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

Tuesday 10 October 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.

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P 7 3 2 5 6 A 0 1 1 6

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SECTION A

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

Write your answers in the spaces provided.

1 (a) Define the term 'risk'. (Extract A, line 4)

(2)

(b) Explain **one** possible benefit to Fernando and Robert of using market mapping when starting their business.

(4)

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(c) Analyse **two** advantages to *Nando's* of treating its employees as an asset rather than a cost.

(6)

Nando's uses psychological pricing in its Indian restaurants.

(d) Discuss the advantages to a business, such as *Nando's*, of using psychological pricing.

(8)

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Nando's collected market research data in China using random sampling.

(e) Assess the likely disadvantages to *Nando's* of using random sampling.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

Read Extracts E and F in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'marketing objective'. (Extract F, line 9)

(2)

A retailer selling *Pukka* tea decreased the price of a packet of tea from $10 to $8. Sales increased from 2,500 packets to 3,500 packets per week.

(b) Calculate the price elasticity of demand (PED) for the packets of tea. You are advised to show your working.

(4)

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(c) Analyse **two** factors, other than price, that may have caused an increase in the demand for *Pukka* tea.

(6)

(d) Discuss the barriers to entrepreneurship Sebastian may have faced when thinking of starting a business.

(8)

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(e) Assess the challenges that a business, such as *Pukka*, may have faced when moving from a niche to a mass marketing strategy.

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

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

Write your answer in the space provided.

3 Evaluate whether on-the-job training is likely to be the most effective type of training used by *Walt Disney*.

(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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Sources for use with Section A

Extract A

The History of *Nando's*

Nando's is a fast-food restaurant chain started by Fernando Duarte and Robert Brozin in South Africa. It sells a range of spicy chicken and vegetarian dishes.

Entrepreneurs Fernando and Robert took a risk and opened the first *Nando's* restaurant in 1987 after enjoying spicy chicken in a Portuguese restaurant. By the end of 1989 they had opened three more restaurants. Today, there are *Nando's* restaurants in most major cities around the world. All its restaurants have a trendy, fun and unique design by local designers and artists.

Extract B

Nando's Indian menu (selected items)

Dish	Price (Rupees)
Chicken burger	199
Chicken naan	399
Salad	299
Vegetable burger	379
Chicken and fries	599
Peri vegetable platter	1999

Extract C

Employees at *Nando's*

Employees who work at *Nando's* are called Nandocas. *Nando's* employees are seen as family members and it aims to treat them as an asset to the business. It states, '*Nando's* is not just about the chicken, it's about the people that make the chicken.' In 2022 *Nando's* was named as one of the UK's best large companies to work for.

In South Africa, *Nando's* has a programme called Harambee that recruits young unemployed people and gives them skills to prepare them for the workplace. *Nando's* uses a training programme called Buddy. A buddy is an employee who has completed all job roles in the business. Buddies supervise new employees to pass on their knowledge and skills.

Extract D

Market research at *Nando's*

Before opening stores in China, *Nando's* conducted primary market research to understand Chinese food preferences and dining habits. Two hundred surveys were carried out with Chinese chefs, restaurant owners and managers. A random sampling survey method was used to conduct the primary market research. 5

Sources for use with Section B

Extract E

Niche brands are increasing their mass market appeal

In the last 10 years there has been an increase in the number of health and well-being brands moving from a niche to a mass market. Many health products are benefitting from increased revenue, due to growing consumer desires to live healthier lives. These brands are no longer viewed as exclusive products and are now purchased by more customers each year. One of these brands is *Pukka,* which sells premium priced speciality tea. The global speciality tea market is predicted to grow by $50bn between 2021 and 2026.

Extract F

About *Pukka*

Pukka sells a range of speciality teas including herbal, organic and fruit teas. Entrepreneurs Sebastian Pole and Tim Westwell launched *Pukka* in 2001. Sebastian had been interested in plants and conservation for many years. He was determined to follow his dream to start a business selling a healthy product. Sebastian saw an advertisement of Tim's which offered to help start up an ethical business. They agreed to meet to discuss their ideas and *Pukka* was formed shortly afterwards.

From the first moment Tim and Sebastian met, they were the perfect match. Although they had completely different personal skills, they shared a common marketing objective, to create a business that would benefit the health of people. Tim had 10 years' experience as a business management consultant. They spent many hours in Tim's house planning their future strategy. They worked evenings and weekends to turn their ideas into a successful business.

Source for use with Section C

Extract G

About *Walt Disney*

Walt Disney is a successful global family entertainment business. Its portfolio includes Disney theme parks, hotels, cruise ships, products and leisure entertainment. The locations of its theme parks include Florida, Hong Kong, Shanghai and Paris.

Employees at *Walt Disney* work in a wide range of roles and departments. The departments include:

- Food and beverage
- Hotel and housekeeping
- Marketing and social media
- Customer service
- Leisure and entertainment
- Finance and banking
- Engineering and construction.

Walt Disney provides a variety of training for its employees including:

- Training courses and demonstrations given by its executives and senior managers
- Access to training courses at specialised centres for skilled job roles
- Provision of online learning courses
- Access to study university degree qualifications on a part-time basis for some employees
- Supervised coaching and support in its hotels, restaurants and theme parks
- The provision of study books and training materials, free of charge
- One-to-one personalised coaching support for employees in the *Walt Disney* offices.

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Acknowledgements

Extracts A, B and C adapted from: https://www.nandos.com/

Extract D adapted from: https://thenandosstrategy.wordpress.com/2014/11/27/market-research/

Extract E adapted from: https://www.marketingweek.com/niche-lifestyle-brands-increasing-mass-market-appeal/

Extract F adapted from: https://www.pukkaherbs.com/uk/en/impact-and-sustainability

Extract G adapted from: https://thewaltdisneycompany.com/about/#our-businesses