

Examiners' Report
January 2013

GCE Business Studies 6BS02 01

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Introduction

This is the eighth paper in the series and as in all others it was presented in two sections; a supported multiple choice section with 6 questions, accounting for 24 marks, and a case study in Section B accounting for 46 marks, giving a total of 70 marks. There is very little evidence to suggest that a lack of time was a particular factor affecting how candidates performed. Generally candidates performed less well in the January 2013 series compared to previous series.

In Section A, the supported multiple choice, a lack of knowledge of some basic concepts was apparent. In previous series, candidates had lost marks when they did not explain distracters properly. This was not as evident this time, but as the questions were often answered incorrectly, gaining marks proved more challenging.

In Section B, a case study based around John Lewis stores, candidates did not read the evidence carefully enough. This led to confusion regarding John Lewis's relationship with its employees (partners), and caused significant problems when answering Question 8, where candidates confused delegation and decentralisation. There were often errors on Question 10 (which otherwise was answered well) when some candidates answered the question from the perspective of the partners, rather than the business, and on Question 12, where candidates looked at motivation from the business angle rather than from the employees (partner) angle. Centres worked hard on preparing candidates as many appear to have a good grasp of concepts, but they do not use them to analyse, and, in particular, to evaluate.

Question 1

Most candidates could define span of control and were able to score at least one mark. Whilst there was a tendency for candidates to concentrate on explaining why the distracters were incorrect, this was often done well, enabling high marks on this first question.

The pattern of answers to this question invariably included a definition of the key concept - 'span of control', followed by an explanation of two of the distracters. Occasionally, as in this first example, 2 marks were gained by explaining the correct option, and one by explaining why a distracter was incorrect.

SECTION A

Answer ALL the questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

- 1 (a) James Robinson, a timber merchant, purchased more cutting machines and increased the number of employees. He decided to widen the span of control of his two managers.

Which **one** of the following is an advantage of doing this?

(1)

- A Managers will need to spend less time overseeing employees
- B It will be easier to control a greater number of employees
- C It can provide better opportunities for promotion
- D No additional cost is incurred as no extra managers are needed

Answer

D

(3)

- (b) Explain your answer.

The span of control is the number of subordinates an employee has under their control. By widening the two managers span of control, James can reduce ~~the~~ the costs ~~of~~ ~~by~~ of paying a third manager. It is not A as it will be more time consuming for managers as more people to oversee.



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Examiner Comments

The candidate confidently defines 'span of control' and then goes on to explain how widening the span negates the need for a third manager, immediately showing an understanding of why no additional cost is incurred. A reason is then given explaining why managers will spend more time, not less, overseeing employees.

Question 2

There was a tendency for candidates to supply generic answers to this question with many incorporating the first distracter into their definition. Whilst this was sometimes relevant (depending on whether the candidate had used the keyword 'protection' as part of the definition), it often lessened the candidate's chances of scoring a further mark for explaining the distracter. Candidates tended to score highly when they made an attempt to contextualise their answer by referring to MDB's industrial design market.

2 (a) MDB is a firm specialising in industrial design. As a result of taking out patents it will prevent others from doing all of the following, **except** (1)

- A copying its designs
- B exploiting its inventions
- C selling its inventions
- D entering the industrial design market

Answer

D

(3)

(b) Explain your answer

A patent is something that businesses take out to protect its product idea from being sold/reproduced/replicated by other businesses so that they can gain a profit. A patent does not however stop businesses from entering the industrial design market and using their own idea to create a product. This would just mean that MDB will have a competitor's product competition when trying to sell their product.



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Examiner Comments

The first line of the answer promises little - 'something that a business takes out', but is retrieved by the words 'sold/reproduced/replicated', to gain the knowledge mark. A further mark is gained when the candidate explains that other firms can enter the market with their own ideas, providing competition for MDB.



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Examiner Tip

When the question asks candidates to say that all these statements apply except one item, there is a tendency for candidates to group the three distracters together. This is rarely a good thing to do as the chance of gaining marks is reduced to one at best, even if a reason provided covers all three items.

