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Edexcel

Mark Scheme (Results)

Summer 2024

Pearson Edexcel GCE A Level

In Business (9BS0)

Paper 01 Marketing, people and global
businesses

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Summer 2024

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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
1(a)	<p style="text-align: center;">Knowledge 1, Application 3</p> <p>Quantitative skills assessed: QS 2 calculate, use and understand percentages and percentage changes QS 8 use and interpret quantitative and non-quantitative information in order to make decisions QS 9 interpret, apply and analyse information in written, graphical and numerical forms</p> <p>Knowledge: 1 mark for calculation of market share</p> <ul style="list-style-type: none"> Sales of one business/sales of whole market x 100 <p>Application: up to 3 marks for</p> <ul style="list-style-type: none"> Market share of global shipments in Q4 2021 = $69.2/371.6 \times 100 = 18.62\%$ Market share of global shipments in Q4 2022 = $58.3/303.9 \times 100 = 19.18\%$ Difference = $19.18 - 18.62 = (-)0.56\%$ <p>NB: if the only answer given is 0.56 or 0.56% award 4 marks. If the answer given is 0.6 award 3 marks</p>	(4)

Question Number	Answer	Mark
1(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for knowledge of market mapping e.g.</p> <ul style="list-style-type: none"> Market mapping is the use of a grid to show two features of a market, such as price and quality or For showing knowledge of how a market map could be used e.g. identify competitors <p>Application: up to 2 marks for e.g.</p> <ul style="list-style-type: none"> Samsung sells premium phones at up to \$1 600 each Chinese competitors are selling at mid-to-low end of the market <p>Analysis: 1 mark for e.g.</p> <ul style="list-style-type: none"> Market mapping helps Samsung to identify a gap in the market for future product launches, such as a two-fold phone, which may help it gain market share. 	(4)

Question Number	Indicative content	Mark
1(c)	<p>Knowledge 2, Application 2, Analysis 3, Evaluation 3</p> <ul style="list-style-type: none"> • The design mix looks at the way function, cost/economic manufacture and aesthetics are mixed in different ways in order to appeal to different target markets <p>Importance of function</p> <ul style="list-style-type: none"> • Function in the design mix is the way the product performs, including its specifications and reliability • Function is important to Samsung, because what the phone is able to do, such as some models folding, could provide customers with a reason to buy the product • Samsung are charging premium prices for its products, such as the S23 ultra with the function of 1tb of storage, so it needs its phones to function to justify the price of \$1 600. <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Aesthetics are more important because competitors such as Apple have had success from developing software that looks good to the customer • Foldability of phones could be a growth area, which is part of the aesthetic and makes the appearance more attractive • Chinese competitors, such as Huawei, may gain an advantage from a focus on economic manufacture/cost, which supports their entry into the budget/mid-range phone market. <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • Function, such as the storage, battery life, and performance of the camera is more important to Samsung as it helps to differentiate the brand from competitors, such as Apple that may focus more on aesthetics. • Focusing more on aesthetics, rather than function, could help Samsung to differentiate itself from cheaper Chinese rivals such as Huawei, that seem to be focusing more on the cost aspect of the design mix. 	(10)

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

Question Number	Indicative content	Mark
1(d)	<p>Knowledge 2, Application 2, Analysis 4, Evaluation 4</p> <ul style="list-style-type: none"> • Price skimming means initially charging a high price when a new product is launched, then moving to a lower price later <p>Usefulness of price skimming</p> <ul style="list-style-type: none"> • Samsung is charging \$1 600 for its S23 ultra, which could be aimed at taking advantage of early adopters who wish to purchase the increased storage before other customers • The S23 ultra may be seen as new and different for some customers, who will feel justified in paying a premium price. This could potentially increase Samsung’s revenues • Price skimming tends to be appropriate for a well-established, well-known business, with an innovative product. In Samsung’s case this could apply to its foldable phone that has already been launched. <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Price skimming only works for products that customers see as new and different, otherwise these customers will not be prepared to pay the high initial price. It is questionable if design features such as increased storage or foldability justify the \$1 600 price • Price skimming only tends to be possible for a limited time period. As competitors such as Apple develop their own similar phones, the price customers are prepared to pay is likely to fall due to the increased choice • An alternative pricing strategy, such as penetration pricing, might be more appropriate for Samsung. In a competitive and dynamic market, customers might be encouraged to purchase new and different phones if the price is initially lower than competitors, such as Apple. <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • Price skimming is often a feature of dynamic markets, such as consumer electronics, which includes smart • phones. Early adopters are often willing to pay a higher price, particularly for products of recognised brands, such as Samsung. Customers may feel that the innovations, such as high-performance cameras, justify the price. • The smartphone market is highly competitive, with brands, such as Apple and Huawei developing different products and software. Given this choice, higher prices from Samsung may not be appropriate. An alternative strategy, 	

