

Please check the examination details below before entering your candidate information

Candidate surname

Other names

**Pearson Edexcel
Level 3 GCE**

Centre Number

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Candidate Number

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Friday 22 May 2020

Morning (Time: 2 hours)

Paper Reference **9BS0/01**

Business

Advanced

Paper 1: Marketing, people and global businesses

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 100.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- You may use a calculator.

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 the following extracts (A to C) before answering Question 1.

Write your answers in the spaces provided.

Extract A

Basic hourly wage at UK supermarkets – June 2018

Supermarket	Basic hourly wage (£)
Aldi	8.85
Lidl	8.75
Morrisons	8.70
Asda	8.67
Marks and Spencer	8.50
Tesco	8.02
Sainsbury	8.00
Iceland	7.83

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Extract B

Jack's is launched

Tesco, Britain's biggest supermarket chain, is preparing to launch Jack's, its own brand of discount stores. Tesco aims to take on the German discounters, Aldi and Lidl, that have both been increasing their market share in the UK.

Tesco is keen to emphasise Jack's 'Britishness'. Advertising highlights that eight out of 10 products available in Jack's are grown, reared or made in Britain, which it claims is a higher proportion than at any other grocer. The intention is for Jack's also to be the "cheapest in town", said David Lewis, Tesco's Chief Executive. "The large scale of Tesco and the lower operating cost of Jack's allows us to be cheaper".

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The layout of each Jack's store has taken inspiration from Aldi and Lidl. For instance, in the centre is a promotion section consisting of 24 baskets and 48 products offered on a 'When it's Gone, it's Gone' basis, similar to 'Weekly Offers' found in Lidl.

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All advertising will be done locally, using leaflets, with promotions tailored to the local community.

(Source: adapted from <https://www.marketingweek.com/2018/09/19/tesco-jacks-discount-chain/>)

Extract C

Working at Aldi

Aldi staff mentioned 'work-life balance' in about 200 employee reviews completed worldwide. 'Long hours' were also mentioned in 110 reviews.

One anonymous employee said Aldi is pushing staff to work harder and longer: "The company will push you until you injure yourself or quit from exhaustion," he said. His claims were supported by a Store Manager: "As a manager I work my socks off with no reward or praise. Even after 11 years of service," he said. "Money, money and money. These are the only benefits for working for this company that does not think or care about managers like me who may prefer a bigger say in the way Aldi operates."

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Another Store Manager said that Aldi's "leadership culture is built on threats and pressure" and "Area Managers would benefit from listening skills to appreciate the problems we face."

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Despite negative reviews some employees praised Aldi for its great pay and benefits. "Serious responsibility. Unparalleled learning experience. Great car. Good pay," an Area Manager commented.

(Source: © The Sun / News Licensing)



1 (a) Using the data in Extract A, calculate the percentage increase in the hourly wage that Tesco would have to pay its staff to match Aldi's. State your answer to two decimal places.

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(b) Explain **one** business objective Tesco might be aiming to achieve by launching its Jack's stores.

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(c) Assess the likely benefits to Jack's if it only advertises locally using leaflets.

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(d) Assess the likely impact on Aldi's recruitment and selection costs if staff choose to leave due to poor working conditions.

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To improve customer satisfaction, Aldi has identified the need to focus on employee performance. This could be achieved by Aldi focusing on financial incentives or non-financial techniques.

(e) Evaluate these two options and recommend which **one** Aldi should use to improve customer satisfaction.

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(Total for Question 1 = 50 marks)

TOTAL FOR SECTION A = 50 MARKS



SECTION B

Read the following extracts (D to G) before answering Question 2.

Write your answers in the spaces provided.

