CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer/Essay **October/November 2024**

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 October/November 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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PUBLISHED

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 descriptions 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.

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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.

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)

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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.

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.

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9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

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Annotation	Description	Use
	Level 2	Indicates a Level 2 point is made.
	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

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Assessment objectives

AO1 Knowledge and understanding

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

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Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✔ ✔where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✔ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✔ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✔ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✔ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

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Question	Answer	Marks
1(a)	**Define the term *external stakeholders*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *external stakeholders* is worth 2 marks. • Those outside of (who do not work for) an organisation/business … but have an interest in or are affected by that business. Accept examples such as suppliers, customers, the community if they are given to explain externality (2) Partial understanding of the term *external stakeholders* is worth 1 mark. • Stakeholders who are outside of the business (1) Accept all valid responses.	**2**

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Question	Answer	Marks
1(b)	**Explain <u>one</u> way the aims of employees may impact on the decisions of a business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark K for identifying **one** way the aims of employees may impact a business. • Employees are a significant group of internal stakeholders with an interest in how a business should operate and may have aims that impact on a business … ***accept general impact on a business as well as or instead of impact on business decisions.*** • Pressure human resources to produce supportive working conditions (via trade unions – threat to withdraw labour) • Seek wage/salary increases, profit share opportunities • Seek strong health/safety conditions • Seek regular training and development • Seek participation in decisions • May also be determined to be productive/hardworking leading to a positive impact on a business • May seek self-actualisation at work	**3**

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Question	Answer	Marks
1(b)	**AO2 Application** 2 marks APP for **developed** application/explanation of the way given 1 mark APP for **limited** application/explanation of the way given The ways the aims of employees may impact on business should include examples of ***how a business might respond to the aims of employees.*** • Business may have to accept increases costs to meet employee aims/demands • May need to postpone/abandon growth policies • May need to increase prices to cover increased costs • May need to increase resource allocation to employee stakeholder group • May need to reduce focus on dividends and profit retention • May respond positively if employee aims are aligned with business aims. Accept all valid responses.	

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Question	Answer	Marks
2(a)	**Define the term *full costing***	**2**
	Indicative content	
	Responses may include:	
	AO1 Knowledge and understanding	
	Clear understanding of the term *full costing* is worth 2 marks.	
	• The method of costing in which all fixed and variable costs … are allocated/applied to products, product prices or cost centres of a business (2) – ***reference must be made to both aspects of this definition for the award of 2 marks - reference to only one aspect of this definition is a partial definition and should be awarded only 1 mark.***	
	Partial understanding of the term *full costing* is worth 1 mark.	
	• The inclusion of fixed and variable costs (1)	
	Accept all valid responses.	

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Question	Answer	Marks
2(b)	**Explain <u>one</u> limitation of contribution costing.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying one limitation of contribution costing • Contribution costing allocates only direct costs to cost/profit centres • Segregation of fixed and variable costs often difficult and imprecise • Long term profitability is correctly calculated only using a full-cost basis • Not an appropriate method for price determination • It oversimplifies cost behaviour • Gives misleading impression of business performance • Difficult to allocate across a multi-product business • May not reflect economic reality • May prevent new product development • Calculation of contribution cost can be difficult • Only an internal tool	**3**

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Question	Answer	Marks
2(b)	**AO2 Application** 2 marks for **developed** application/explanation of **one** limitation of contribution costing 1 mark for **limited** application/explanation of **one** limitation of contribution costing • Ignores overhead costs and so delays/distorts the calculation of profit or loss • Takes no account that some products/divisions may have much higher fixed costs than others • May distort economic reality – especially when inventory changes • May lead to a business continuing to produce a product long after it should have stopped production (makes a contribution) but delays a new product that could make a better contribution • Inappropriate pricing may lead to reduced sales/profitability • Gives misleading picture of business performance – overstates profit • The segregation of costs can be difficult – cannot be done with precision – marginal costs cannot be represented as a straight line • Internal use only – does not align with financial reporting regulations. Accept all valid responses.	

