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Surname

Other names

Pearson Edexcel
Level 3 GCE

Centre Number

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Candidate Number

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Business

Advanced Subsidiary
Paper 1: Marketing and People

Thursday 19 May 2016 – Afternoon
Time: 1 hour 30 minutes

Paper Reference

8BS0/01

You do not need any other materials.

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.
- 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.*

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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PEARSON

Answer ALL questions.

SECTION A

Read Extract A before answering Question 1.

Write your answers in the spaces provided.

Extract A

Aston Martin set for shake-up and targets new buyers

Andy Palmer joined UK-based premium priced car manufacturer Aston Martin as Chief Executive to implement a new marketing strategy targeting younger buyers and women.

At the Geneva Motor Show he announced that he wants the car maker to rebuild its range of sports cars as well as add two new cars to the product portfolio in order to target this new market. 5

“As an industry, we’re pretty poor at ticking the boxes that satisfy women customers, we tend to view cars for women as ‘pink it and shrink it’ – add a place to hold your handbag – which I think is quite cynical.”

“You have to start with a type of beauty and then imagine how you make that more affordable to a younger generation and appealing to female customers” he added. 10

A more feminine Aston Martin would probably have a higher driver’s seat and greater durability, more like a 4 x 4 vehicle. This will put the company in the competitive, fast-growing segment of premium priced cars, alongside Jaguar who focus on dramatic design and performance. Bentley’s handcrafted, powerful, luxury cars and Rolls-Royce cars remain the choice for the super-rich. 15

(Source: adapted from www.ft.com/cms/s/0/1acf27c6-bdcf-11e4-9d09-00144feab7de.html#axzz3Zqnp9IQb)

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1 (a) What is meant by a marketing strategy?

(2)

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(b) What is meant by product portfolio?

(2)

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(c) Explain how Aston Martin uses differentiation in the premium car market.

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(d) Explain how Aston Martin could use the design mix to appeal to the new target market.

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(e) Assess **two** non-price factors that might affect the demand for premium priced cars in the UK.

(8)

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The Chief Executive has reorganised management by taking out a level of the hierarchy in Aston Martin's organisational structure.

(f) Assess the likely impact of this change on the motivation of the workforce.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS



SECTION B

Read Extract B before answering Question 2.

Write your answers in the spaces provided.

Extract B

Approved Food

Entrepreneur Dan Cluderay, started his business, Approved Food, on a market stall and it has now expanded to be the largest online retailer of food and drinks that are near their use-by date.

In 2013 Approved Food's turnover reached £4 million and its 50 employees were shipping out more than 2 000 orders each week from its 60 000 sq ft warehouse in Sheffield. Dan's business objective is to save shoppers 60–70% on each order. 5

The rise of Approved Food coincides with a growing awareness that our obsession with use-by dates is resulting in more than a million tonnes of food waste a year.

This week, a government advisory body called the Waste & Resources Action Programme (WRAP), reported that supermarkets were being "overly cautious" with their use-by labelling. 10

It estimated that shoppers could save £600 million a year – about £25 per household – if they were given an extra day to eat products such as fruit, vegetables and fresh meat.

Approved Food does not sell chilled or frozen goods, it only sells packaged products such as rice, chocolate, crisps and toiletries. 15

(Source: adapted from www.express.co.uk/life-style/life/561869/Approved-Food-Dan-Cluderay-fortune-selling-food-past-best-before-date)

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2 (a) What is meant by entrepreneur?

(2)

(b) What is meant by business objective?

(2)

The Office for National Statistics stated that incomes fell by 2.2% in 2014.

(c) Using the data in Extract B, calculate the income elasticity of demand for Approved Food, following an increase in weekly orders to 3,500 in 2014. You are advised to show your working.

(4)



(d) Explain how a business, such as Approved Food, might use income elasticity of demand data.

(4)

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(e) Assess **two** ways social trends might affect the channels of distribution for a business such as Approved Food.

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(f) Assess the importance of profit maximisation to a business such as Approved Food.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS



SECTION C

Read Extract C before answering Question 3.

Write your answer in the space provided.

Extract C

About Us – The story of Bunches

Bunches, a family business founded in 1989, was originally a small flower stall in Mansfield, Nottinghamshire. The owner discovered that you could put flowers into boxes and despatch them nationwide to customers, using the Royal Mail to deliver. Bunches changed to a 'flowers by post' company in 1990. Orders were taken over the Post Office counter and then telephoned through to the Bunches office. In 1992 Bunches expanded to all Post Offices nationwide. 5

By 2001 Bunches had outgrown its factory and moved into purpose-built premises with modern sales, production and despatch facilities. Recently, they have just completed a £1 million extension, doubling the size of production floor space and adding new offices.

Bunches have now delivered over 5.5 million bouquets throughout the UK and has an extensive online presence. 10

(Source: adapted from <https://www.bunches.co.uk/aboutus>)

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As a basis for further expansion, Bunches could increase distribution either through the Post Office or through online sales.

- 3 Evaluate these **two** options and recommend which option would be the most profitable for Bunches.

(20)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS

TOTAL FOR PAPER = 80 MARKS