Extract D

Estimates of price elasticity of demand (PED) of car brands

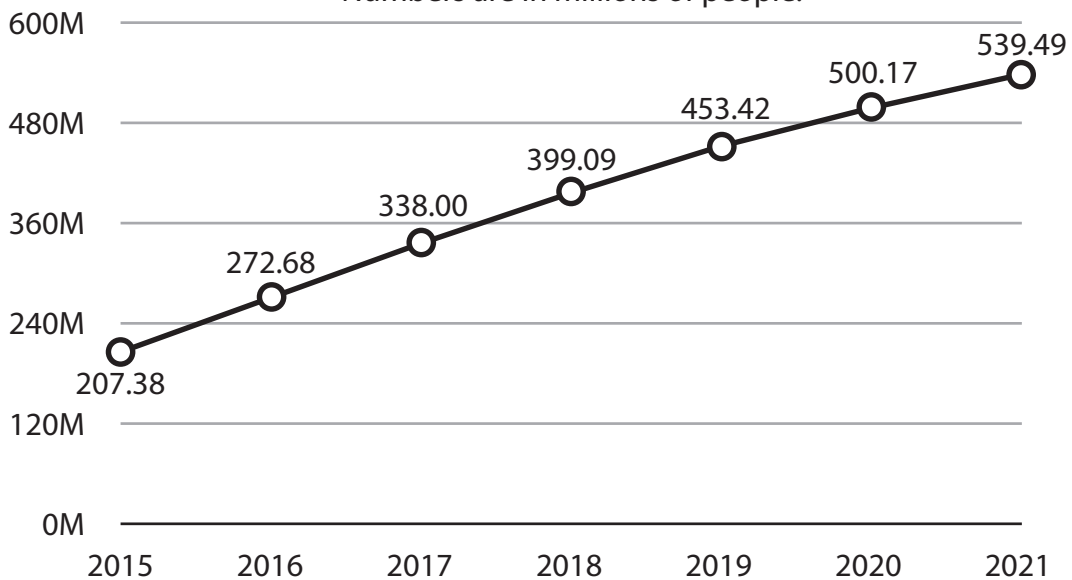
Brand	PED
Audi	-4.63
Ford	-2.75
Land Rover	-6.75
Suzuki	-1.64
Toyota	-2.65
Volkswagen	-2.31

(Source: adapted from <https://repository.library.northeastern.edu/files/neu:349589/fulltext.pdf>)

Extract E

Current and projected number of ridesharing users, globally

Numbers are in millions of people.



Ridesharing is an arrangement in which a passenger travels in a private vehicle driven by its owner for a fee by a means of a website or app.

(Source: from <https://www.statista.com/outlook/368/100/ride-hailing/worldwide#market-revenue>)

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Extract F**Ridesharing businesses in India**

Ola is an Indian ridesharing business. Its main competitor is American-owned Uber. Ola's strength is local knowledge; it has always accepted cash payments, while it took Uber nearly two years to do the same. Ola's app also supports nine regional languages for drivers, which is important as only 10% of Indians speak English. Ola offers three different services: premium, low-cost and car-pooling. Ola's auto rickshaws, which have their own safety standards, are successful in smaller cities where distances are shorter.

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After its exit from China, Uber said it would divert a 'significant portion' of its planned \$1 billion marketing budget to India. This led to calls from Indian businesses for government laws to limit investment by non-Indian businesses into the market.

In one of Uber's other markets, the USA, a former Uber engineer alleged sexual harassment by her manager, and one of the founders of Uber was caught swearing at an Uber driver. Other questions about Uber's business practices have been raised: trade unions have requested drivers receive basic rights such as a living wage and unemployment insurance; Uber classifies its drivers as independent contractors and so they are not eligible for benefits such as overtime and health insurance.

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Uber's pricing structure has also been criticised, after allegations it routinely overcharges customers. It was recently sued for not providing enough vehicles accessible to wheelchair users.

(Source: from <https://qz.com/1200878/with-uber-in-crisis-ola-zooms-ahead-in-indias-taxi-wars/> and <https://www.theverge.com/2017/6/30/15904510/uber-open-letter-board-ethical-recommendations>)

Extract G**Ford and Mahindra joint venture**

Mahindra, an Indian-based car manufacturer, and Ford have signed a deal to develop a new Sports Utility Vehicle (SUV) for the Indian market. These will have a Ford body and badge, but will be based on a car chassis (frame) that will be made by Mahindra.

The deal will see Mahindra and Ford cooperate with each other for a period of three years. While Ford may gain economies of scale and a lower cost structure from Mahindra's new car chassis, Mahindra will get access to Ford's engineering knowledge. Mahindra will also get support in global emerging markets, including Ford's manufacturing and car distribution network. The Managing Director of Mahindra Ltd said, "Both teams are working together and building on mutual strengths. We are excited about the synergies unveiled through this joint venture and the potential opportunities it will bring."

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(Source: adapted from <https://auto.ndtv.com/news/ford-and-mahindra-confirm-jointly-developed-suvs-electric-car-for-india-1827425>)



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2 (a) In 2019 the price of a Ford Endeavour rose from 30m Rupee to 30.9m Rupee. Using this data and the information from Extract D, calculate the percentage change in quantity demanded for the Ford Endeavour in 2019. State your answer to two decimal places. You are advised to show your working.

(4)

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(b) Explain **one** way the Indian government might use legislation to protect the Indian ridesharing market from non-Indian businesses.

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(c) Assess the likely future growth of ridesharing businesses in an emerging economy, such as India.

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(d) Assess the likely consequences for Ford of its joint venture with Mahindra.

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Uber aims to become the market leader in Indian ridesharing. To achieve this Uber could either focus on adapting its service to the needs of Indian consumers or improve its business ethics.

(e) Evaluate these two options and recommend which **one** Uber should choose to become market leader.

(20)

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TOTAL FOR SECTION B = 50 MARKS
TOTAL FOR PAPER = 100 MARKS



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