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Question	Answer	Marks
3(a)	**Define the term *dynamic pricing***	**2**
	Indicative content	
	Responses may include:	
	AO1 Knowledge and understanding	
	Clear understanding of the term *dynamic pricing* is worth 2 marks.	
	• The practice of varying the price of a product … in response to demand and supply (market changes) and/or ability to pay (2) – ***reference must be made to both aspects of this definition for the award of 2 marks – reference to only 1 aspect of this definition is a partial definition and should be awarded only 1 mark.***	
	Partial understanding of the term *dynamic pricing* is worth 1 mark.	
	• Regular product price changes (1) • Based on demand (1) • Based on ability to pay (1)	
	Accept all valid responses.	

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Question	Answer	Marks
3(b)	**Explain <u>one</u> reason why a business might use price discrimination.** **Indicative content** **AO1 Knowledge and understanding** 1 mark for identifying **one** reason why a business might use price discrimination. ***Note:*** *Do not award a mark for a definition of what price discrimination is – award a mark only for a reason* ***<u>why</u>*** *a business might* ***<u>use</u>*** *price discrimination.* • Allows a business to take advantage of market position • Allows a business to exploit segmented markets • Allows a business to stimulate customer demand • Allows a business to maximise sales, revenue, profit **AO2 Application** 2 marks for **developed** application/explanation of **one** reason 1 mark for **limited** application/explanation of **one** reason • If conditions allow it can enable a business to maximise profits/sales when market segments are kept apart • It allows a business to set the highest price that the customer is willing to pay in each market segment based on their ability to pay. • By selling at a high price in some markets a business can maintain its share of sales in more competitive markets a lower price might be used. • A business using price discrimination can entice customers to purchase larger quantities of products/services • Price discrimination can be used to motivate otherwise uninterested customers to purchase products/services Accept all valid responses.	**3**

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Question	Answer	Marks
4	**Analyse <u>one</u> way employee development could be used by a business to encourage intrapreneurship.** ***Note:*** *No marks should be given if a relevant 'way' is not given somewhere in the answer.* *Do not award marks for a correct definition of either '*employee development' or 'intrapreneurship' *unless the terms are used to explain and analyse ways in which intrapreneurship is encouraged.* **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** way employee development could be used by a business to encourage intrapreneurship • Train employees to provide more/enhanced skills • Delegate to provide manager and leadership opportunities • Use motivational theorists e.g. Maslow • Support employee self-actualisation needs • Support teamwork/job enrichment opportunities to increase confidence • Provide the time and resources to innovate and think 'outside the box' • Develop flexible work patterns • Provide incentives for creative ideas/proposals • Free up time for experiments and projects	**5**

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Question	Answer	Marks
4	**AO2 Application** 2 marks for **developed** application/explanation of the chosen way 1 mark for **limited** application/explanation of the chosen way • Business recognises that, with enhanced and new skills, employees can make a greater contribution to business performance • Business recognises that improved intrapreneurial skills can lead to competitive advantage and USP – and likely to be few businesses that allocate resources in such a way **AO3 Analysis** 2 marks for **developed** analysis of the chosen **one** way 1 mark for **limited** analysis of the chosen **one** way • Invest in training will develop a culture of experimentation – new skills – new confidence • Delegation will give confidence to innovate and develop new ideas • Support employees who will be risk-takers and who 'tread their own path' • Allow employees to devote a % of their work time to individual projects • Encourage prospective intrapreneurs to examine and analyse organisational bottlenecks – operate as internal consultants • Encourage autonomy and independence – recognise and reward employees that show an entrepreneurial spirit • Use employees to disrupt the business – support those that break the rules • Empower employees with tools and resources they need – give permission to innovate and break away from standard processes – encourage innovation and creativity • Develop and support intrapreneurial skill sets and lenses within the workforce – buy in through external recruitment if necessary and appropriate. Accept all valid responses.	

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Question	Answer	Marks
5(a)	**Analyse <u>two</u> reasons why a business should measure labour productivity.** There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for giving one reason K • Labour productivity is real economic output per labour hour • It is an important indicator of current/future business performance • It is an important indicator of efficiency/inefficiency … what is going well/what might need changing • It allows a business to make comparisons • It allows a business to regularly analyse the factors that affect productivity levels/motivation levels • It suggests regular appraisals of resource allocation e.g. capital/labour investment	**8**