2 (a) MDB is a firm specialising in industrial design. As a result of taking out patents it will prevent others from doing all of the following, **except**

(1)

- A copying its designs
- B exploiting its inventions
- C selling its inventions
- D entering the industrial design market

Answer

D

(3)

(b) Explain your answer

A patent protects the function of the product of the business. B MDB cannot prevent businesses entering the industrial design market as they do not own it. However they can prevent other businesses copying their designs as it is MDB's own work.



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Examiner Comments

This example is chosen as it is precise and succinct, and gains full marks. An understanding of what a patent delivers, i.e. protection, and what it doesn't deliver, i.e. exclusivity to a market, is followed by a contextual reference to the firm, reinforcing that MDB owns its own work.

Question 3

Many candidates understood the nature of cash on delivery and were able to apply it to the business in question. There were many others who suggested that this was not only an inappropriate method to use, but who also thought it an unfair method.

Questions testing candidates' knowledge of business finances often pose significant problems for candidates, but must be tested. The majority of candidates understood the concept of cash on delivery, but not all saw it as a good way of guaranteeing payment and even fewer were able to confidently explain why checking references and creditworthiness could not ensure payment.

3 (a) Sarah Norman supplies fresh produce to local restaurants in East Yorkshire.

When dealing with a new client, which **one** of the following is **most likely** to ensure payment for Sarah?

(1)

- A Checking on the client's creditworthiness
- B Seeking references from a previous supplier
- C Insisting on cash on delivery
- D Setting a credit limit based on potential risk

Answer

C

(3)

(b) Explain your answer.

Insisting on cash on delivery, will most definitely ensure payment because Sarah knows the client will give her the money as they get their goods. Seeking a reference from a previous supplier doesn't ensure payment because the client could be having cash-flow problems now that they were not having when they were with the previous supplier so the reference may be good but not true for the present. Also checking their credit worthiness may not ensure payment because the client could try find ways not to pay even if their credit is good. (Total for Question 3 = 4 marks)



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Examiner Comments

Although the candidate uses the phrase 'most definitely' instead of 'most likely', it is clear that the idea of cash on delivery is understood. The candidate also realises that financial circumstances in business can easily change so that references from a previous supplier, honestly given, may not reflect the current situation. An explanation of why setting a credit limit cannot guarantee payment is also provided, and whilst this is not perfect, there is enough here to gain a mark.

3 (a) Sarah Norman supplies fresh produce to local restaurants in East Yorkshire.

When dealing with a new client, which **one** of the following is **most likely** to ensure payment for Sarah?

(1)

- A Checking on the client's creditworthiness
- B Seeking references from a previous supplier
- C Insisting on cash on delivery
- D Setting a credit limit based on potential risk

Answer

C

(3)

(b) Explain your answer.

Cash on delivery is the only method to ensure payment. When goods are delivered Sarah can receive full payment in a legal and simple manner, through cash which prevents undue risk that other choices, for example cheques have associated with them, such as the cheque bouncing. This example can then lead to unnecessary legal costs and outlines how cash on delivery is an old-fashioned but effective payment method. (Total for Question 3 = 4 marks)



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Examiner Comments

This candidate scored 2 marks for explanation, whilst taking a slightly unusual but acceptable approach. The candidate chose to contrast the safe method of payment - cash, with a more risky method - the cheque, and in so doing showed a good understanding of why one is certain to be accepted and the other is not.



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Examiner Tip

The third mark for explanation could have been picked up by giving an explanation of one of the distracters. It is a good idea to ask 'have I made three points?'

Question 4

Candidates were clearly aware of Taylor's work in this area and there were many confident responses, usually accompanied by sound explanations of the concept 'piece rate'. Where difficulties existed it was in the attempt to explain why Maslow and Herzberg were inappropriate responses to the required motivational theory.

A number of candidates continue to mention the work of motivational theorists not covered by the specification. Whilst the broadest of knowledge is to be applauded, it is not to be brought up in questions that do not require it. Candidates only need to demonstrate an understanding of Maslow, Taylor and Herzberg motivational theorists.

- 4 (a) Bob Blanchard's business manufactures machine parts. He pays his employees piece rates, believing this achieves 'a fair day's pay for a fair day's work'.

