GradeMax

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Pearson Edexcel
International
Advanced Level

Centre Number | Candidate Number

Tuesday 7 January 2020

Morning (Time: 2 hours) | Paper Reference **WBS11/01**

Business

International Advanced Subsidiary/Advanced Level
Unit 1: Marketing and people

You must have:
Source Booklet (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Sections A, B and C.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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SECTION A

Read Extracts A and B in the Source Booklet before answering Question 1.

1 (a) Define the term 'uncertainty'. (Extract B, line 8)

(2)

(b) Construct a supply and demand diagram to show the impact of increasing farming costs on the Bulgarian food market.

(4)

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(c) Analyse **two** entrepreneurial characteristics that Rossi Mitova has that may have contributed to her success.

(6)

(d) Discuss the advantages for small businesses, such as the farms in Bulgaria, of using an online retailing service to sell their products.

(8)

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The farmers using the *Farmhopping* online service to sell produce must share the same social objectives as *Farmhopping*.

(e) Assess if there is a trade-off between social objectives and profit for these farmers.

(10)

(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

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SECTION B

Read Extract C in the Source Booklet before answering Question 2.

2 (a) Define the term 'secondary market research'. (Extract C, line 6)

(2)

(b) Using Extract C, calculate to 2 decimal places, the percentage change in sales revenue for *Skechers* between 2016 and 2017. You are advised to show your working.

(4)

(c) Analyse **two** advantages of using focus groups for a business such as *Skechers*.

(6)

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(d) Discuss how the product life cycle may help *Skechers* develop its product portfolio.

(8)

(e) Assess the extent to which a centralised organisational structure may benefit *Skechers*.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extracts D and E in the Source Booklet before answering Question 3.

3 *Nestlé* provides a flexible working environment.

Evaluate the extent to which a flexible workforce may benefit *Nestlé*.

(20)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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Source Booklet

Do not return this Source Booklet with the question paper.

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Sources for use with Section A

Extract A

Fresh food from small farms

Farmhopping is an online retailing service, started by Rossi Mitova, which lets small farms in Bulgaria sell their products directly to customers. Rossi started the business when a local farmer, who was struggling with rising farming costs and competition from larger farms, asked her for help.

Farmhopping is now a successful business that employs 15 people and allows people to shop online for fresh food from more than 100 small farms across Bulgaria. The online service enables the farmers to get a fair price for their produce and reduces the need to sell to intermediaries such as wholesalers and supermarkets. Farmers pay a fee to *Farmhopping* for using the website.

To sell on the *Farmhopping* website, farmers must share the same social objectives as *Farmhopping*. Farmers must support environmentally friendly farming methods such as not using chemicals and pesticides, ensuring fair treatment of farm animals and respecting the landscape and wildlife. Food sold on the website must be fresh, natural and organic and packaged using recyclable materials.

In 2017, Rossi Mitova, was recognised as one of the top 100 women entrepreneurs and Forbes magazine included her in its social entrepreneurship awards.

Extract B

About Rossi Mitova

Rossi has always been inspired by challenging what she saw and taking action. When she was asked to help save the small farm in Bulgaria that was struggling to survive, it gave Rossi a perfect opportunity to combine her biggest passions, which were nature, food and business. Rossi worked hard to create the *Farmhopping* website and convince farmers to use her online service.

In an interview Rossi said "The most challenging parts of starting the business were learning to deal with the uncertainty and to be a good leader. I have worked hard at selecting the right team and motivating them while ensuring we are true to the social objectives of *Farmhopping*. I have made many mistakes on the way but learn from my mistakes. I always listen to the feedback from others and work hard on continually improving the business. The one thing I am most proud of is that I never give up despite the many setbacks and challenges I have faced in business".

Source for use with Section B

Extract C

About *Skechers*

Skechers is a global footwear company that designs and develops shoes for men, women and children. It sells its products online and in more than 2,700 shops in 170 countries through its established distribution channels. The annual sales revenue of the business increased from $3.52bn in 2016 to $4.16bn in 2017.

Skechers marketing department uses both primary and secondary market research. Focus groups and interviews are used during the design stage to collect opinions on new shoes before they are launched onto the market. Focus groups are also used to gain feedback on the performance and comfort of existing styles of shoes. Since 1992 when it launched its first shoe, the company has diversified into several new lines, targeting different market segments and different activities.

The range is updated regularly and includes shoes for walking, work and casual wear. The portfolio includes 3,000 different styles of footwear for all ages that offer quality and comfort. Its best-selling shoe is the Go-Walk brand, sold globally. More recently the company has designed and sold shoes for athletes and is now competing with companies such as *Nike* and *Adidas*.

Organisation of *Skechers*

Although *Skechers* has offices and shops globally it has maintained a centralised organisational structure. At the corporate headquarters in California, USA, *Skechers* research, design, and develop the shoes as well as controlling global marketing campaigns and operations. Offices based in South America, Europe and Asia oversee the regional operations.

David Weinberg is the Chief Operating Officer (COO) based in the USA head office. He is responsible for the day-to-day operations. These include planning *Skechers* policies and objectives and developing financial and distribution strategies to expand the business.

Sources for use with Section C

Extract D

About *Nestlé*

Nestlé is the world's largest food and drinks company, founded in 1866 by Henri Nestlé. Its global competitors include *Unilever, Kraft Heinz, Danone* and *Mars.*

In 2017 *Nestlé*:

- Had more than 2,000 brands in its portfolio
- Sold goods in 189 countries around the world
- Operated 413 factories in 85 countries
- Achieved sales of 90bn Swiss francs.

Extract E

Flexible working at *Nestlé*

Nestlé employs more than 328,000 workers in offices and factories around the world. Workers are key to the success of the business and *Nestlé* aim to promote a good culture and a healthy lifestyle inside and outside of work.

In many of the countries where it operates, *Nestlé* provide a flexible working environment. This means employees and managers can agree on when, where and how employees work, so they can better balance personal needs and business requirements. For many people getting the balance between work and home is difficult and to help manage a good work-life balance, *Nestlé* has introduced several measures to support its workers.

These measures include:

- allowing people to work flexible hours instead of fixed start and finish times
- offering part-time, job-sharing and zero-hours contracts
- allowing people to work from home
- creating a dog-friendly office at some workplaces.

Acknowledgements

Extract A adapted from: © European Union, 1995-2019

Extract B adapted from: https://the-hundert.com/startups/rossi-mitova-of-farmhopping-saving-farms-with-e-commerce-technology/

Extract C adapted from: http://about.skechers.com/about/

Extract D adapted from: https://www.nestle.com/ AND https://www.nestle.co.uk/media/newsfeatures/creating-a-flexible-working-environment

Extract E adapted from: https://jobs.nestle.com/en/inside-nestle

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