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Edexcel

Mark Scheme (Results)

Summer 2024

Pearson Edexcel GCE AS Level

In Business (8BS0)

Paper 01 Marketing and People

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## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
<b>1(a)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> of market research, e.g.</p> <ul style="list-style-type: none"> <li>Collecting data (1) to enable the business to understand customer needs and wants/through primary or secondary methods (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>1(b)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> demand, e.g.</p> <ul style="list-style-type: none"> <li>The amount consumers are willing and able to buy (1) at a particular price (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>1(c)</b>	<p style="text-align: center;"><b>Knowledge 1, Application 3</b></p> <p>Quantitative skills assessed:</p> <p><b>QS1:</b> Calculate, use and understand ratios, averages and fractions</p> <p><b>QS2:</b> Calculate, use and understand percentages and percentage changes</p> <p><b>Knowledge: 1 mark</b> for the formula</p> <ul style="list-style-type: none"> <li>income elasticity of demand = % change in quantity demanded/% change in income</li> </ul> <p><b>Application: up to 3 marks</b></p> <ul style="list-style-type: none"> <li>Calculate % change in quantity demanded  <math>= (146m - 74m) / 74m \times 100</math>  <math>= 97.30\%</math> (1)</li> <li>Calculate income elasticity of demand  <math>= 97.30\% / 2.31\%</math> (1)  <math>= 42.12</math> (1)</li> </ul> <p><b>NB:</b> If the only answer given is 42.12 award 4 marks. If the answer given is 42.1 or 42.12% award 3 marks</p>	<b>(4)</b>

Question Number	Answer	Mark
1(d)	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge/understanding: 1 mark</b> for understanding product life cycle e.g.</p> <ul style="list-style-type: none"> <li>• The product lifecycle illustrates sales of a product over its lifetime/introduction, growth, maturity, decline (1)</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>• The growth stage of the product life cycle is when the product gains popularity and sales start to increase (1)</li> </ul> <p><b>Application: up to 2 marks</b> for contextualised examples, e.g.</p> <ul style="list-style-type: none"> <li>• Oat milk sales grew from £74m in 2019 to £146m in 2020</li> <li>• Oatly has invested in interesting and unusual marketing</li> </ul> <p><b>Analysis: 1 mark</b> is available for explaining how marketing decisions could be affected, e.g.</p> <ul style="list-style-type: none"> <li>• The growth phase of the product lifecycle is supported by increased investment in marketing</li> </ul>	<b>(4)</b>

Question Number	Indicative content	Mark
<b>1(e)</b>	<p><b>Knowledge 2, Application 2, Analysis 2, Evaluation 2</b></p> <ul style="list-style-type: none"> <li>Income elasticity of demand measures the responsiveness of demand to a change in consumer incomes</li> <li>Oatly has a positive income elasticity of demand, 42.31, demonstrating that it is a luxury good and demand is likely to fall if incomes fall</li> <li>An expected change in income, caused by recession or another lockdown, could result in consumers spending less on luxuries despite having the necessary income, increasing the income elasticity of demand.</li> </ul> <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> <li>Some consumers may view Oatly as a necessity, rather than a luxury, as they may have an intolerance to cow's milk resulting in lower income elasticity of demand</li> <li>A carton of oat milk is likely to be a small proportion of consumer income, so income elasticity of demand may become more income inelastic.</li> </ul>	<b>(8)</b>

Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> <li>A completely inaccurate response.</li> </ul>
Level 1	1–2	<ul style="list-style-type: none"> <li>Isolated elements of knowledge and understanding – recall based.</li> <li>Weak or no relevant application to business examples.</li> <li>Generic assertions may be presented.</li> </ul>
Level 2	3–5	<ul style="list-style-type: none"> <li>Accurate knowledge and understanding.</li> <li>Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete.</li> <li>An attempt at an assessment is presented using quantitative and/or qualitative information.</li> <li>Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.</li> </ul>
Level 3	6–8	<ul style="list-style-type: none"> <li>Accurate and thorough knowledge and understanding.</li> <li>Logical chains of reasoning, showing cause(s) and/or effect(s).</li> <li>Assessment is balanced, well contextualised, using quantitative and/or qualitative information.</li> <li>Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors including supported judgement.</li> </ul>

