Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International Advanced Level

Wednesday 8 May 2024

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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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 'customer satisfaction'. (Extract A, line 9)

(2)

In 2022 there were 18,000 coffee shops in Vietnam.

(b) Using this data and Extract B, calculate to two decimal places, the total market share held by the leading three coffee shop brands in Vietnam.

(4)

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(c) Analyse **two** methods of secondary research *The Coffee House* could use to help grow its business.

(6)

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The Coffee House aims to provide its employees with an enjoyable workplace.

(d) Discuss how using job rotation might help *The Coffee House* to achieve this aim.

(8)

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(e) Assess the benefits to *The Coffee House* from adding value to its products and services.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

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

Write your answers in the spaces provided.

2 (a) Define the term 'test marketing'. (Extract C, line 12)

(2)

Market Kurly sells both pasta and rice, which can be regarded as substitute goods.

(b) Construct a supply and demand diagram to show the likely impact on the pasta market if there is an increase in the price of rice.

(4)

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(c) Analyse **two** entrepreneurial characteristics shown by Sophie Kim that may have helped her business to succeed.

(6)

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Market Kurly uses many part-time employees in its business.

(d) Discuss the likely impact on a business such as *Market Kurly* of using part-time employees in its business.

(8)

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(e) Assess the likely benefits of market mapping to *Market Kurly* when Sophie Kim started her business.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

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

Write your answer in the space provided.

3 Evaluate whether *Nike* and *Adidas* should focus on the use of sponsorship or social media to increase their share of the global sportswear market.

(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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GradeMax

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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

About *The Coffee House*

The Coffee House is a chain of coffee shops in Vietnam. *The Coffee House* opened its first shop in 2014 and within four years it had 100 shops across the country. Its shops are located on busy high streets in Vietnam's large cities. Coffee shops have grown in popularity in Vietnam and have attracted successful international businesses such as *Starbucks*.

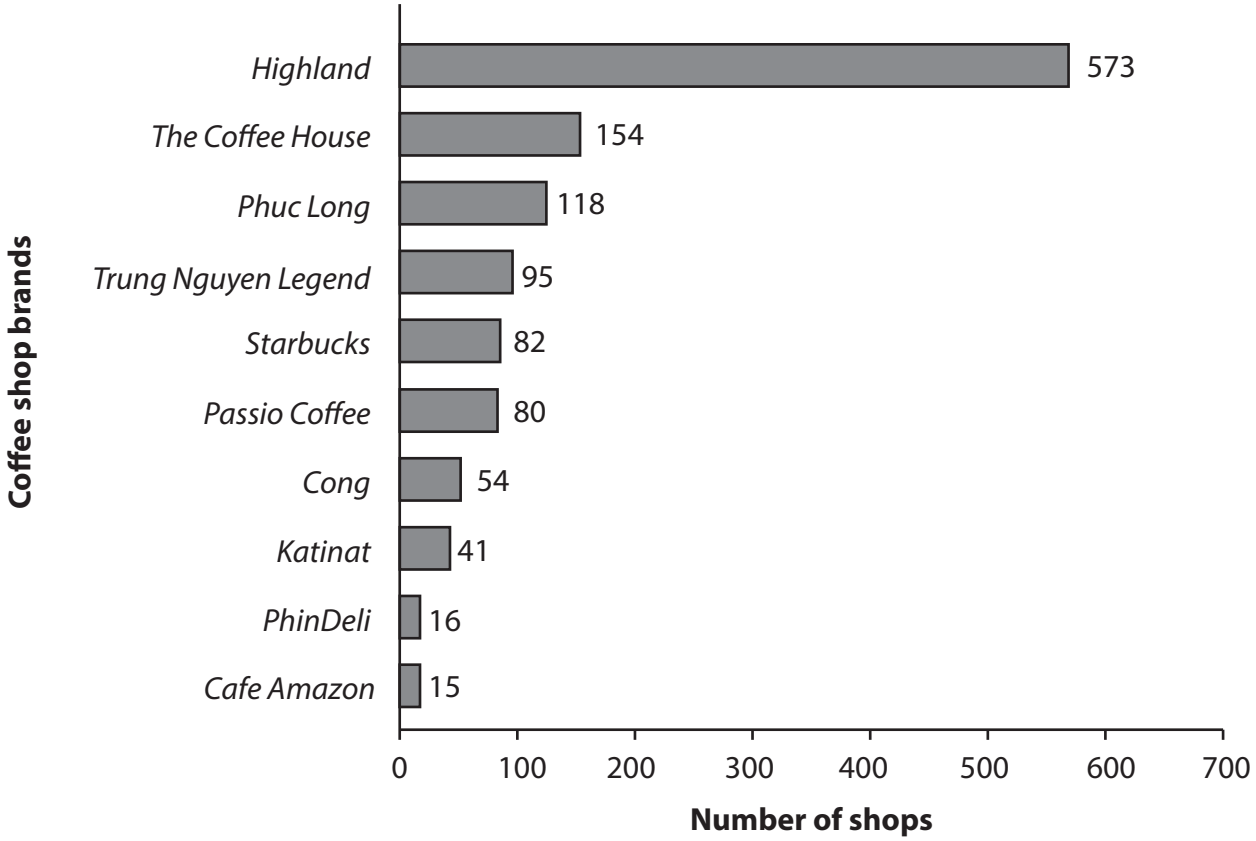
The Coffee House is an innovative brand that has been built by offering an attractive space, excellent customer service and product quality at affordable prices. The mission of the business is to 'deliver happiness'. It aims to provide excellent customer satisfaction as well as providing the employees with an enjoyable place to work.

