



A-LEVEL BUSINESS 7138/2

Paper 2

Mark scheme

Sample assessment material

Version: 1.0

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Marking guidance

- Be clear on the demands of the question.
- Read the response as a whole; follow the flow of the argument as a whole.
- Be positive in your marking. Look to reward what is there.
- Remember that the indicative content provides possible lines of argument but there may be others that are equally valid. Be willing to credit other lines of argument.
- Annotate the script as you read in accordance with the instructions given at standardisation.
- Consider what it all adds up to, eg is this a good response? A reasonable one? A limited one? Refer back to the standardisation scripts and guidance to help you benchmark. You are marking to the standard agreed at standardisation. Be careful of the standard you are marking at drifting when you have a big centre; refer back to standardisation scripts.
- Summarise your findings briefly at the end of the response. This will help you decide on the overall level and is helpful for others to understand the mark given.
- Next to your comment put the level awarded, eg L4.
- If in doubt about an approach contact your Team Leader, do not make up your own rules because we must have a standardised approach across all marking.

The following should be used at the end of the response:

L1	Level 1
L2	Level 2
L3	Level 3
L4	Level 4
L5	Level 5

0 1 . 1 SHEIN values teamwork.

Analyse how teamwork can contribute to SHEIN's success.

[6 marks]

ANALYSE: 6 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2

3	<p>A good response overall that focuses on many of the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis 	5–6
2	<p>A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis 	3–4
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • some knowledge and understanding • limited application to the context • limited analysis 	1–2

The demands of the question are:

- to demonstrate knowledge and understanding of teamwork (AO1)
- in the context of SHEIN (AO2)
- to analyse how teamwork can contribute to SHEIN's success (AO3).

Arguments

- Teamwork can improve communication and collaboration between employees facilitating a continuous improvement approach as part of SHEIN's commitment to lean production techniques.
- Teamwork can lead to greater creativity and better problem solving contributing to the efficiency that lies at the heart of SHEIN's success.
- With nearly 10,000 employees globally, effective teamwork can be critical in ensuring coordination between workers in different functions and countries, improving efficiency.

All relevant arguments will be credited.

0 1 . 2 Analyse why SHEIN does not offer a ‘next-day delivery’ service in the UK.

[6 marks]

ANALYSE: 6 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2

3	<p>A good response overall that focuses on many of the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis 	5–6
2	<p>A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis 	3–4
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • some knowledge and understanding • limited application to the context • limited analysis 	1–2

The demands of the question are:

- to demonstrate knowledge and understanding of operations (AO1)
- in the context of SHEIN (AO2)
- to analyse why SHEIN does not offer a ‘next-day delivery’ service in the UK (AO3).

Arguments:

- SHEIN’s main warehouse is situated in China and its business model relies on maintaining low inventory levels so it is not realistic to offer a next-day delivery service.
- The logistics involved in implementing a next-day delivery service would be very expensive and so have a negative impact on cost-competitiveness.
- SHEIN competes on price. Its customers are likely to be price-sensitive and therefore unlikely to want to pay a premium for next-day delivery.

All relevant arguments will be credited.

0 1 . 3 Assess whether SHEIN’s ‘sustainability mindset’ is likely to improve its competitiveness.

[9 marks]

EVALUATE: 9 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2, AO4 = 3

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information 	7–9
2	<p>A reasonable response overall that focuses on some demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information 	4–6
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of sustainability (AO1)
- in the context of SHEIN (AO2)
- to analyse how a ‘sustainability mindset’ can improve SHEIN’s competitiveness (AO3).

Arguments for SHEIN’s ‘sustainability mindset’ improving its competitiveness:

- Reducing wastage within the supply chain is part of sustainability and is a key part of the company’s approach to competitiveness. Less wastage may reduce costs and enable SHEIN to maintain low prices.
- Sustainability is an increasingly important focus for many stakeholders and so SHEIN’s commitment to cut its total CO₂ emissions when those of the industry are predicted to rise by 45% by 2030 may be an important differentiator.

Arguments against SHEIN’s ‘sustainability mindset’ improving its competitiveness:

- Consumers of fast fashion may be unlikely to value sustainability and so focusing on it may have little impact on competitiveness, especially if it leads to higher prices.
- Commitments relating to sustainability may be very difficult for a rapidly growing company to achieve and failing to honour them may cause significant damage to the SHEIN’s reputation and therefore competitiveness.
- Because of the market SHEIN operates in, it may be very difficult to convince consumers that it can ever operate in a truly sustainable way.