Question Number	Indicative content	Mark
1(f)	<p><b>Knowledge 2, Application 2, Analysis 3, Evaluation 3</b></p> <ul style="list-style-type: none"> <li>• Secondary market research is information that has already been collected by another business/organisation for another purpose</li> <li>• Secondary research companies may collect large amounts of data about the general population and the plant-based milk market. This may not answer specific questions which Oatly want answered, such as the type of milk consumers use when making cappuccinos</li> <li>• Market research reports from Mintel can be expensive and may also be out of date in this fast changing market. This could increase Oatly’s costs without a corresponding increase in sales from using data that is no longer valid.</li> </ul> <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> <li>• Secondary market research can provide a large amount of data quickly, which could allow Oatly to make investment and marketing decisions more quickly to keep up with trends</li> <li>• Primary market research can be time consuming, which may result in information not being collected in a timely manner so that Oatly can’t respond to rapid changes in the dynamic market.</li> </ul> <p><i>Potential Judgement</i></p> <ul style="list-style-type: none"> <li>• The Mintel report could allow the Swedish company to quickly gain valuable insight into the UK milk market, which could help them adapt to changes. However, other oat milk producers, such as Alpro, may also have access to the same information.</li> </ul>	<b>(10)</b>

Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> <li>• A completely inaccurate response.</li> </ul>
Level 1	1-2	<ul style="list-style-type: none"> <li>• Isolated elements of knowledge and understanding – recall based.</li> <li>• Weak or no relevant application to business examples.</li> <li>• Generic assertions may be presented.</li> </ul>
Level 2	3-4	<ul style="list-style-type: none"> <li>• Elements of knowledge and understanding.</li> <li>• Which are applied to the business example.</li> <li>• Chains of reasoning are presented, but may be assertions or incomplete.</li> <li>• A generic or superficial assessment is presented.</li> </ul>
Level 3	5-6	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s).</li> <li>• An attempt at an assessment is presented using quantitative and/or qualitative information.</li> <li>• Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.</li> </ul>
Level 4	7-10	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• A coherent and logical chain of reasoning, showing cause(s) and/or effect(s).</li> <li>• Assessment is balanced and well contextualised, using quantitative and/or qualitative information.</li> <li>• Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors leading to a supported judgement.</li> </ul>

Question Number	Answer	Mark
<b>2(a)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> of product portfolio, e.g.</p> <ul style="list-style-type: none"> <li>The range of products/services (1) sold/marketed by a business (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>2(b)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> of market share, e.g.</p> <ul style="list-style-type: none"> <li>The percentage of sales one company makes (1) compared to others in the market (1)</li> </ul> <p style="text-align: center;"><b>or</b></p> <ul style="list-style-type: none"> <li>(Sales of company X/Total sales in the market) x 100 (2)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>2 (c)</b>	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge/understanding: 1 mark</b> for understanding private limited company, e.g.</p> <ul style="list-style-type: none"> <li>a business with limited liability which is owned by shareholders that are friends and family.</li> </ul> <p><b>Application: up to 2 marks</b> for contextualised examples, e.g.</p> <ul style="list-style-type: none"> <li>Jamie Keeble could sell shares to other member of his family to raise the £3.5m to expand the North Yorkshire site</li> <li>Having limited liability could reduce the risk for Jamie and his family if the launch of Bangin' Bites is unsuccessful.</li> </ul> <p><b>Analysis: 1 mark</b> is available for explaining a consequence, e.g.</p> <ul style="list-style-type: none"> <li>If the business fails due to the investments being unsuccessful the Keeble family would not lose any personal assets, only the money invested in the business.</li> </ul>	<b>(4)</b>

Question Number	Answer	Mark
<b>2(d)</b>	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge/understanding: 1 mark</b> for understanding of strong brand, e.g.</p> <ul style="list-style-type: none"> <li>• A recognisable name/symbol/logo associated with a product.</li> </ul> <p><b>Application: up to 2 marks</b> for contextualised examples, e.g.</p> <ul style="list-style-type: none"> <li>• Could help HECK! stand out from other branded sausages like Wall's and Richmond</li> <li>• Could differentiate its 'grab and go' snacks from other snacks sold and Tesco.</li> </ul> <p><b>Analysis: 1 mark</b> is available for explaining a consequence, e.g.</p> <ul style="list-style-type: none"> <li>• This could lead to young people choosing to buy Bangin' Bites over other snack options, leading to increased sales and improving the 58% market share.</li> </ul>	<b>(4)</b>