	such as competitive pricing may support the launch of Samsung's new smartphones, such as the S23.	(12)
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Level 1	1-2	<ul style="list-style-type: none"> • Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3-4	<ul style="list-style-type: none"> • Elements of knowledge and understanding. • Which are applied to the business example. • Chains of reasoning are presented, but may be assertions or incomplete. • A generic or superficial assessment is presented.
Level 3	5-8	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding. • Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). • An attempt at an assessment is presented using quantitative and/or qualitative information. • Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 4	9-12	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding. • A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information. • 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.

Question Number	Indicative content	Mark
1(e)	<p data-bbox="427 297 1299 331">Knowledge 4, Application 4, Analysis 6, Evaluation 6</p> <p data-bbox="392 378 584 412">Democratic</p> <ul data-bbox="440 421 1331 1473" style="list-style-type: none"> <li data-bbox="440 421 1270 495">• Democratic leaders listen to other people’s opinions, and consider these before reaching a decision <li data-bbox="440 544 1294 779">• Tim Cook at Apple could be considered a democratic leader. His style seems to promote contributions from staff, with them feeling involved. This increased motivation may help Apple to be innovative and as a competitor to Samsung may be an approach Dr Kye wants to follow <li data-bbox="440 790 1331 981">• If Dr Kye is aiming to support innovation and the sharing of ideas from Samsung workers, this could create new product ideas and build responsiveness from employees to the needs of a dynamic smartphone market <li data-bbox="440 992 1318 1272">• Democratic leadership involves delegation, where tasks are given to subordinate colleagues to complete. This could benefit Dr Kye by giving him more opportunity to focus on the strategic leadership of Samsung, e.g. market leadership in the mobile phone market, while trusting other workers to complete tasks, such as marketing decisions, independently <li data-bbox="440 1283 1315 1473">• Increased empowerment from workers feeling more valued by a democratic approach may also improve worker motivation and loyalty, and may reduce the likelihood of key workers, such as software developers, leaving to join rivals, such as Huawei. <p data-bbox="392 1523 603 1556">Paternalistic</p> <ul data-bbox="440 1565 1337 2045" style="list-style-type: none"> <li data-bbox="440 1565 1337 1682">• Paternalistic leaders do consult others and consider their opinion, but ultimately the leader takes responsibility for all decisions and keeps a high degree of control <li data-bbox="440 1731 1318 1966">• Ren Zhengfei’s approach at Huawei, a competitor to Samsung, seems to be successful, with employees being devoted to the business and its continued success. This could offer a model that also works for Dr Kye if he wants to maintain more control over Samsung’s staff <li data-bbox="440 1977 1299 2045">• Paternalistic leaders tend to use top-down communication in the business, which helps to ensure 	

consistency and clarity. This may be helpful in Samsung's new product launch of the S23 Ultra, where design and marketing consistency will help to support the strength of the Samsung brand

- Paternalistic leaders do allow two-way communication, so if Dr Kye were to use this approach, big decisions, such as new products, e.g. two-fold for a wider screen phone, would be discussed with appropriate senior leaders
- Workers often feel more supported by a paternalistic leader because of the certainty in decision making and support offered. As seen at Huawei, this, added to a competitive pay package, can lead to productive and loyal employees.