Judgement:

- A sustainable approach may help to differentiate SHEIN in its immediate marketplace if it can make genuine and meaningful steps to reduce its environmental impact.
- However, this can be a high-risk approach for a business in an industry which is inherently extremely resource-intensive and whose growth plans seem difficult to reconcile with genuine sustainability.

All relevant arguments and judgements will be credited.

0 1 . 4 Assess whether SHEIN’s approach to quality is likely to increase its profits.

[9 marks]

EVALUATE: 9 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2, AO4 = 3

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information 	7–9
2	<p>A reasonable response overall that focuses on some demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information 	4–6
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of quality (AO1)
- in the context of SHEIN (AO2)
- to analyse SHEIN’s approach to quality (AO3)
- to support a judgement on whether this is likely to increase profits (AO4).

Arguments for SHEIN’s approach to quality increasing its profits:

- Quality control checks at the warehouse can mean that faulty items are not stored and distributed. This can reduce costs of returns improving profits. This can also improve custom satisfaction with might help sales and profits.
- Treating employees like internal customers should mean less mistakes, less re-work and less inefficiency. This can boost costs and improve the profits.

Arguments against SHEIN’s approach to quality increasing its profits:

- Quality checks can take time and cost money reducing profits.
- Strict quality standards for durability factors may not be appropriate given the fast-fashion nature of the company’s products. High quality standards may reduce what is sold reducing profits.

Judgement:

- A focus on improving quality may play an important part in cutting costs and improving the customer experience, which can contribute to lower unit costs and higher sales and help improve profits.
- However, it depends on the costs of quality relative to the benefits it generates.

All relevant arguments and judgements will be credited.

0 1 . 5 Which is more important to SHEIN's success:

- its use of lean production
- or
- its relationship with suppliers?

Assess both options and make a judgement.

[15 marks]

EVALUATE: 15 marks

Marks for this question: AO1 = 3, AO2 = 3, AO3 = 4, AO4 = 5

Level	The student will typically demonstrate	Marks
5	<p>An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context throughout • good analysis throughout • excellent evaluation of quantitative and/or qualitative information • a convincing judgement/recommendation which is built effectively on strong arguments and weighs up both options 	13–15
4	<p>A good response overall that focuses on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • good evaluation of quantitative and/or qualitative information • a clear judgement/recommendation which is supported by arguments and considers both options 	10–12
3	<p>A reasonable response overall that focuses on some demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • reasonable knowledge and understanding • reasonable application to the context • reasonable analysis • reasonable evaluation of quantitative and/or qualitative information • a judgement/recommendation which is supported by some of the arguments made 	7–9
2	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • limited knowledge and understanding 	4–6

	<ul style="list-style-type: none"> • limited application to the context • analysis with little development • limited evaluation of quantitative and/or qualitative information to support the arguments • a judgement/recommendation which has limited support 	
1	<p>A weak response overall lacking focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • isolated or imprecise knowledge and understanding • descriptive application to the context • weak analysis • weak evaluation of quantitative and/or qualitative information • a judgement/recommendation based on assertions 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of lean production and relationships with suppliers (AO1)
- in the context of SHEIN (AO2)
- to analyse the options given (AO3)
- to support a judgement on which one is more important to SHEIN’s success (AO4).

Arguments for lean production:

- Lean production aims to minimise waste throughout the organisation and may be critical in helping SHEIN compete in a market where reducing cost may be a more realistic option than increasing selling prices.
- Lean production reduces SHEIN’s inventory and handling costs allowing the company to compete more effectively on price in a market which is crucial to its strategy.
- The company’s computer programmes are a key part of its lean production process and helps to differentiate it through quicker market response and delivery times. SHEIN has less unsold inventory so will have to do less discounting.

Arguments for supplier relationships:

- The standard of materials, timely and reliable delivery from suppliers and integration of supplies with the on-demand production process are critical to SHEIN’s operating model and its customer offer.
- With 600,000 items on sale at any point, being able to control the supply chain is crucial in offering timely fulfilment and meeting customer demand.
- Good supplier relationships may allow the company to reduce costs of sourcing products and so improve its cost competitiveness.

Judgement:

- Lean production can help to minimise costs and reduce lead times which are both important parts of SHEIN’s strategy.
- Relationships with suppliers are critical for a business that sets high product quality standards and wants to reduce wastage in its operations.
- Having good supplier relationships might be seen as an important element of a lean production process and so businesses such as SHEIN are likely to incorporate it into their operations. It may be, therefore, that both are important to SHEIN’s success.

All relevant arguments and judgements will be credited.