Question Number	Indicative content	Mark
2(e)	<p><b>Knowledge 2, Application 2, Analysis 2, Evaluation 2</b></p> <ul style="list-style-type: none"> <li>• Entrepreneurial roles (include two of the following): creating and setting up a business; running a business; expanding a business; innovation; anticipating risk and uncertainty.</li> <li>• Jamie created the premium sausage business in 2015 and his hands-on approach to creating a premium brand has led to HECK! gaining 58% market share, demonstrating his success against other major brands such as Richmond and Wall's sausages</li> <li>• Jamie has innovated by created Bangin' Bites to expand the company's portfolio and access the 'grab and go' market to provide another revenue stream adding to the success of the HECK! brand</li> <li>• Jamie continues to expand the North Yorkshire site, so that the company can grow its own herbs and vegetables to use in its sausages. This could reduce costs and increase profit leading to greater success.</li> </ul> <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> <li>• Creating the business may not have led to HECK!'s success without the continued innovation to keep customers interested in sausage products and to gain new customers such as the younger 'grab and go' market</li> <li>• The strength of the existing HECK! brand, which helped the company gain a 58% market share may be more important than taking risks and innovating in new markets, such as 'grab and go' snacks</li> <li>• Taking the risk of investing £3.5m in the expansion of the North Yorkshire site could significantly increase costs and may not lead to an increase in revenue. This could result in HECK! making a loss.</li> </ul>	<b>(8)</b>

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Level 1	1-2	<ul style="list-style-type: none"> <li>• Isolated elements of knowledge and understanding – recall based.</li> <li>• Weak or no relevant application to business examples.</li> <li>• Generic assertions may be presented.</li> </ul>
Level 2	3-5	<ul style="list-style-type: none"> <li>• Accurate knowledge and understanding.</li> <li>• Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete.</li> <li>• An attempt at an assessment is presented using quantitative and/or qualitative information.</li> <li>• Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.</li> </ul>
Level 3	6-8	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• Logical chains of reasoning, showing cause(s) and/or effect(s).</li> <li>• Assessment is balanced, well contextualised, using quantitative and/or qualitative information.</li> <li>• Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors including supported judgement.</li> </ul>

Question Number	Indicative content	Mark
2(f)	<p data-bbox="395 264 1270 300"><b>Knowledge 2, Application 2, Analysis 3, Evaluation 3</b></p> <ul data-bbox="421 365 1276 927" style="list-style-type: none"> <li data-bbox="421 365 1254 465">• Market segmentation involves dividing a market into groups based on similar characteristics, e.g. age, gender, income, ethnicity, tastes</li> <li data-bbox="421 506 1276 712">• Dividing the market into groups based on age could allow HECK! to develop sausages that appeal to each group. For example, conducting market research to identify young people’s needs and wants when buying snacks on the go, this could lead to more sales of HECK!’s Bangin’ Bites</li> <li data-bbox="421 719 1254 927">• By segmenting the market, HECK! could tailor its marketing strategy to each group. For example, promoting and selling Bangin’ Bites in high street shops such as WHSmith, Boots and Tesco where the younger customers may be more likely to shop for snacks.</li> </ul> <p data-bbox="379 965 756 1001"><i>Potential Counterbalance</i></p> <ul data-bbox="421 1039 1264 1319" style="list-style-type: none"> <li data-bbox="421 1039 1264 1173">• Tailoring its snacks to a younger segment may result in HECK! losing sales to older customers who do not feel that Bangin’ Bites meet their needs, perhaps because of the flavours offered</li> <li data-bbox="421 1180 1232 1319">• HECK! may have to develop promotions for each product in their portfolio to aim at different market segments, such as gluten or meat free. This could increase costs for the sausage manufacturer.</li> </ul> <p data-bbox="370 1357 679 1393"><i>Potential Judgement</i></p> <ul data-bbox="421 1431 1286 1711" style="list-style-type: none"> <li data-bbox="421 1431 1286 1711">• Although 37% of young people buy snacks rather than eat a proper meal, this could be a relatively small segment to target. HECK! may need to target other market segments, such as different ages/ethnicities/income groups, who also want snacks on the go. Tailoring marketing to younger customers could result in HECK! missing out on sales to other groups.</li> </ul>	(10)

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Level 3	5-6	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s).</li> <li>• An attempt at an assessment is presented using quantitative and/or qualitative information.</li> <li>• Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.</li> </ul>
Level 4	7-10	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• A coherent and logical chain of reasoning, showing cause(s) and/or effect(s).</li> <li>• Assessment is balanced and well contextualised, using quantitative and/or qualitative information.</li> <li>• Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors leading to a supported judgement.</li> </ul>