Potential judgement:

- Although Dr Kye will have his own leadership style, Samsung's aim for continued improvement in sales could be supported by learning from competitors. In a dynamic, competitive market, the ideas and creativity that democratic leadership can offer staff, may help to support product development and innovations such as the foldable smartphone. At Apple, Tim Cook still convinces others to follow his lead, so some control may be involved and could still be used in a democratic approach at Samsung.
- Paternalistic leadership may offer the best balance between control and staff involvement. Ren Zengfei seems to have the obedience and support of Huawei workers because he provides certainty, but the staff are also well rewarded financially. It could be that the dynamism of the smartphone market means that workers and managers at Samsung will be better suited to a paternalistic leadership approach.

Examples of possible MOPS recommendations:

Market – The dynamic smartphone market means that a range of staff views need to be considered by leaders. A democratic leadership style could support this.

Objectives – Samsung wants to build market share to ensure future success. Democratic leaders may lead to more empowered workers, who are more likely to be productive and focused on quality, which can help to build sales and market share.

	<p>Products/services – Smartphone sales are driven by price and reliability for some customers. The consistency in an organisation that can be supported by a paternalistic approach could help to support this reliability.</p> <p>Situation – Samsung is at an important point, with competition in the premium phone market from Apple, and the mid/low range market from Huawei. An effective strategy to compete in this market may be more supported by a paternalistic approach.</p>	(20)
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Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> • A completely inaccurate response.
Level 1	1–4	<ul style="list-style-type: none"> • Isolated elements of knowledge and understanding. • Weak or no relevant application of business examples. • An argument may be attempted, but will be generic and fail to connect cause(s) and/or consequence(s)/effect(s).
Level 2	5–8	<ul style="list-style-type: none"> • Elements of knowledge and understanding which are applied to the business example. • 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. • 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.
Level 3	9–14	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding • Supported throughout by use of the business behaviour/context. • 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. • Quantitative or qualitative information is 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.
Level 4	15–20	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding • Supported throughout by use of relevant and effective use of the business behaviour/context. • Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s). Arguments are fully developed. • Quantitative and/or qualitative information is/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).

Question Number	Answer	Mark
2(a)	<p style="text-align: center;">Knowledge 1, Application 3</p> <p>Quantitative skills assessed: QS8 use and interpret quantitative and non-quantitative information in order to make decisions QS9 interpret, apply and analyse information in written, graphical and numerical forms</p> <p>Knowledge: 1 mark for knowledge of exchange rates</p> <ul style="list-style-type: none"> • An exchange rate is the value of one currency in terms of another currency <p>Application: up to 3 marks for</p> <ul style="list-style-type: none"> • $€5.99/1.19 = £5.03361$ (£5.03) • $£5.03 + £18 = £23.03361$ (£23.03) • $£29.99 - £23.03 = £6.96$ <p>NB: if the only answer given is £6.96 award 4 marks. If the answer is not given to 2 decimal places, award 3 marks. Award 3 marks if 6.96 is given.</p>	(4)

Question Number	Answer	Mark
2(b)	<p style="text-align: center;">Knowledge 1, Application 3</p> <p>Quantitative skills assessed: QS7: interpret values of price and income elasticity of demand QS8: use and interpret quantitative and non-quantitative information in order to make decisions QS9: interpret, apply and analyse information in written, graphical and numerical forms</p> <p>Knowledge: 1 mark for</p> <ul style="list-style-type: none"> • Price Elasticity of Demand = $\frac{\% \text{change in quantity demanded}}{\% \text{percentage change in price}}$ <p>Application: up to 3 marks for</p> <ul style="list-style-type: none"> • % Change in quantity demanded = +175% • % change in price = $\frac{(149-200)}{200} \times 100 = -25.5\%$ • PED = $175 / -25.5 = (-)6.86$ <p>NB: if the only answer given is -6.86 or 6.86 award 4 marks. If the only answer given is -6.8 or -6.9 or 6.8 or 6.9 award 3 marks. If answer is -6.86%, award 3 marks.</p>	(4)

