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

Monday 8 May 2023

Afternoon (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 Extract A in the Source Booklet before answering Question 1.

Write your answers in the spaces provided.

1 (a) Define the term 'product differentiation'. (Extract A, line 14)

(2)

There has been increased advertising in the sportswear market through the sponsoring of athletes.

(b) Construct a supply and demand diagram to show the impact on the market for sportswear from an increase in advertising.

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(c) Analyse **two** methods that *Li-Ning* could have used to develop customer loyalty.

(6)

As the business grew, Li had to move from being an entrepreneur to become the leader of *Li-Ning*.

(d) Discuss the possible difficulties Li may have met as a result of this move.

(8)

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(e) Assess the advantages of using market segmentation for a business such as *Li-Ning*.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

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

Write your answers in the spaces provided.

2 (a) Define the term 'market share'. (Extract B, line 8)

(2)

(b) Calculate, to two decimal places, the percentage change in the number of school meals donated by *Mindful Chef* between 2020 and 2021. You are advised to show your workings.

(4)

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(c) Analyse **two** factors that are likely to determine the pricing strategy used by UK businesses supplying food boxes.

(6)

(d) Discuss the advantages to the owners of *Mindful Chef* of using surveys collected from their family and friends.

(8)

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(e) Assess the impact on *Mindful Chef* of its social objectives.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extract D in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Evaluate the extent to which the changes to *Unilever*'s organisational structure may improve business efficiency and employee motivation.

(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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Do not return this Booklet with the question paper.

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Source for use with Section A

Extract A

About *Li-Ning*

Li-Ning is a Chinese sportswear and sports equipment business. It was started by entrepreneur Li Ning, who was a successful Chinese gymnast. He won 106 gold medals in his long gymnastic career. He lit the Olympic torch at the 2008 Summer Games in Beijing.

Li started his business to provide Chinese athletes with sportswear for the Olympic games. The business developed to provide luxury sportswear to exclusive Chinese retailers.

Under the leadership of Li, the business has grown rapidly and has begun to take market share in China from leading sportswear businesses such as *Adidas* and *Nike*. It advertises globally and sponsors several athletes and teams worldwide.

Whilst the sportswear designs of *Li-Ning* aim to attract international customers, the business still focuses on retaining Chinese culture, heritage and traditions in its designs and marketing. It uses social media to gather feedback on its products.

Product differentiation is key to the success of the business. *Li-Ning* employs a large team to develop new sports products using the latest technology. Through research and development, the business offers innovative and high-performance sports shoes, clothing and sports-equipment.

Li-Ning designs and manufactures high quality, premium priced products for a range of sports, including:

- Basketball
- Badminton
- Table tennis
- Gymnastics
- Running
- Cycling
- Pickleball

Sources for use with Section B

Extract B

UK food box delivery services

A food box contains a recipe card and all the necessary ingredients required to cook a family meal, which is then delivered to people's homes. There has been a large growth in the number of businesses that supply these food boxes in the UK. The growth in this sector is due to a rise in people working from home, an increased trend of healthy eating and more people starting cookery as a hobby.

The most popular UK brands of food boxes are supplied by three businesses: *Mindful Chef*, *Gousto* and *Hello Fresh*. These three businesses hold a large market share in this growing sector.

Extract C

About *Mindful Chef*

The business was started in 2015 by three school friends, Myles, Giles and Rob. They tested the recipes and food boxes on family and friends. They then used surveys and interviews to gather primary market research from them.

As well as selling meat dishes, *Mindful Chef* offers a wide range of vegetarian, *vegan and gluten-free boxes. All ingredients in the boxes are healthy and of premium quality. This has helped to build its brand and gain a good reputation in the market.

***** *Products that do not include animal-based ingredients.*

Social objectives of *Mindful Chef*

The business acts responsibly by buying ethically sourced ingredients from local farmers and using recyclable packaging. For every meal bought from *Mindful Chef* it donates a nutritious school meal to a child living in poverty.

Quantity of school meals donated by *Mindful Chef* 2018–2021

Year	Millions
2018	0.4
2019	1.1
2020	4.2
2021	4.7

Source for use with Section C

Extract D

About *Unilever*

Unilever was founded over a hundred years ago. It:

- owns 400 household brands
- sells products in 190 countries
- has over 148,000 employees
- achieved a sales turnover in 2021 of $52bn

Changes to *Unilever*'s organisational structure

Unilever announced plans to move away from its current matrix organisational structure which had been used for many years. It plans to move to a flatter organisational structure and re-organise the business into five distinct business groups:

- Beauty and Wellbeing
- Personal Care
- Home Care
- Food and Drinks
- Ice Cream

Each business group will be fully responsible and accountable for its strategy, growth, and profit. The Chief Executive Officer (CEO) of *Unilever*, stated, "Our new organisational structure has been developed and designed to improve the performance of our business."

The proposed new structure will result in thousands of jobs being lost in a hundred countries. There will be a 15% reduction in senior management roles but a 5% increase in the number of junior management roles. Changes will be subject to consultation with the employees. *Unilever* does not expect employees working on the factory production lines to be affected by the changes.

Acknowledgements

Extract A adapted from: https://en.lining.com/story and https://jingdaily.com/nike-anta-li-ning-sports-china-march/

Extract B adapted from: https://salience.co.uk/insight/reports/meal-delivery-market-report/

Extract C adapted from: https://www.mindfulchef.com/approach

Extract D adapted from: unilever.com/our-company/at-a-glance/ and https://www.beautypackaging.com/contents/view_breaking-news/2022-01-25/unilever-announces-new-organizational-model-includes-cutting-1500-jobs/#