Question Number	Indicative content	Mark
3	<p data-bbox="427 264 1297 297"><b>Knowledge 4, Application 4, Analysis 6, Evaluation 6</b></p> <p data-bbox="371 327 628 360"><b>Physical Stores</b></p> <ul data-bbox="419 389 1337 1025" style="list-style-type: none"> <li data-bbox="419 389 1337 600">• By opening more Debenhams physical stores, premium brands such as Yves Saint Laurent and Chanel may be willing to allow Debenhams to stock their make-up which could lead to more customers visiting the stores to buy eyeshadow or foundation that they cannot get in Boots or Superdrug</li> <li data-bbox="419 600 1337 846">• Debenhams was the second largest beauty retailer in the UK, this could be because providing a physical store allowed customers to gain advice from sales assistants on which skincare suits them best and try the makeup before buying it, leading to increased customer satisfaction and customers choosing Debenhams over Boots when purchasing beauty products</li> <li data-bbox="419 846 1337 1025">• A physical store could result in customers making impulse buys while browsing the shelves which could be less likely when shopping online at stores such as Sephora, this could lead to an increase in revenue and market share for Debenhams.</li> </ul> <p data-bbox="371 1055 480 1088"><b>Online</b></p> <ul data-bbox="419 1117 1345 1888" style="list-style-type: none"> <li data-bbox="419 1117 1345 1294">• Selling online could reduce overheads, such as the high rents paid on high street beauty stores, allowing investment in promoting its one-stop shop so that it appears at the top of a google search to attract customers searching for beauty products online</li> <li data-bbox="419 1317 1345 1637">• Boohoo are keen to provide a one-stop shop for customers, by selling online customers may be able to browse a large range of products and could buy clothing and beauty products in one place. This could be more convenient than having to visit a physical store for make-up and then buying clothing separately online. This could increase customer spend in more than one area of the business increasing Boohoo's market share in both fashion and beauty</li> <li data-bbox="419 1637 1345 1888">• The Debenhams brand already had 300m website visits per year showing that online shopping is popular amongst Debenhams' existing customers. Boohoo could keep these existing online customers and gain more by providing a wider range of beauty products on its website than it could in a physical store. This could lead to customers preferring Debenhams over high street stores such as Boots.</li> </ul>	

	<p><i>Potential recommendation</i></p> <ul style="list-style-type: none"><li>• Beauty products such as skin care and make-up are usually tailored to particular skin types so the ability for customers to try before they buy or to gain advice from trained sales assistants could be important. Particularly when buying expensive brands such as Chanel. Debenhams' physical stores could provide this, helping it to compete against online beauty retailers, such as Sephora and Cult Beauty.</li><li>• Online retail is a growing market due to its convenience and other beauty retailers such as Boots and House of Fraser offer online shopping. By Debenhams marketplace providing a larger range and premium brands that other retailers don't offer, alongside its fashion and homeware ranges it could appeal to more shoppers.</li></ul>	<p><b>(20)</b></p>
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Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> <li>• A completely inaccurate response.</li> </ul>
Level 1	1–4	<ul style="list-style-type: none"> <li>• Isolated elements of knowledge and understanding.</li> <li>• Weak or no relevant application of business examples.</li> <li>• An argument may be attempted, but will be generic and fail to connect cause(s) and/or consequence(s)/effect(s).</li> </ul>
Level 2	5–8	<ul style="list-style-type: none"> <li>• Elements of knowledge and understanding.</li> <li>• Which are applied to the business example.</li> <li>• Arguments and chains of reasoning are presented, but connections between cause(s) and/or consequence(s)/effect(s) are incomplete. Attempts to address the question.</li> <li>• A comparison or judgement may be attempted, but it will not successfully show an awareness of the key features of business behaviour or business situation.</li> </ul>
Level 3	9–14	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• Supported throughout by use of the business behaviour/context.</li> <li>• Uses developed chains of reasoning, so that cause(s) and/or consequence(s)/effect(s) are complete, showing an understanding of the question. Arguments are developed.</li> <li>• Quantitative and/or qualitative information are introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.</li> </ul>
Level 4	15–20	<ul style="list-style-type: none"> <li>• Accurate and thorough knowledge and understanding.</li> <li>• Supported throughout by use of relevant and effective use of the business behaviour/context.</li> <li>• Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s). Arguments are fully developed.</li> <li>• Quantitative and/or qualitative information are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendation(s).</li> </ul>