Question Number	Indicative content	Mark
2(c)	<p>Knowledge 2, Application 2, Analysis 3, Evaluation 3</p> <ul style="list-style-type: none"> • A joint venture (JV) is a separate business created by two or more other businesses, involving shared ownership, returns and risks <p>Positive impact</p> <ul style="list-style-type: none"> • The BT/Eurosport joint venture will allow BT to spread risks, for example BT gaining subscribers in one market such as in France, when the number of subscribers in the UK may be falling • This joint venture means that BT Sport and Discovery Eurosport will remain as separate businesses, allowing BT to make decisions such as programming independently in areas outside sports coverage • The joint venture will help BT to compete more effectively with other sports channels such as Sky Sports in the UK, with a wider range of sports, such as cycling and tennis. <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • The reasons for this joint venture may not last, for example sports that are popular in both markets may lose popularity, so fewer new subscriptions are taken out • There may be a clash of objectives and an imbalance of expertise between BT Sport and Eurosport managers, leading to disagreements over broadcasting contracts or price plans • The new combined subscription price of £29.99 is higher than the previous subscription of £18. BT may lose subscribers who are not prepared to pay the higher price. <p><i>Potential judgement</i></p> <ul style="list-style-type: none"> • The joint venture is likely to make both BT Sport and Eurosport packages more attractive to subscribers in the UK and mainland Europe, due to the increased range of sport included, such as English Premier League football, in Europe. • The joint venture could be considered more beneficial to Discovery Eurosport, because of the add on entertainment packages and a wider customer base. BT may be able to compete better in the UK, but the addition of sports such as tennis and cycling may not be enough to attract customers away from Sky Sports for example. 	(10)

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

Question Number	Indicative content	Mark
2(d)	<p>Knowledge 2, Application 2, Analysis 4, Evaluation 4</p> <ul style="list-style-type: none"> • Political influence is the way in which government policies, laws, and beliefs can be used to affect the action of a multinational • Controlling the actions of multinationals can be with political influence, legal controls, pressure groups, and social media. <p>Importance of political influence</p> <ul style="list-style-type: none"> • Political influence in India derives from the code of conduct in place to influence the content of TV streaming businesses such as Netflix operating there, which must exercise 'due caution and discretion' • The code of conduct limits content to that deemed appropriate in terms of issues such as national security and religious tolerance. This means that Netflix and Amazon may need to adapt content to comply with these guidelines and this may add to costs • Political influence may extend to imposing fines on businesses that do not comply with the guidelines, which could impact the costs and reputation of multinational businesses such as Disney and Amazon. <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> • Legal/legislative influence may be more important because this has the force of law behind it, rather than guidelines. The extension of Indian laws regarding online content, to TV programmes may limit Netflix's ability to produce or adapt its TV shows to this market, reducing potential customer subscriptions • Pressure groups in India may also exert more control over a business such as Netflix. This may relate to TV content that offends different religious groups, or in India's case affects different castes. Again, this will have an impact on the growth of subscriptions for programmes that deal with social issues such as documentaries or soap operas • Social media pressure on Netflix or other multinational TV companies could affect their ability to launch TV shows and build subscriptions. New shows or packages might be promoted on social media, which in turn could provoke a negative response from Indian consumers, damaging the streaming business' reputation and ability to expand. <p><i>Potential judgement</i></p>	

	<ul style="list-style-type: none"> • Political pressure can have a big impact on TV streaming multinationals, particularly if it restricts their output and ability to adapt content to the Indian market. It may mean that programmes are less innovative and therefore packages are not successful in gaining new subscribers, restricting growth in an emerging market. • The code of ethics and political pressure impact all TV businesses in India, so it will not particularly disadvantage just one streaming company. It is possible that social media control is more impactful because that could be related more to one brand e.g. Amazon, and its approach to programming and marketing, possibly highlighting aspects that are damaging to the multinational's brand. 	(12)
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	0	<ul style="list-style-type: none"> • A completely inaccurate response.
Level 1	1-2	<ul style="list-style-type: none"> • Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3-4	<ul style="list-style-type: none"> • Elements of knowledge and understanding. • Which are applied to the business example. • Chains of reasoning are presented, but may be assertions or incomplete. • A generic or superficial assessment is presented.
Level 3	5-8	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding. • Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). • An attempt at an assessment is presented using quantitative and/or qualitative information. Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments
Level 4	9-12	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding. • A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information. • 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.

