GradeMax

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International Advanced Level

Time 2 hours

Paper reference **WBS11/01**

Business

International Advanced Subsidiary
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.

Write your answers in the spaces provided.

1 (a) Define the term 'market share'. (Extract A, line 10)

(2)

(b) Explain **one** factor influencing the demand for the rental of electric scooters.

(4)

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(c) Analyse **two** elements of the design mix, which may be important to the success of electric scooters.

(6)

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Electric scooter manufacturers sell their products directly to businesses (B2B) and directly to consumers (B2C).

(d) Discuss the likely differences in the marketing strategy for B2B and B2C sales of electric scooters.

(8)

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(e) Assess the possible risks to an entrepreneur of starting a business to rent out electric scooters in the UK.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

Read Extracts C and D in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'revenue'. (Extract C, line 14)

(2)

(b) Construct a supply and demand diagram to show the impact on the shoe market of a decrease in the cost of materials used in making shoes.

(4)

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(c) Analyse **two** benefits that *Birkenstock* may gain from consultation with employees before making business decisions.

(6)

(d) Discuss the advantages for *Birkenstock* of using focus groups when designing new shoes.

(8)

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(e) Assess the usefulness of the product life cycle to *Birkenstock* when making decisions about its product portfolio.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

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

Write your answer in the space provided.

3 Evaluate the extent to which a centralised organisational structure may benefit *Hilton Hotels* when expanding in the Asia Pacific region.

(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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Pearson Edexcel International Advanced Level

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Business

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Source Booklet

Do not return this Booklet with the question paper.

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Sources for use with Section A

Extract A

The growth of the electric scooter market

Over recent years, there has been a large increase in the popularity of electric scooters. These scooters are now a common sight on the streets and pavements of many cities around the world. They are used, mainly by younger people, for leisure use as well as by people travelling short distances to work. The scooters provide an alternative to electric bikes which have grown in popularity.

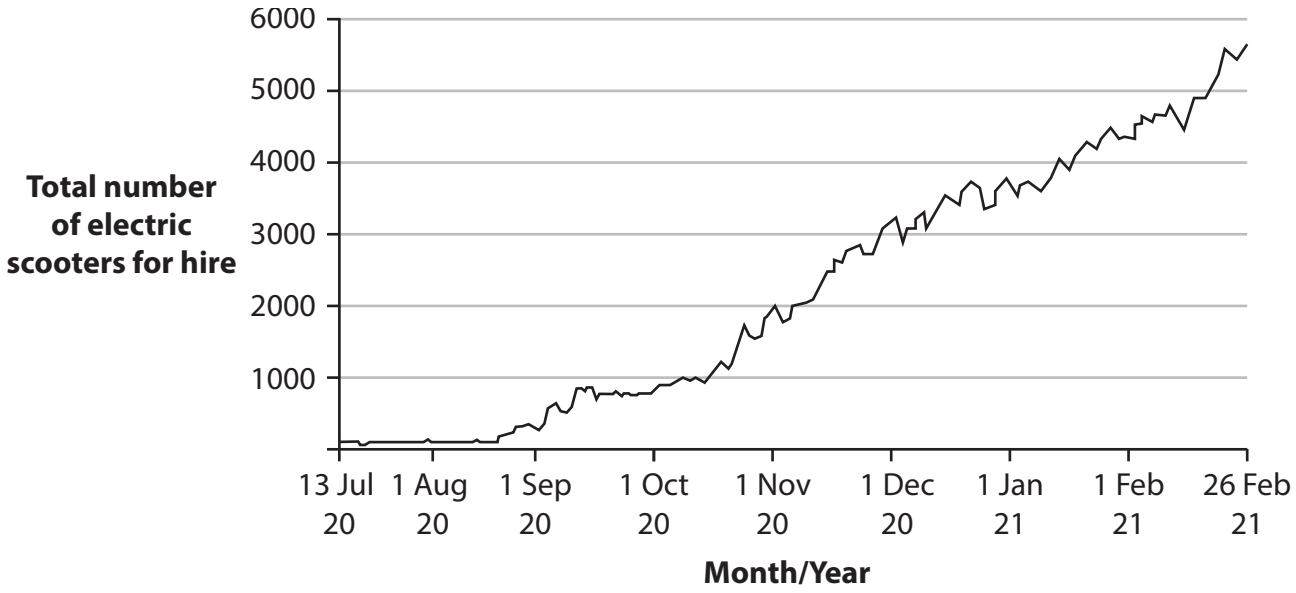
Supporters of electric scooters say they will help reduce the use of cars, buses and trains, giving cities cleaner, quieter and safer streets. Opponents argue that they offer limited health benefits and can be a safety hazard.

