

# Oxford Revise | Edexcel GCSE Business | Answers

## Chapter 24 Product

**24.1** Award 1 mark for the correct answer: **C** Function.

**A**, **B** and **D** are not correct because they are all part of the marketing mix.

**24.2** Award 1 mark for each correct answer. The correct answers are: **B** Decline and **E** Launch.

**A** and **D** are not correct because they refer to the design mix, and **C** is not correct because it is a way to create a competitive advantage.

**24.3** Award 1 mark for identifying one benefit, plus up to 2 further marks for explaining this benefit. Here is an example of a 3-mark answer:

- *Using the design mix helps a business make a profit (1).*
- *It helps a business design products that customers desire (1), at a cost of production that allows the business to make a profit (1).*

**24.4** Award 1 mark for identifying one benefit, plus up to 2 further marks for explaining this benefit. Here is an example of a 3-mark answer:

- *Exporting products overseas gives a business access to new markets (1).*
- *This increases the number of customers buying the business's products (1), and increases the profitability of the business (1).*

**24.5** Award up to 6 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–2	<ul style="list-style-type: none"> <li>• The answer demonstrates elements of knowledge and understanding of business concepts and issues. It contains limited business terminology.</li> <li>• The answer attempts to explore business information and/or issues. It contains limited connections between points.</li> </ul>
2	3–4	<ul style="list-style-type: none"> <li>• The answer demonstrates mostly accurate knowledge and understanding of business concepts and issues. It includes appropriate use of business terminology in places.</li> <li>• The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent.</li> </ul>

3	5–6	<ul style="list-style-type: none"> <li>The answer demonstrates accurate knowledge and understanding of business concepts and issues throughout. It includes appropriate use of business terminology.</li> <li>The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning.</li> </ul>
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### Relevant points that could be included

- There are four phases to the product life cycle: launch, growth, maturity and decline. Understanding which phase a product is in helps a business predict sales and adjust its promotional strategies to maximise sales and profit.
- It is important to try and maintain the maturity phase of the product life cycle for as long as possible, because this is the phase when sales are at their highest point and the product is bringing profit into the business. Extension strategies are used to extend the maturity phase.

**24.6** Award 2 marks for linked points that apply to the case study. Award 1 mark if the points are not linked or do not apply to the case study. Here is an example of a 2-mark answer:

- Agri-Jam plc is able to use its ethical policies as part of its promotional campaigns (1).*
- This will attract customers who have similar ethical values to the brand (1).*

**24.7** Award 2 marks for linked points that apply to the case study. Award 1 mark if the points are not linked or do not apply to the case study. Here is an example of a 2-mark answer:

- Agri-Jam plc uses natural sweeteners rather than added sugars in its jams (1).*
- This means that Agri-Jam plc's products are healthier than those of its competitors (1).*

**24.8** Award up to 6 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–2	<ul style="list-style-type: none"> <li>The answer contains limited application of knowledge and understanding of business concepts and issues to the case study.</li> <li>The answer attempts to explore business information and/or issues. It contains limited connections between points.</li> </ul>
2	3–4	<ul style="list-style-type: none"> <li>The answer contains sound application of knowledge and understanding of business concepts and issues to the case study, although there may be some inconsistencies.</li> <li>The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent.</li> </ul>

3	5–6	<ul style="list-style-type: none"> <li>The answer contains detailed application of knowledge and understanding of business concepts and issues to the case study throughout.</li> <li>The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning.</li> </ul>
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### Relevant points that could be included

- Product differentiation is very important to Agri-Jam plc. It gives its jams a competitive advantage and makes them stand out from the competition.
- The importance of having a unique selling point is demonstrated by the fact that sales have fallen by 30% since competitors have started to create similar, healthier jams. This shows that Agri-Jam plc needs to think about how it can continue to differentiate its products to avoid losing market share to competitors.

**24.9** Award up to 9 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–3	<ul style="list-style-type: none"> <li>The answer contains limited application of knowledge and understanding of business concepts and issues to the case study.</li> <li>The answer attempts to explore business information and/or issues. It contains limited connections between points.</li> <li>The answer contains a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made.</li> </ul>
2	4–6	<ul style="list-style-type: none"> <li>The answer contains sound application of knowledge and understanding of business concepts and issues to the case study, although there may be some inconsistencies.</li> <li>The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent.</li> <li>The answer contains a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made.</li> </ul>
3	7–9	<ul style="list-style-type: none"> <li>The answer contains detailed application of knowledge and understanding of business concepts and issues to the case study throughout.</li> <li>The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning.</li> <li>The answer contains a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made.</li> </ul>

## Relevant points that could be included

- Agri-Jam plc is a well-known brand, and it can use its strong brand to successfully launch a new product range: fruit-based sweets for children. The business will need to consider factors such as function, aesthetics and cost to develop a profitable range of sweets.
- Agri-Jam plc's jams are entering the decline phase of their product life cycle, which means sales are likely to decrease over time. In contrast, the new range of fruit-based sweets will be in their launch phase and then their growth phase, which means sales should be increasing over time.
- Agri-Jam plc should choose to launch a new range of fruit-based sweets for children, as it will help the business to diversify its product range. However, the business should be ready to invest heavily in promoting the new range to ensure a successful launch.