The motivational theory this most closely illustrates is

(1)

- A Maslow's self actualisation needs
- B Taylor's scientific management
- C Maslow's social needs
- D Herzberg's motivational factors

Answer

B

(3)

- (b) Explain your answer.

Taylor believed that all employees cared about is money so therefore a way to motivate them was through piece rate. Piece rate is getting paid by the amount you produce, therefore the harder you work the more you earn. It isn't C as Maslow's hierarchy of needs element of social needs focused on the relationship with other employees not piece rate.



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Examiner Comments

This candidate has given a good answer, immediately explaining that Taylor's theory was about pay as a motivational factor and then linking that to piece rates, with a definition provided. It is easy to go into too much detail when explaining motivational theory but here the candidate does enough to show an understanding of Maslow's social needs without running through the entire theory.

Question 5

Despite the instruction to 'show your workings' the majority of candidates did not do so, including those who were able to define price elasticity of demand and who realised that demand in this case was price inelasticity. Candidates who were confident with the numerical information were able to score full marks with a minimum of written explanation. Others were able to score some marks on explanation alone, but it was disappointing to see that candidates still struggle with this basic and well highlighted concept.

A confident, knowledgeable candidate would have completed this question more quickly than any other. Given the low scores of many candidates, it is recommended that extra work needs to be practised on such examples.

- 5 (a) In May 2011 Liverpool Football Club increased ticket prices by 6 per cent. If the price elasticity of demand was -0.5 , which **one** of the following occurred? (1)
- A Demand fell and revenue increased
 - B Demand increased and revenue fell
 - C Demand increased and revenue increased
 - D Demand fell and revenue remained constant

Answer

A

(3)

- (b) Explain your answer (show your workings).

$$\text{price elasticity of demand} = \frac{\% \text{ change in quantity}}{\% \text{ change in price}}$$
$$-0.5 = \frac{?}{6} \quad -0.5 \times 6 = ? \quad ? = -3$$

Demand fell by -3% , however revenue increased as the product was inelastic and the demand didn't fall enough to decrease revenue, as the ticket prices increased.



ResultsPlus
Examiner Comments

This is the work of a confident candidate. The formula was presented correctly, with figures inserted into that formula. The correct answer was worked out and an explanation given of why demand was price inelastic. Well done!

- 5 (a) In May 2011 Liverpool Football Club increased ticket prices by 6 per cent. If the price elasticity of demand was -0.5 , which **one** of the following occurred?

(1)

- A Demand fell and revenue increased
B Demand increased and revenue fell
C Demand increased and revenue increased
D Demand fell and revenue remained constant

%
> elastic
< inelastic

Answer

A

(3)

- (b) Explain your answer (show your workings).

$$PED = \frac{\% \text{ in demand}}{\% \text{ change price}} = \frac{-3}{+6} = -0.5$$

Price elasticity of demand measured the extent to which demand alters in response to a change in price. As a result of the 6% price addition, demand fell 3% meaning that the ticket prices are inelastic. The answer cannot be C as this would mean that if ticket prices went up demand would also go up, this did not occur at Liverpool FC.



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Examiner Comments

This impressive response could have had the 3 marks twice over; once for the arithmetical calculation and once for the written explanation.

Question 6

A common error made by candidates answering this question was to assume that when using a JIT stock control system supplies will *always* arrive on time. If this could be guaranteed then all firms would consider this method, as stockholding would become a thing of the past. Not enough candidates stopped to think of the logistical problems involved in transport systems, to say nothing of the vagaries of the weather.

6 (a) McFarland's Engineers Ltd is adopting a Just In Time stock system.

Which **one** of the following is **most likely** to result from this?

(1)

- A Supplies will always arrive just before use
- B The cost of delivery is likely to fall
- C It should reduce the level of buffer stock
- D Re-order quantities will increase

Answer

C

(3)

(b) Explain your answer.

Just-in-time stock system orders stock when needed and stock is never stored. It will reduce buffer stock as there is no stock held. The cost of delivery is likely to increase as will not be buying in bulk and therefore not benefiting from economies of scale. Re-order quantities will decrease as stock is only ordered when needed.