0 2 . 1 Analyse how Netflix might benefit if the proposed changes to remote working happen (see **Table 2**).

[6 marks]

ANALYSE: 6 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2

3	<p>A good response overall that focuses on many of the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis 	5–6
2	<p>A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis 	3–4
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • some knowledge and understanding • limited application to the context • limited analysis 	1–2

The demands of the question are:

- to demonstrate knowledge and understanding of remote working (AO1)
- in the context of Netflix and Table 2 (AO2)
- to analyse how Netflix might benefit if the predicted changes to remote working happen (AO3).

Arguments

- Rates of remote working are predicted to increase by 10% by 2030 (compared to 2023).
- Greater remote working may increase the availability of talented workers whom Netflix could employ if the company does not need them to work from specific company-operated locations.
- Greater adoption of remote working practices may allow Netflix to reduce operating costs such as renting office space.
- A move towards remote working could improve employee performance through reduced time spent commuting.

All relevant arguments will be credited.

0 2 . 2 Recent strike action has delayed Activity C in **Appendix A** by 5 months.

Analyse how this delay might affect Netflix.

Use **Appendix A** and relevant calculations in your answer.

[6 marks]

ANALYSE: 6 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2

3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis 	5–6
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis 	3–4
1	<p>A limited response overall with little focus on the demands of the question</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • some knowledge and understanding • limited application to the context • limited analysis 	1–2

The demands of the question are:

- to demonstrate knowledge and understanding of network diagrams and the potential impact of a delay (AO1)
- in the context of the information provided (AO2)
- to analyse how a delay might affect Netflix (AO3).

Arguments

- The critical path changes from ABDEH to ACEH.
- Activity C previously had a float time of 2 months and so the delay to C means that the earliest start time for activities E, F & G is now 12 months rather than 9.
- The project is likely to be delayed by a total of 3 months which will mean it cannot be screened as scheduled for 17 months.
- This will affect subscriptions and budgets which might either affect profits and share price or lead to cost cutting elsewhere.

All relevant arguments will be credited.

0 2 . 3 Assess whether greater diversity and inclusion in its workforce is likely to increase Netflix's profits.

[9 marks]

EVALUATE: 9 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2, AO4 = 3

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information 	7–9
2	<p>A reasonable response overall that focuses on some demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information 	4–6
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of diversity and inclusion (AO1)
- in the context of Netflix (AO2)
- to analyse the effect of greater diversity and inclusion in the workforce (AO3)
- to support a judgement on whether greater diversity and inclusion in its workforce will increase Netflix's profits (AO4).

Arguments for greater diversity and inclusion in its workforce increasing Netflix's profits:

- Better representation is likely to promote equitable outcomes for employees and allow a company that targets its programmes at a huge market to reflect the nature of its customer base. Should lead to better commission and content.

- Having staff from a diverse range of backgrounds can help Netflix benefit from a range of approaches to solving problems, potentially more innovative content and services leading to more subscriptions, better satisfaction ratings and customer retention.
- Ensuring that talent management processes value diversity ensures that Netflix can access the widest possible talent pool – important for a company that relies on so much in people for creativity and performance.

Arguments against greater diversity and inclusion in its workforce increasing Netflix’s profits:

- Different perspectives, opinions and ideas may slow down decision-making, adding complexity to processes and making the role of ‘ship’s captain’ more difficult at times when rapid decisions may be critical to preventing project delays which increase costs.
- Ensuring diversity is supported, monitored and maintained can increase costs in terms of training managers and implementing systems which can reduce profits.

Judgement:

- Diversity has potential benefits in delivering more creative and innovative programmes resulting from a better understanding of wide a range of customers and so can increase revenues and profits.
- However, operational activities may become more complicated as a result of communication issues and added complexities in recognising a wider range of diverse views.
- But global organisations which operate in mass markets are likely to benefit from diverse workforces.
- The benefits of diversity may not be fully realised if representation is not throughout the organisation – for example, if glass ceilings are perceived to prevent access to senior roles.

All relevant arguments and judgements will be credited.

0 2 . 4 Assess whether giving shares is a good way for Netflix to reward its employees.

[9 marks]

EVALUATE: 9 marks

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2, AO4 = 3

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information 	7–9
2	<p>A reasonable response overall that focuses on some demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information 	4–6
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of shares (AO1)
- in the context of Netflix (AO2)
- to analyse shares as a reward (AO3)
- to support a judgement on whether giving shares is a good way for Netflix to reward its employees (AO4).

