether a successful business needs to continue to carry out on market research</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of market research/successful business/soft drinks business</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Answers could include:

Knowledge and understanding 2 marks
• Clear understanding of market research.
• Clear understanding of successful business
• Clear understanding of soft drinks business

Application 2 marks
• Reference to business success linked to market research
• Reference to market research in the soft drinks industry

Analysis 2 marks
• Market research can reveal changes in customer preferences and changes in market behaviour
• Market research is expensive, but the information can lead to more demand for the product of a business
• Accurate information from market research could contribute to the success of a business
• Market research may be needed to carry out product portfolio change
• Market research might be needed for product development/diversification

Evaluation 6 marks
Any judgements/conclusions can be made at any point in the essay not just in a concluding section.
</td><td>12</td></tr>
</table>

Question	Answer	Marks
7(b)	The judgement that market research is still needed may be made on the following grounds: • Does the highly competitive soft drinks industry make continuing market research essential? • Is market research needed to maintain the USP (the strong brand image) of a successful soft drinks business? • To what extent is market research needed to ensure that a business keeps up to date with the perceptions of their target market? • If the brand has a high degree of loyalty and the products are static there could be an argument for less market research, reducing costs • Can any business afford to relax and not keep up to date with what their competitors are offering through continuous market research? • Is continuing market research needed to retain market leadership and compete with a high level of competition? • Does a basic product such as a soft drink justify spending money on continuing market research? • How fast are customer tastes changing? Many soft drinks businesses now promote themselves as providers of 'healthy' drinks. Could a lack of market research mean that this trend is missed and opportunities lost? Accept any other valid response.	

© UCLES 2022