Manufacturers of electric scooters are currently competing for market share. They sell business to business (B2B) to rental companies and business to consumer (B2C) for private sales. Globally, the supply of electric scooters is expected to peak in 2025 with a revenue value of £20bn.

In 2020 the UK Government allowed the trial of electric scooters by rental businesses. These businesses hire out scooters to the public and charge an hourly fee. Unlike many countries, use of privately owned scooters remains illegal on roads and pavements in the UK. There has been an increase in the number of start-up businesses renting the scooters in major cities of the UK.

Extract B

Total number of electric scooters available for hire in the UK



Sources for use with Section B

Extract C

About *Birkenstock*

Birkenstock is a German family-owned business founded in 1774. It produces high quality footwear that is sold globally, at premium prices.

Birkenstock produces shoes, sneakers, boots and sandals for adults and children. They are used for leisure, walking and fashion. It has a wide range of designs in many colours and materials. The product portfolio includes a vegan collection of shoes which are made from plant-based materials. Its best-selling footwear is the Arizona sandal which has remained unchanged since 1973.

The high level of quality is the result of carefully selected materials. *Birkenstock* is known as the inventor of the footbed which refers to a unique shape to the sole of the shoe. The footbed provides a high level of comfort and has given *Birkenstock* a unique selling point (USP).

The business has received positive advertising from famous celebrities photographed wearing the Arizona sandals, which has contributed to the increase in revenue for the business. It was awarded footwear brand of the year in 2017 and 2020.

Extract D

Employees at *Birkenstock*

Birkenstock has 5,500 employees. It continues to recruit staff to meet the increasing demand for its footwear. Most employees work in Germany where the majority of the shoes are manufactured.

Birkenstock introduced a scheme to allow consultation with its employees. The scheme allows the employees to elect two representatives from the workforce who will be involved in key decisions made in the business.

Sources for use with Section C

Extract E

Growth in the hotel market in the Asia Pacific region

According to research, the Asia Pacific region will see a rapid growth in the number of new hotels being built in the area. The hotels will be 4-star and 5-star category and will mainly be built in China, Australia, Vietnam, Thailand, and Japan. *Hilton Hotels* will build more hotels than any other business, followed by *Citadines Apart'hotels*.

Planned hotel developments in the Asia Pacific region

Year	Number of new hotels	Number of hotel rooms
2020	928	215,443
2021	548	133,647
2022	366	93,594
2023	122	31,647

Extract F

Hilton Hotels

When Conrad Hilton opened the first *Hilton* hotel in 1925, he aimed to operate the best hotel in Texas, US. As a result of his commitment, leadership, and innovation, *Hilton Hotels* is now one of the largest hospitality businesses in the world. It has a centralised organisational structure with headquarters in the US. *Hilton Hotels* is one of the fastest growing hotel groups with 18 brands in 119 countries and more than 6,500 hotels.

Hilton Reservations and Customer Care (HRCC) handles reservations for hotel bookings across the entire *Hilton Hotels* portfolio. HRCC has a loyalty scheme. Members of the scheme can collect points to contribute towards hotel room reservations and other benefits. Every time a member of the scheme stays at any *Hilton Hotels* property their personal preferences are updated to help personalise the members' details.

Acknowledgements

Extracts A and B adapted from: https://natwestbusinesshub.com/articles/the-rise-of-the-e-scooter

Extracts C and D adapted from: https://www.birkenstock.com/gb/company/about-us-

Extract E adapted from: https://tophotel.news/regional-overview-asia-pacific-hotel-market

Extract F adapted from: https://www.hilton.com/en/corporate/