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Question	Answer	Marks
5(a)	**AO2 Application** 1 mark for application of **one** reason APP • Labour productivity is an important determinant of business performance • Measurement of labour productivity gives a business information relating to any need to change/improve the productivity of its workforce • Measurement allows comparisons to be made between current and past labour productivity and with competitor levels of labour productivity **AO3 Analysis –** 2 marks for **developed** analysis of **one** reason **L2** AN 1 mark for **limited** analysis of **one** reason **L1** AN • Business needs to understand the strength or weakness of its current level of labour productivity – how past decisions have impacted on labour productivity • Business needs to understand why and how changes in labour productivity are needed – what level of improvement is needed • If labour productivity is seen to be declining change, options can be considered – invest in more capital equipment – automation, computerisation, robotics – more investment in employee training and skills – review production process etc. • Labour costs are often a significant proportion of production costs and the productive use of labour is closely linked to business efficiency and profitability – non-measurement of labour productivity implies there is little management control or accountability of business performance – 'what gets measured gets done'. Accept all valid responses.	

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Question	Answer	Marks
5(b)	**Evaluate whether the sustainability of operations is the most important operating factor in a large retail distribution business.** There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** ***Note**: While the term business sustainability is understood by many to be concerned primarily with environmental and social issues such as waste and carbon emissions, some candidates may present an alternative understanding of the term business sustainability.* *This alternative understanding has a focus on the need for a business to survive long term as a viable operating business having concern for issues such as sustainable employment, and the sustainability of providing appropriate goods and services. If this alternative understanding and interpretation of sustainability clearly relates to the question it should be seen as an acceptable response and marks awarded according to the strengths of the AO1, AO2, AO3, and AO4 skills presented.*	**12**

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Question	Answer	Marks
5(b)	Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • Sustainable operations are those that deliver financial value with the imperative to take account of societal and environmental impact for the benefit of all stakeholders • Sustainable operations seek to use practices and meet existing needs without placing future resources at risk and compromising the ability to meet future needs • Operating factor – any part of the operational process that affects the operational performance of a business. • Distribution warehouse – the storage of products, the sorting and filling of customer orders and the delivery of products to customers. **AO2 Application** 2 marks for developed application **L2** APP 1 mark for limited application **L1** APP • Sustainable operations such as sustainable packaging for items sold and made ready for delivery • Low carbon delivery methods – electric vans • Sustainable delivery flow methods/models • Sustainable inventory holding methods • Low energy consumption strategies in distribution warehouses • Types/e.g. of large scale retailers which use retail distribution centres	

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Question	Answer	Marks
5(b)	**AO3 Analysis** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN • Improving the sustainability of operations of a business can involve – an audit of energy usage, of water usage, of waste/materials management • Improving the sustainability of operations of a distribution warehouse can involve an audit of distribution fleet energy usage/inventory flow and order management • Operational sustainability can involve – upgrade of heating and cooling systems, more energy efficient lighting, fuel efficient transport/vehicles • Improving operational efficiency involves – cost effective streamlining of base operations with a focus on resource utilisation • Improving operational efficiency can be sought and achieved through – minimising waste in operations, • Operational efficiency can be improved with – producing and managing enough inventory to meet demand with as little excess inventory as possible	

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

AO4 Evaluation

6 marks for evaluation EVAL

<table>
<tr><td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr>
<tr><td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr>
<tr><td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr>
<tr><td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr>
</table>

A judgement/decision of the importance of improving the sustainability of operations is made.
Such judgements/decisions may be made at any point in the essay, not just in a concluding section

- A judgement might be made that operational sustainability and operational efficiency are very much the same – the search for cost reduction and the measures to secure those cost reductions can be similar, e.g. waste reduction, energy reduction, efficient resource usage
- A judgement might be made that operational efficiency improvement is a much more limited activity than sustainability improvement
- A judgement may be made that the aims of a commercial business should be cost reduction and profit enhancement, not objectives concerned with environmental and societal benefits
- A judgement might be made that improving the sustainability of operations requires more substantial changes in business behaviour – a focus on the long-term rather than the short-term – the deliberate pursuit of ecological balance through the non-depletion of natural resources

Accept all valid responses.