ResultsPlus Examiner Comments

This is the answer of a candidate who has a good understanding of the concepts involved. The slightly weak definition of JIT stock order systems is compensated for by the sound understanding of its impact on buffer stock, cost of delivery, and re-order quantities, not to mention economies of scale.



ResultsPlus Examiner Tip

Examination periods are full of pressure so it is understandable that centres will not be able to get candidates out to factories very often and areas of stock control are not the most interesting. Nevertheless there is no textbook that can compensate for a visit to a well run business, or even a not so well run one! Very few businesses operate with zero stock, though they may aspire to do so, whilst many will experience the frustration of a JIT system that is rendered next to useless by periods of extreme weather.

Question 7

Most centres will have told their candidates that questions at the beginning of the case studies always have marks allocated for definitions of key concepts. Where candidates could define profit and explain the concept of the 'long run', 2 marks were available. All too often, even when there was an attempt to define the term profit, answers were incomplete. A sizeable number of candidates also thought day-to-day expenses, such as on raw materials, could be considered important to JLP in the long run. Where candidates used the specific evidence from the case study, marks were obtained.

In these questions marks are allocated for knowledge, application and analysis. Candidates who do not use the case study cannot hope to score full marks. Text book answers are not enough; candidates need to use the evidence provided.

- 7 Explain **one** reason why 'sufficient profit' (see Evidence A, line 24) is important to JLP in the long run.

Profit is the money left to a business after total costs have been subtracted from total revenue. Having sufficient profit is important to JLP as by having it they can maintain the balance between sharing the profit with its partners, and between development of stores. As ^{JLP} they need to pay out more to their partners than they would in dividends to share holders, it is important to maximise profit to be able to pay this amount. By having sufficient profit, JLP can keep their partners happy and ~~can~~ develop their company.



ResultsPlus Examiner Comments

This is a good answer, scoring 3 out of the 4 marks. A knowledge mark is gained for a sound definition of profit and the answer is related to the relevant section of evidence, displaying an understanding of why JLP need sufficient profit.

7 Explain **one** reason why 'sufficient profit' (see Evidence A, line 24) is important to JLP in the long run.

Profit is income minus expenditure, if JLP don't make a sufficient profit then they won't have anything to share with its partners, by reducing the amount of profits the business makes this means that the partners get less of a bonus, if the partners receive less, this could leave them demotivated and not wanting to work as much which will lead to sloppy customer service and the business failing.



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Examiner Comments

This answer uses the evidence to explain why it is important to JLP to have sufficient profit. It uses the example of partner motivation to illustrate the point. The fourth mark could have been gained by showing a greater understanding of the concept 'the long run'.

Question 8

This question was not answered well, primarily because candidates confused delegation (not required), with decentralisation (required). Whilst there was evidence of delegation in the case study, there was also evidence of decentralisation. Candidates should take care to read the question more carefully.

Some decision making within JLP is decentralised.

8 Explain **one** likely disadvantage to JLP of decentralisation.

Decentralised decision making is where each group within a company makes their own decisions rather than a board of directors making all the decisions for them. For example JLP allows some their stores some choice in suppliers and product ranges in order to empower them. However a disadvantage of this is that the workers and employees will not have up-to-date knowledge of the market as the board of directors and consequently they could stock products that do not sell which could cause cashflow problems and a loss of profits.

(Total for Question 8 = 4 marks)



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Examiner Comments

Initially the candidate's explanation of decentralisation was not particularly clear, but gets back on track by reference to stores in the JLP group being allowed to make their own decisions over product ranges. Perhaps a further example would have led to full marks here, but nevertheless the candidate explains a potential problem and how this might affect JLP.

Some decision making within JLP is decentralised.

8 Explain **one** likely disadvantage to JLP of decentralisation.

Decentralisation is when authority is passed down the hierarchy, so the branches have some control over their store and not just the Head Office.

One disadvantage of this is there isn't consistency throughout the shops. One branch may sell a certain product on their store but another doesn't. This could cause uncertainty with customers as they won't be sure if they go to a JL store that they'd stock the good they need. Therefore they may choose to shop in a store which is more centralised.