Question Number	Indicative content	Mark
2(e)	<p data-bbox="427 416 1299 450">Knowledge 4, Application 4, Analysis 6, Evaluation 6</p> <p data-bbox="371 499 596 533">Adapt pricing</p> <ul data-bbox="419 539 1350 1469" style="list-style-type: none"> <li data-bbox="419 539 1254 611">• Price is what is charged to the customer for a Netflix subscription, in 2022 this was R149 <li data-bbox="419 663 1350 857">• The reduction in price from R500 to R149 brought a Netflix subscription price more closely to competitors' price such as Amazon and Disney. As all three are foreign businesses in India, it is important to Netflix that they use a competitive pricing strategy <li data-bbox="419 864 1350 1059">• Disney has the lowest price, which suggests that Netflix could reduce prices further. Lower local wages in India could mean that Netflix cannot charge the same price as it might in the USA, for example, as fewer Indian customers could afford a subscription <li data-bbox="419 1066 1350 1223">• India's growing middle class may be able to afford more than one subscription, so it is important that Netflix on its own is not over five times the price of rivals, as it was in 2016 <li data-bbox="419 1229 1350 1469">• Reducing the price further for Netflix may help it to penetrate the Indian market. If other TV streaming businesses, such as Amazon, are focusing on mass market offers, this could be followed by Netflix. By reducing its production costs, it may give Netflix the chance to reduce prices and maintain profit. <p data-bbox="371 1520 612 1554">Adapt product</p> <ul data-bbox="419 1561 1350 2045" style="list-style-type: none"> <li data-bbox="419 1561 1206 1594">• Netflix's product in India is its streaming services <li data-bbox="419 1646 1350 1841">• India is a large TV market, with customers that speak a range of languages such as Tamil and Hindi. Adapting programmes to the different needs of these groups could increase subscriptions and increase market share relative to competitors, such as Amazon <li data-bbox="419 1848 1350 2045">• The code of conduct from the Indian government requires TV companies to consider the differences in religion and culture in programmes. Adapting programmes to the Indian market would help to satisfy this requirement, without limiting the growth of TV output 	

- As well as drama series adapted to India, other genres of TV could be adapted, helping Netflix with product development in this market. For example news and quiz shows could be adapted
- India has a large domestic entertainment industry, so Netflix could exploit the expertise and experience of these actors and producers to help expand by producing more domestic programmes.

Potential judgement:

- Adapting the price of Netflix subscriptions is likely to support growth in market share as reductions since 2016 seem to have helped increase subscriber numbers so far by 175%. Netflix is still the most expensive of the foreign streaming services, so there is scope to reduce prices further in order to expand market share.
- Adapting the programmes to local languages seems to have been successful for Amazon in India, so it could be a good strategy for Netflix too. There are likely to be a range of local market niches that Netflix could adapt to, thus increasing subscriptions.

Examples of possible MOPS recommendations:

Market – Netflix is behind Amazon in the number of subscribers, so it may be better for Netflix to focus on being the lowest price. Netflix is still the most expensive.

Objectives – Increasing market share in the short-term may come from aggressive price cutting. This may grab the attention of subscribers who also have the choice of domestic Indian TV streaming services.

Products/services – Indian subscribers may want American/European content, which may have lower production costs, supporting a lower subscription price.

Situation – Adapting content to the local market is a long-term project and could succeed over time in such a large and diverse market. Any short-term requirements for market share may require price cuts.

(20)

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Level 2	5–8	<ul style="list-style-type: none"> • Elements of knowledge and understanding which are applied to the business example. • 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. • 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.
Level 3	9–14	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding • Supported throughout by use of the business behaviour/context. • 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. • Quantitative and 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.
Level 4	15–20	<ul style="list-style-type: none"> • Accurate and thorough knowledge and understanding, • Supported throughout by use of relevant and effective use of the business behaviour/context. • Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s). Arguments are fully developed. • Quantitative and 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).

