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 6 May 2026

Morning (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 'competitive advantage'. (Extract B, line 7)

(2)

In 2024, PureGym had 1.5 million gym members.

(b) Using the information above and Extract A, calculate, to **two** decimal places, PureGym's market share of gym members in 2024.

(4)

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(c) Analyse **two** advantages for PureGym of using performance-related pay.

(6)

(d) Discuss if customer satisfaction is likely to be the main business objective of PureGym.

(8)

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(e) Assess the possible risks Peter Roberts may have faced when starting PureGym.

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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 'viral marketing'. (Extract C, line 7)

(2)

In 2024, the average monthly income in Japan increased from ¥500 000 to ¥540 000. At the same time, the demand for pet products in Japan increased by 10%.

(b) Using the data above, explain why pet products in Japan are considered 'normal' goods.

(4)

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(c) Analyse **two** factors that may determine the pricing strategy used by AZem to sell its products.

(6)

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As part of its flexible workforce, AZem trains its employees in all areas of the business.

(d) Discuss the benefits to AZem of having multi-skilled employees.

(8)

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(e) Assess the benefits to AZem of segmenting the leisure market.

(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 Oura plans to recruit more senior managers as part of its plans to grow.

Evaluate whether Oura should use internal or external recruitment to support this growth.

(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

Pearson Edexcel International Advanced Level

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Source Booklet

Do not return this Booklet with the question paper.

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P:1/1/1/1/

P 7 9 7 0 8 A

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Sources for use with Section A

Extract A

The UK gym market

The number of gyms and gym members continues to grow in the UK. The gym market is very competitive and the most popular gym businesses include PureGym, JD Gyms and Fitness First.

UK gym statistics	2023	2024
Number of gyms	6,990	7,009
Number of gym members	10.26 million	10.70 million
Percentage of the UK population with gym membership	15.1 %	15.9 %

Extract B

About PureGym

PureGym was started in 2008 by entrepreneur Peter Roberts. Peter had previously owned successful hotels and holiday parks in the UK.

PureGym is different from most gyms as it offers a low-cost monthly membership fee; gym members do not have to sign up for a full year's membership but just pay their membership a month at a time. The gyms have a range of high-tech gym equipment and fitness studios. Its competitive advantage is that its gyms are open 24 hours a day, 7 days a week.

In 2024, PureGym had the highest market share of gyms in the UK with 1.5 million members and 400 gyms. It also owns gyms in Denmark and Switzerland. Its objective is to open more gyms in Europe and to expand into the US.

Fitness instructors provide group fitness classes and gym instruction. PureGym uses performance-related pay with its instructors. Managers meet with the instructors on a regular basis to review their performance and discuss individual targets they are set. One of these targets is to encourage gym members to sign up for a one-to-one training programme. Customers pay an additional fee for this personal training service.

Sources for use with Section B

Extract C

Increase in pet ownership in Japan

The number of pet owners in Japan continues to grow, with many families now owning a dog or a cat. There has been an increase in spending on pet accessories, pet clothing and pet day care facilities. It is forecast that, in 2026, ¥19 888 000 million (yen) will be spent in Japan on pet products.

The pet market in Japan is very competitive, with many new businesses entering the market. There has been an increase in the use of viral marketing aimed at encouraging pet ownership and spending on pet products.

Extract D

About AZem

AZem is a store in Japan that sells a wide range of products and services in the leisure market. It encourages people to lead a fun and active life. AZem's employees are experienced and are able to give advice to customers about its leisure products. Employees are multi-skilled and trained in all areas of the business.

AZem's store is divided into four areas:

- Pet products and services: including pet clothing and accessories, pet grooming and pet day care. It stocks a wide range of pet food and has recently built a small pet hotel where dogs and cats can stay overnight
- Fishing equipment: including fishing rods, clothing and other supplies. It sells fishing products to customers new to the hobby and a range of high-priced specialist fishing equipment
- Camping equipment: including a wide range of tents, clothing, kayaks and camping supplies to suit a range of customer needs, hobbies and incomes
- A restaurant: which encourages customers to eat outdoors, there is a play area for children.

Sources for use with Section C

Extract E

About Oura

Oura was started in 2013 in Finland. It designs, develops and produces the Oura Ring, which collects data about health and fitness from the wearer's finger.

Fitness activity, heart rate, body temperature and sleep data are collected by the ring and the information is transmitted wirelessly to an app. The Oura Ring competes with the Apple Watch for tracking health and fitness.

Oura plans to grow its business internationally and invest in product development and new technology. It is also working closely with health and medical organisations to share ideas.

Extract F

Ouranians

The 300 employees at Oura are referred to as Ouranians. Oura encourages teamwork and makes Ouranians feel valued by empowering them to make decisions on the design and development of its rings.

Oura offers a creative, enjoyable and hard-working environment in its offices, factory and retail stores. It encourages Ouranians to 'change the way the world thinks about health'.

To support its international growth, Oura aims to increase the number of senior managers in its business. It is planning to recruit senior managers in all departments including engineering, design, marketing, IT, finance and distribution. Most of the newly recruited senior managers will be based in its head office in Finland, though some will be based in its new office in San Francisco, US.

Acknowledgements

Extract A adapted from: https://well-nation.co.uk/blog/2024/06/06/state-of-the-uk-fitness-industry-report-uk

Extract B adapted from: https://corporate.puregym.com/about-us/overview/default.aspx#:~:text=PureGym%20is%20the%20UK's%20largest,number%20of%20gyms%20and%20members

Extract C adapted from: https://markwideresearch.com/japan-pet-clothing-market/ and https://www.yanoresearch.com/en/press-release/show/press_id/3568

Extract D adapted from: https://azem.co.jp/whats_azem.html

Extract E and F adapted from: https://ouraring.com/business https://ouraring.com/blog/history-of-oura