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Examiner Comments

The candidate explains that branches can make their own decisions over certain aspects of management, such as which products to sell. They then identify a potential problem with this that may impact on JLP. Again a further example with greater application to the case study may have helped, but the basics are covered well.

Question 9

Candidates who did not get to grips with this question did not realise that 'never knowingly undersold' mentioned in the stem, and explained in the text, was a marketing aim. Other candidates grasped this and often scored 4 marks for their first reason. Unfortunately very few candidates did as well to give a second reason.

JLP states that it is: 'Never knowingly undersold'.

9 Analyse **two** reasons why JLP might benefit from this marketing aim.

The phrase 'Never knowingly undersold' refers to JLP offering the lowest prices possible. By having this aim JLP will be able to attract a greater number of customers, as they have the promise that if the product is cheaper elsewhere they will refund the difference. This will ensure customer loyalty and confidence that JLP offer the cheapest possible products.

A second reason is that by having this aim, new customers will go there first before the competition as they are effectively promising the lowest possible prices. This means any new residents to an area with a JLP store will go there first, and JLP will have a greater number of customers.



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Examiner Comments

This candidate understood what 'never knowingly undersold' means and applied it to JLP, offering analysis (ensuring customer loyalty). The second reason was weaker, but was valid (being ahead of the competition by having lower prices).

JLP states that it is: 'Never knowingly undersold'.

9 Analyse **two** reasons why JLP might benefit from this marketing aim.

~~A marketing aim is something that a~~
business

One of the main benefits of this marketing aim is that it increases customer confidence as they know that they will never have to pay more than they have to for a product. By ensuring that if they find their products cheaper elsewhere else they will have the difference refunded by JLP it almost guarantees the revenue they will receive from the customer as they have nothing to lose by buying from JLP. Therefore the ~~margin~~ ^{revenue} that they will lose if they ever spend the money will not be anywhere near as ~~cost~~ costly as not receiving any at all because a mark of their is cheaper.

This leads onto the second benefit which is profit. JLP will be far more likely to sell more products if they adopt this aim as they will either drop their prices to match or beat their rivals, therefore causing consumers to buy from them, or they will pay out a small fee to save consumers which will not make as ^{much of a difference as} ~~much of a difference as~~ ^{the price} ~~the price~~ ^{they are} ~~they are~~ ^{paying} ~~paying~~ ^{for a} ~~for a ^{product} ~~product~~.~~

(Total for Question 9 = 8 marks)



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Examiner Comments

The key to obtaining good marks in this question is the fundamental understanding of the marketing aim. The candidate is aware of this and provides two valid reasons, each with a degree of understanding, enabling a mark of 3 per reason.

Question 10

The majority of candidates scored well on this question, principally because they were able to analyse in context. However, it was disappointing that only a few candidates managed to evaluate, meaning that balance was not provided. Contextual answers were the ones which showed the greatest understanding of why low labour turnover was important to JLP.

Many candidates presented formulaic answers to this question, enabling them to get into a level 3 response for analysis. To score 6 marks or more the answers must be in context and for the higher marks, show balance. The two chosen examples avoided the trap of repeating theory and scored well.

10 Evaluate the likely importance of low labour turnover to JLP.

Labour turnover is the number of employees that have left a company over a certain period of time. ~~It~~ ~~is~~ Low Labour Turn-Over would be important to JLP as they work hard to ensure employee satisfaction, with both financial and non-financial rewards. Hiring new employees requires a business to train them, which is time and cost consuming for the Business, as JLP must achieve 'sufficient profit', this would negatively affect them. Hiring new employees can cause Brand Contamination if their work is not adequate to the company's expectations, something JLP would want to avoid after building a long and respectable reputation. Hiring new employees, however, can be beneficial to a company like JLP as it would bring in new ideas, ~~and~~ and as a company with so ~~much trust and so~~ much belief in its employees, each of whom has a say in its running, could benefit through the fresh ideas and possible knowledge from a previous job.



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Examiner Comments

This candidate's answer was applied to the context early showing why and how low labour turnover was important to JLP. A balance was provided with the realisation that, whilst low labour turnover is the preferred option, there can also be downsides to this.

