

Please check the examination details below before entering your candidate information

Candidate surname

Other names

**Pearson Edexcel**  
**International**  
**Advanced Level**

Centre Number

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Candidate Number

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**Tuesday 8 October 2019**

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.

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SECTION A

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

1 (a) Define the term 'distribution channels'. (Extract A, line 8)

(2)

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The income elasticity of demand (YED) in a country for *Coca-Cola* is 0.5.  
The average income in the country increases by 5%.

(b) Calculate the percentage change in quantity demanded of *Coca-Cola*.  
You are advised to show your working.

(4)

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(c) Analyse **two** benefits of strong branding for *Coca-Cola*.

(6)

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(d) Discuss the benefits for *Coca-Cola* of providing its workers with financial incentives.

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(e) Assess the advantages for a company, such as *Coca-Cola*, of using face-to-face surveys when collecting market data.

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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.

2 (a) Define the term 'competitive pricing'. (Extract C, line 4)

(2)

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(b) Explain **one** reason why product may be considered the most important element of the marketing mix for *Emirates*.

(4)

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Many businesses now recognise the importance of social media as a way of building a brand.

(c) Analyse **two** benefits for a company, such as *Emirates*, of using social media.

(6)

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(d) Discuss how competition in the airline market may affect customers.

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(e) Assess the extent to which market mapping may have been useful to *Emirates* in growing its business.

(10)

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(Total for Question 2 = 30 marks)

**TOTAL FOR SECTION B = 30 MARKS**



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**SECTION C**

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

- 3** Evaluate whether the change in the organisational structure at *Tata Motors* is likely to lead to an increase in its efficiency.

(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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**Do not return this Source Booklet with the question paper.**

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## Sources for use with Section A

### Extract A

#### **The soft drink industry is dominated by *Coca-Cola* and *PepsiCo***

Two brands of soft drinks, *Coca-Cola* and *PepsiCo*, have dominated the non-alcoholic drinks market for many years. The brands are well known and recognised around the world. *Coca-Cola* is the larger of the two companies with more than 500 brands. The companies do not have major threats from competition because they both have high levels of brand loyalty, extensive distribution networks and huge economies of scale. They spend enormous amounts of money on innovation, advertising, marketing, and strengthening their distribution channels. 5

### Extract B

#### ***Coca-Cola*: Who we are**

We are the world's largest soft drinks company. Our brands include Diet Coke, *Coca-Cola* Zero, Fanta, Sprite, Dasani, Powerade, Minute Maid and Gold Peak. Over 1.9 billion of our drinks are enjoyed by consumers in more than 200 countries each day.

#### **Our market research on Diet Coke**

5

We focus on the needs of our consumers by going into the market to listen to their views and collect feedback on new drinks.

One of our recent research projects focused on Diet Coke, known as *Coca-Cola* light in most international markets. The drink is sold in more than 110 countries. Our aim is to offer new flavours and a modern look to the product to attract new consumers as well as maintaining the brand loyalty of our current fans. As part of the research, we used face-to-face surveys to gather data from more than 10,000 people. We wanted their ideas and views on new packaging and new flavours, including Ginger Lime and Twisted Mango. These new products will be available in 2019. 10

#### **Our rewarding work environment: benefits and rewards**

15

We value our workers and understand working is not just about pay and benefits. We provide a positive working environment to enable staff to build a career and also maintain a good work-life balance. We regularly assess our benefits programs to ensure employees receive the benefits they value. The financial benefits include competitive pay, annual bonuses and performance-related pay. 20