The Coffee House is recognised for its innovation by:

- creating a unique design for each shop to provide a welcoming atmosphere that feels like home
- regularly updating menus to adapt to changing tastes and trends
- providing dedicated and comfortable spaces where people can work
- being one of the first businesses in Vietnam to launch a mobile app to allow customers to order their drinks online
- investing in its own farm in Vietnam to provide coffee beans for its shops.

Extract B

Leading coffee shop brands in Vietnam in 2022 (by number of shops)



Source for use with Section B

Extract C

About *Market Kurly*

Sophie Kim is the founder and CEO of the South Korean business *Market Kurly*. The business delivers premium quality groceries to people's homes.

Sophie Kim studied at university and worked in banking and management consultancy before her love for food gave her the idea for a start-up business. She created South Korea's first billion-dollar online grocery app. The app is called Morning Star and guarantees delivery of fruits, vegetables and fresh foods to customers by 07:00 the next morning for orders placed before 23:00 the previous evening.

Market Kurly now sells a range of high quality ready-to-cook and ready-to-eat meals made in partnership with award-winning chefs and restaurants in South Korea. Every new meal offered by the business is first tasted by Sophie Kim and her team, then test marketing is carried out. The product portfolio has also recently been expanded to include cosmetics and other non-food items.

In South Korea, Sophie Kim is regarded as one of the country's most successful female entrepreneurs and she hopes to inspire other women to start their own businesses.

The range of products delivered by *Market Kurly* includes:

- premium quality fruit and vegetables
- ready-to-eat meals
- traditional Korean ingredients
- international and western style snacks and beverages
- cosmetics
- a range of non-food items.

Sources for use with Section C

Extract D

Adidas versus *Nike*

There has been intense rivalry between global sporting goods businesses *Nike* and *Adidas* for over 60 years. The businesses compete through innovation, product design and promotion in order to dominate the $310bn global sporting goods market. Currently *Nike* has a larger global market share than *Adidas*.

Both *Nike* and *Adidas* invest large amounts of money to build their brands. They do this by promoting the performance of their goods and by attempting to show a trendy and cool image to their target market. *Nike* typically spends a larger proportion of its marketing budget on TV and other advertisements, while *Adidas* tends to favour sponsorship of athletes and sporting events.

Extract E

Sponsorship

Adidas and *Nike* sponsor a range of individuals and teams that includes:

Adidas	***Nike***
Lionel Messi, Argentine footballer	Cristiano Ronaldo, Portuguese footballer
Manchester United, UK football team	Liverpool, UK football team
New Zealand national rugby team	US athletics team
South Korean national tennis team	Tiger Woods, US golf player
FIFA World Cup football mens	Rafael Nadal, Spanish tennis player
FIFA World Cup football womens	Serena Williams, US tennis player
Olympic Games	South African rugby team

Extract F

Social media

Adidas and *Nike* primarily use the following social media sites to post product information and receive customer feedback:

- Facebook
- Twitter
- Instagram
- TikTok
- YouTube.

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Acknowledgements

Extract A adapted from: https://doanhnghiep.quocgiakhoinghiep.vn/en/doanhnghiep/the-coffee-house/#

Extract B adapted from: https://www.statista.com/statistics/1014984/vietnam-leading-coffee-shop-brands/

Extract C adapted from: https://cnaluxury.channelnewsasia.com/people/sophie-kim-market-kurly-grocery-delivery-south-korea-207236

Extract D adapted from: https://www.marketingdive.com/news/sneaker-supremacy-nike-adidas-brand-rivalry/621712/

Extract E adapted from: https://www.goal.com/en/news/which-footballers-sponsored-adidas-messi-pogba-salah-brand-partners/blt9c00fcc9e49dba2d and https://www.goal.com/en/news/which-footballers-sponsored-nike-ronaldo-mbappe-lewandowski-brand-partners/blt0ec5cf2639f3c7ba