10 Evaluate the likely importance of low labour turnover to JLP.

Labour turnover is the number of staff that leave a company each year. JLP offers a very generous set of benefits to their employees, including discounts at both John Lewis and "Waitrose" stores, in an attempt to maintain happy workers. Once trained, their workers are likely to stay with the company twice as long as they are in a similar industry. By keeping workers at JLP, they will not have to invest in further training for new workers, so by avoiding this extra cost, they can maintain sufficient profit providing strong sales levels. On the other hand JLP may want new workers entering the business, as they will bring a different set of skills and new ideas for development to those already there. Overall JLP would value low labour turnover highly as happy staff provide good customer service which will result in satisfied customers who will continue to purchase from them.



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Examiner Comments

The answer provided by this candidate makes very good use of the evidence in the case study, employing examples to good effect and creating effective analytical points. There is some balance also but this aspect of the answer was not quite strong enough to guarantee full marks.



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Examiner Tip

As with all questions that ask candidates to 'evaluate' or 'assess', the higher marks can only be gained by having points for and against the argument put forward, and then only if the answers are applied to the business in question.

Question 11

The use of the marketing mix has been tested regularly in this paper, but the twist to this question was in getting candidates to assess the impact of online retailing on JLP's marketing mix. The vast majority of candidates were able to list, in context, the use of product, price, place and promotion by JLP. Fewer candidates were able to argue convincingly about how the approach to changed use of these elements might be affected by the move to online retailing. Even fewer candidates saw any drawbacks from such a move.

In 2011 Chairman Charlie Mayfield stated that: "A 36% rise in online retailing was at the heart of JLP's performance".

11 Assess the likely impact on JLP's marketing mix from the increased use of online retailing.

This marketing mix consists of four factors; price, place, promotion and product. These are the factors which determine how you market your product. If JLP have seen a ^{36%} rise in online retailing, then instead of just having the stores in their 'place', they now also have the internet. JLP's products will not change as ~~the~~ ^{online} retailing doesn't affect this. However, they may have to change their promotion and put adverts for their online sales on the internet. This will increase peoples awareness of their internet site. However, this will be costly for JLP. By adapting where they're selling & also going online, JLP are reducing their costs as they ~~are~~ do not have to pay for things such as rent & electric ~~as~~ as they are online. As a result of lower costs, they can decrease their prices and become more competitive.



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Examiner Comments

This is a good answer as the candidate realises that the marketing mix has to be adapted and offers ways in which this can be done. There is evidence of the effects this may have on the business e.g. reductions in cost enabling JLP to be more competitive. Whilst there is some awareness of the negative effects of these adaptations, the answer is not strong enough to gain full marks.

In 2011 Chairman Charlie Mayfield stated that: "A 36% rise in online retailing was at the heart of JLP's performance".

11 Assess the likely impact on JLP's marketing mix from the increased use of online retailing.

The marketing ^{mix} is the mix of four main aspects of marketing: Price, promotion, Product and Place.

JLP's increased use of online retailing is the result of competitors' investment in the field.

It would effect the marketing mix by presenting them with only three aspects to focus on.

The internet gives JLP the opportunity to show flexibility in promotions and price as the cost of holding the items is lower. As it is accessible nationwide, the online retail segment of JLP's

business makes it easier to appeal to customers in regards to place as it isn't exclusive to certain areas. This would lead to an increased customer base and less barriers to JLP's trade. However

this increased use of online retailing may result in the negligence of their instore retail with the heavy investment online. Their instore performance may suffer as a result of focused

promotion on online retail. Overall JLP will be able to access a wider consumer base, the online generation, and build brand loyalty even further.



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Examiner Comments

This is a well produced answer as the candidate is suggesting there can be flexibility in promotion and price, as a result of the increased use of online retailing. However there is no evidence that JLP has neglected its stores (as suggested by the candidate). It would be far better for the candidate to suggest that adaptations of the mix may need to be made in order to prevent this happening and then to suggest what these could be. However, the answer is still good enough to warrant 6 marks.

Question 12

Candidates who focused on factors affecting the motivation of JLP partners regularly scored at least 4 marks in each part of this question, but the explanation of how non-financial factors could have motivated partners was given in a theoretical way, rather than referring to examples in the case study. Given that the last question is always phrased in an evaluative form, many candidates assume, for instance, that financial incentives are good, but do not provide drawbacks or caveats. It is recommended that candidates are given more opportunities to practise evaluation questions.