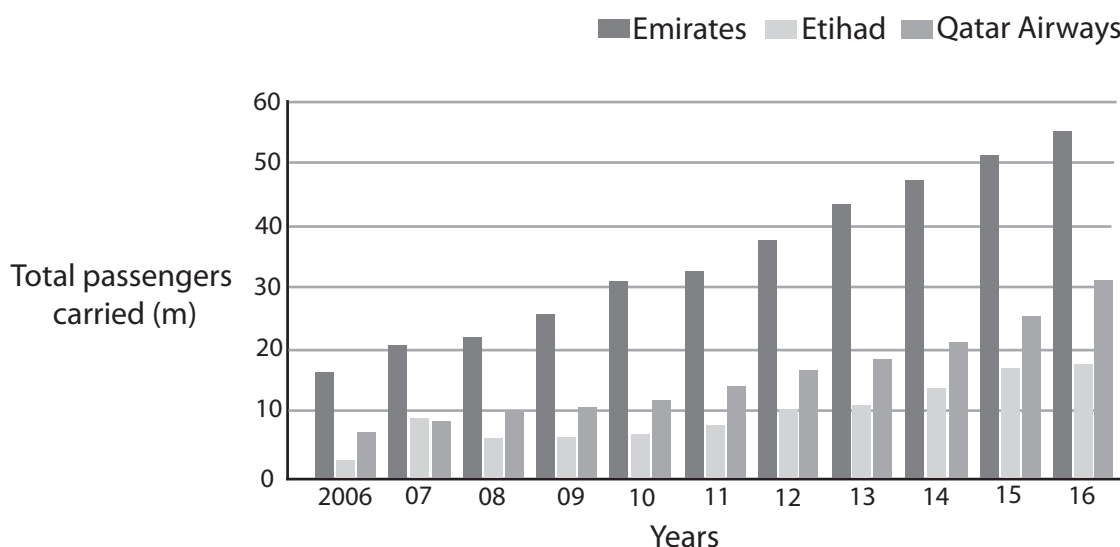
## Sources for use with Section B

### Extract C

#### Airline Companies in the Middle East

Over the past 10 years airline companies based in the Middle East have significantly increased the number of passengers they carry each year. Competitors, *Emirates*, *Etiihad Airways* and *Qatar Airways* have attracted travellers with competitive pricing, superior service and luxurious premium cabins. Whilst passenger numbers are increasing, these airlines are facing competition from low-cost airlines, such as *Norwegian Air Shuttle* and Singapore-based  *Scoot*. These airlines are attracting customers with low-priced fares on some of the same routes.

5



### Extract D

#### *Emirates: Our story*

We started operations in 1985 in Dubai with two aircraft and we have increased the number of aircraft and destinations each year. Today, with more than 265 aircraft, we fly to 155 destinations in 80 countries. We provide industry-leading inflight entertainment, excellent inflight food and world-class customer service. We are known all over the world for our commitment to quality, which we continually seek to improve.

5

Our achievements in 2017 included:

- Three new destinations; Newark in the US, Phnom Penh in Cambodia and Zagreb in Croatia
- Our advertising campaign for our improved first-class service, using television celebrity and motoring expert Jeremy Clarkson
- We became the world's first airline with one million followers on the social media site Instagram. This helps us to monitor the experiences and feedback from our customers
- In a recent study of the top 100 brands most visible on social media, we were ranked fifth after *McDonald's*, *Nike*, *Adidas* and *Coca-Cola*.

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## Sources for use with Section C

### Extract E

#### The Tata Group

Founded in India by Jamsetji Tata in 1868, the *Tata Group* comprises of over 100 different businesses including *Tata Steel*, *Tata Motors*, *Tata Power* and *Tata Chemicals*. In 2017 the revenue of the *Tata Group* was over \$100bn. It employed over 695,000 people.

In all of its businesses the *Tata Group* seeks to differentiate itself through customer service, innovation, entrepreneurship, and trustworthiness. At the same time it balances the interests of all its stakeholders. 5

### Extract F

#### New organisational structure announced at *Tata Motors*

In 2017 *Tata Motors* announced a new organisational structure for its vehicle business following quality problems and a fall in its Indian market share from 16% to 5%. *Tata Motors* announced a new flat organisational structure, which removed layers of middle management. 5

New managing director Guenter Butschek set a three-year target to increase market share and become one of the leading car manufacturers in India. The structure aimed to empower managers in the business to speed up the decision-making process, encourage innovation from its workers and improve customer satisfaction.

Guenter Butschek told staff he was aware that the flat organisational structure could create some uncertainty, but it was needed in order to be successful in the competitive motor industry. He said 'the new structure will drive fundamental changes in the way the company operates and help accelerate the urgently needed changes if we are going to be successful and meet our targets'. 10

### Acknowledgements

#### Extract A

Source adapted from: <https://marketrealist.com/2014/11/soft-drink-industry-dominated-coke-pepsi>

#### Extract B

Source adapted from: <http://www.coca-colacompany.com/our-company/mission-vision-values>

#### Extract C

Source adapted from: <https://www.ft.com/content/c8334df6-8da8-11e7-a352-e46f43c5825d>

#### Extract D

Source adapted from: <https://www.emirates.com/cn/english/about-us/history.aspx>

#### Extract E

Source adapted from: [http://www.tata.com/aboutus/sub\\_index/Leadership-with-trust](http://www.tata.com/aboutus/sub_index/Leadership-with-trust)

#### Extract F

Source adapted from: <https://economictimes.indiatimes.com/industry/auto/tata-motors-rolls-out-a-new-organisational-structure/articleshow/54056595.cms>

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