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Question	Answer	Marks
6(a)	**Analyse <u>two</u> benefits to a business of customer relationship marketing.** There are 8 marks in total for Q6(a) – 4 marks for each benefit given: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for giving one benefit K • Establishes successful customer relationships that produce and maintain customer loyalty • CRM attracts and retain customers • Improves brand image • An effective method of promotion/advertising • An effective way of increasing customer base • Provides important and detailed information on customers • Provides a potentially profitable interface with most important customers • Reduces customer dissatisfaction and complaints	**8**

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Question	Answer	Marks
6(a)	**AO2 Application** 1 mark for application of **one** benefit APP • CRM puts the customer at the centre of all marketing decisions to keep existing customers and gain new ones • CRM gains as much information as possible about the income, buying habits, and product preference of customers • CRM seeks to build a successful interface with customers and so deal with customers efficiently and effectively **AO3 Analysis** 2 marks for **developed** analysis of **one** benefit **L2** AN 1 mark for **limited** analysis of **one** benefit **L1** AN • Improve customer relationships – gathers data to facilitate targeted marketing and support • Deepens the business relationship with customers – allows business to stay connected to customers and potentially increase profits • Facilitates more effective marketing campaigns – makes forecasting simpler and more accurate – the whole customer journey from enquiry to sale is documented • Supports a strategy to learn more about customer needs and behaviours – and so deal with customers more efficiently – determine which customers are more profitable and those that are not profitable • Improves customer relationships where sales may be slipping or where there is poor customer service – invest in live chat, video chat etc • Assists sales team to analyse and prioritise existing sales – identify and seize sales opportunities – cross-selling • Reduces costs of marketing – better targeted customer information (in the cloud, for example) reduces the costs of manual and paper administrative work Accept all valid responses.	

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Question	Answer	Marks
6(b)	**'Market research is essential for effective product development in a hotel'. Evaluate this view.** There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • Market research is action designed to gather information about consumer needs and preferences that helps to determine the viability of a product or service • Market research information can help a business to understand what customers want and their perceptions of existing products and services – strengths and weaknesses • Product development supports business survival and growth where there are changing customer demands and behaviours, and strong competition • Products are designed to be more attractive to existing customers and to attract new customers • Market research produces relevant information for product development	**12**

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Question	Answer	Marks
6(b)	• Indicates gaps that can be filled through product development • Informs the business of competitor threats • Informs the business of performing and non-performing products and services • Informs the business of customer expectations/requirements and what changes may take place **AO2 Application** 2 marks for developed application **L2** APP 1 mark for limited application **L1** APP Market research and new products may be required due to the following reasons: • Hotel rooms may be tired, dated, too small • Hotel may lack pools, gyms, entertainment • Hotel food may be poor/indifferent • Customer services may be poor – little personal service – few remedies for faults – TV/showers not working • Hotel amenities may be out of date – refurbishment needed to meet modern needs **AO3 Analysis** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN Market research may be needed to address the following: • Develop a better understanding of customer concerns/dissatisfaction – encourage on-line reviews and feedback • Improve customer satisfaction by rewarding loyal guests and personalise the customer experience • Modernise and improve hotel services such a free internet, offer more sustainable services – recyclable materials, water conservation, simplify the booking and make checkout simple and speedy • Special offers for long stay, out of season stays – price reductions, enhanced food options, upgrade room • Recruit new leadership and management – to create new ideas and products, improved customer satisfaction • Improve quality of hotel services – new local suppliers of quality food – higher quality bed linen • Introduce new themed 'fun' nights – attract a new clientele • Invest more resources into marketing – exploit the brand – outflank competitor activities – market new offers Market research and product development will likely underpin and support most of the activities outlined above	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>

AO4 Evaluation

6 marks for evaluation EVAL

<table>
<tr><td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr>
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</table>

A judgement/decision regarding the importance of market research and new product development is made.
Such judgements/decisions can be made at any point in the essay and not just in a concluding section

- A judgement/decision might be made that, if customer satisfaction (or lack of it) is the cause of poor hotel performance, then market research is vital and important in order to determine what changes need to be made
- It may be decided that market research must come before development of products or services. Research and Development is the correct order
- The judgement is made that market research is the critical tool to enable a business to know what existing and new customers need and want – and without effective market research competitive advantage cannot be achieved
- It may be decided that effective hotel managers and leaders need to concentrate on new ideas and products quickly rather than wait for market research results
- A judgement might be made that attempts to improve hotels requires both effective market research and product development
- A judgement could be made that there are other factors that need to be considered, other than market research e.g. the quality of financial management and control, the quality of HRM, or the operational efficiency of food production and cleaning operations

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Question	Answer	Marks
6(b)	Accept all valid responses.	

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Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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