*12 Evaluate the use of each of the following as means of motivating JLP partners:

(a) profit sharing

(7)

~~But~~ Profit sharing is a form of financially ~~incentive~~ incentivising partners / employers, profit sharing is where a certain percentage of profit is divided amongst partners as a form of motivation. Profit sharing ^{is a well formed incentive.} ~~depends on the way the~~ as if ~~work~~ ^{profit of} partners feel their work affects the overall ~~profit of~~ the business, they are motivated to work harder to achieve this. A downside to profit sharing holds the conflict amongst partners, for EXAMPLE one partner receiving more than another will result in ^{the} demotivated, unsatisfied attitudes ~~of~~ of workers which will affect their work. Profit sharing can however, instill a culture of team work, a social factor ^{which} ~~is~~ theorist Maslow believed important. With a team feel workers are motivated to work together sharing ideas. Waitrose are known for hiring based on willingness to help & personalities; increasing customer satisfaction ∴ loyalty. I see profit sharing as a fantastic motivator for JLP partners due to the above advantages outweighing the disadvantages.

(b) non-financial incentives.

(7)

A non-financial incentive is motivation without the monetary reward EG: piece rate / bonus/profit share. Instead instilling appraisal for ~~workers~~ ^{good work,} or job enrichment.

Benefits of appraisal are such that if workers feel they are appreciated they are more inclined to carry on and improve their work.

Job enrichment ~~is~~ being a more varied work ~~is~~ giving workers added responsibility makes them feel important and desire to improve, as well as avoiding job boredom. HOWEVER, more responsibility can lead to ^{work} over-load and dis-satisfaction of workers.

Could be bad for JLP as they need ~~workers~~ ^{all} partners working to full capacity to ensure large profit.



ResultsPlus Examiner Comments

This candidate has made a good attempt to analyse and evaluate in the first part of the question, by looking at how partners may be motivated by profit sharing. The candidate contrasts this with the idea that one partner receiving more than another may lead to resentment. There is a specific attempt to contextualise the first section and the candidate is rewarded for this. The second part of the answer appears to be rushed, with points made quickly, and there is no reference to the evidence presented in the case study. It is a purely theoretical argument and marks are lower because of this. A mark of 11 out of 14 is still a pleasing outcome.



ResultsPlus Examiner Tip

Although this question shows there are fewer examples of candidates running out of time, it may be opportune to suggest that the question with the highest allocation of marks should be attempted before the last ten minutes of the time allocation.

*12 Evaluate the use of each of the following as means of motivating JLP partners:

(a) profit sharing

(7)

Each employee gets an envelope and a percentage of salary. Everyone benefits from this.

This can be used to create job satisfaction when using money (bonuses) as a motivational factor but also can be used to increase profit for the company. Workers know that the higher profit the company gets, the more money they will receive. Like in Taylor's scientific management. Workers will try and work hard to increase profit for the company.

This has an impact on staff and motivates them to make the best of the company.

JLP partners are offered the chance to stay at one of five holiday centers for their benefit at discounted rates.

Non-financial incentives such as opportunity of promotion.

Partners are asked to take an active role as owners. Individual stores have some control over product range and choice of suppliers. This is a non-profitable incentive. It shows partners that they have control in the business and their choices matter. This can be used to make partners feel important and increase their job satisfaction which leads to better work efficiency and a low labour turnover.

This will definitely motivate staff members as they ~~feel~~ are made to feel important.



ResultsPlus
Examiner Comments

This candidate clearly understands the way in which JLP attempts to motivate its workers with financial and non-financial incentives. The benefits to workers are extolled but there is no attempt to evaluate e.g. no downsides are examined. Consequently the marks awarded cannot rise above level 3.

Paper Summary

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

Never group the three distracters when explaining why these points are incorrect

Always read the case study carefully and use it wherever possible in Section B to provide context to your answer

Questions that require assessment or evaluation need a balanced answer and always in context

Try to pace giving answers so that the highest mark question is not left to be completed in the last few minutes

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