Arguments for giving shares being a good way for Netflix to reward its employees:

- Share ownership can improve employee engagement and motivation at Netflix where employees believe they are sharing in the company's long-term success. This can be part of Netflix's desire to recognise high performers by adding to the reward package.
- Improved HR measures may result when employees can see a link between their personal performance and that of the business.

- Share ownership does not directly affect cash-flow or profitability and so may be seen as a financially effective way of rewarding employees.
- Share ownership aligns the objectives of Netflix employees with those of the company encouraging them to consider the impact of their efforts on corporate objectives such as revenue, subscriber numbers and profit, which might not normally be considered.
- Share ownership can be appreciated by employees as their wealth increases eg when share price of Netflix rose 2020- to end of 2021.

Arguments against giving shares being a good way for Netflix to reward its employees:

- In 2022 the share price fell significantly and so the motivational impacts of share ownership may be significantly affected at such times and may also cast doubt in employees' minds over the benefit of future share awards.
- The original shareholders will see a dilution of their ownership of the company which may not be matched by the benefits.

Judgement:

- Share ownership has many benefits and may be appropriate for Netflix which is experiencing revenue growth and which relies on dynamic and high-performing individuals who share a sense of commitment to team / corporate goals. It may contribute to sense of a team if all benefit from a higher share price.
- However, benefits may be limited by issues relating to implementation, equitable design of the scheme, lacklustre share price growth over the last 5 years and the opportunity cost to the existing shareholders.
- May depend on how many shares given to an employee and the significance of this in relation to the overall remuneration.

All relevant arguments and judgements will be credited.

0 2 . 5 Which is more likely to contribute to Netflix’s future growth:

- its use of digital technology
- or
- its culture?

Assess both options and make a judgement.

[15 marks]

EVALUATE: 15 marks

Marks for this question: AO1 = 3, AO2 = 3, AO3 = 4, AO4 = 5

Level	The student will typically demonstrate	Marks
5	<p>An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context throughout • good analysis throughout • excellent evaluation of quantitative and/or qualitative information • a convincing judgement/recommendation which is built effectively on strong arguments and weighs up both options 	13–15
4	<p>A good response overall that focuses on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • good evaluation of quantitative and/or qualitative information • a clear judgement/recommendation which is supported by arguments and considers both options 	10–12
3	<p>A reasonable response overall that focuses on some demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • reasonable knowledge and understanding • reasonable application to the context • reasonable analysis • reasonable evaluation of quantitative and/or qualitative information • a judgement/recommendation which is supported by some of the arguments made 	7–9
2	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • limited knowledge and understanding 	4–6

	<ul style="list-style-type: none"> • limited application to the context • analysis with little development • limited evaluation of quantitative and/or qualitative information to support the arguments • a judgement/recommendation which has limited support 	
1	<p>A weak response overall lacking focus on the demands of the question. Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • isolated or imprecise knowledge and understanding • descriptive application to the context • weak analysis • weak evaluation of quantitative and/or qualitative information • a judgement/recommendation based on assertions 	1–3

The demands of the question are:

- to demonstrate knowledge and understanding of digital technology (in operations) and culture (AO1)
- in the context of Netflix (AO2)
- to analyse the options given (AO3)
- to support a judgement on which is more likely to contribute to Netflix’s future growth (AO4).

Arguments for the use of digital technology:

- Digital technology allows the company to receive a range of data relating to its current content and therefore is an important source of market research information, helping it compete in a growing sector.
- Personalised recommendations are facilitated and so the company can better meet the needs of users, improving their experience and so Netflix’s competitiveness.
- Digital technology affords improved efficiency when producing original content. This can reduce costs, improve product quality and increase output and thus improves competitiveness.
- Digital technology improves the quality of delivery leading to more subscriptions eg because of the smooth streaming of content and better-quality video.

Arguments for the company’s culture:

- The company operates with very few rules suggesting it has a strong culture that is widely understood and may support operational effectiveness when quick decisions are needed.
- A culture where employees are trusted to make the right decisions and given freedom and responsibility may be motivational and so lead to increased productivity and quality which can differentiate Netflix from competitors.
- Common approaches to decision-making should promote familiarity with shared working practices, allowing project and cross-functional teams to work effectively.

Judgement:

- Because it uses technology to create and deliver its services, digital innovations may be vital in gathering market research, developing products and improving the delivery of content to differentiate Netflix and so allow it to survive and grow in a competitive market.
- However, a strong culture can be crucial in a service-sector business if it can foster innovative solutions as a result of staff sharing a common set of values and approaches to creating value as Netflix looks to consolidate its market leadership in a growing market.
- The culture may support the development and successful use of the digital technology.

All relevant arguments and judgements will be credited.