

Write your name here	
Surname	Other names
Pearson Edexcel Level 3 GCE	Centre Number
	Candidate Number
<h1>Business</h1> <p>Advanced Subsidiary Paper 1: Marketing and People</p>	
Time: 1 hour 30 minutes	Paper Reference <b>8BS0/01</b>
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
- 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 ►

**PEARSON**

**Extract A** (Total marks: 30)

**Brainwave**

In 2014, Richard Baister launched Brainwave, a world-first soft drink designed to keep the mind healthy. It may reduce the risk of Alzheimer's and other forms of cognitive decline. Brainwave does not contain any added sugar, preservatives or colourings and uses only natural fruit flavourings. It was developed with the help of Newcastle Science City. Brainwave delivers the key ingredients the body needs to help maintain brain health and cognitive performance.

There is likely to be increasing demand for a product that can reduce the risk of Alzheimer's and dementia as people live longer and the proportion of older people in the global population gets larger. However, although the drink is targeted at 'everyone with a brain', Baister said that early adopting young professionals greatly interest Brainwave, as they ask a lot of their brains every day. The total market size for soft drinks in the UK was about £15.6 billion in 2013.

At launch in 2014, a pack of 8 × 330 ml of Brainwave was available online for £16. That retail price of around £2.00 per pack was planned to be reflected as the brand rolled out to more stockists. The business donates 10 per cent of profits to funding research into Alzheimer's and dementia.

Source: adapted from [www.brainwavedrinks.com](http://www.brainwavedrinks.com)

1 (a) What is meant by market size? (2 marks)

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(b) Explain one advantage of online retailing to Brainwave. (4 marks)

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(c) What is meant by supply? (2 marks)

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(d) Explain one reason why Richard Baister may have set up his business. (4 marks)

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## Extract B (Total marks: 20)

You are advised to spend 45 minutes on this section.

### Stumbling giant planning a revival

Tesco's sales fell by 2.3% over the 2011 Christmas period. Profits for 2011 are down to £3.8bn, and as a result, its share price fell 16% in one day. However, as the share price fell, Warren Buffet, the globally respected investor, purchased 150 million shares in Tesco which still had group sales of £72bn in 2011.

Chief Executive Philip Clarke admitted Tesco had been building too many big stores when more customers were shopping online and returning to the high street. Clarke wants to improve the shopping experience by refurbishing stores and employing more staff to serve. He said, "retail is a game of loyalty – we need to earn customers' lifetime loyalty".

Tesco used to be the market leader in innovation – the first with a loyalty card, different sized store formats and value product lines. Tesco operates six different types of store, with Tesco Express, one of the smallest, accounting for around half of its 2,900 stores.

Other supermarkets have now caught up – Morrisons has recreated a high street feel in-store; Waitrose has retained quality and become more competitive on price; Sainsbury's advertising has been successful, as has Marks & Spencer's £10 dine-in deal.

Tesco, whose slogan 'Every little helps' tempted customers in the past, is to review its 'brand communication' and is inviting a number of advertising agencies to suggest alternative promotions.

Tesco has large cash reserves. It is spending up to £400m on 200 new stores. It is also using softer colours and friendlier signposting in its stores. Tesco now has a 'click and collect' service in 1600 stores. This allows 80% of the country to order an item online and pick it up from a store within a five minute drive.

Tesco faces strong competition from Lidl and Aldi, two supermarkets positioned at the cheaper end of the market. However Tesco, the UK's biggest private employer, remains the market leader by some margin, with approximately 30% of the market.

(Source: adapted from articles in The Times, January 20, 2012, 8 April and 19 April 2012)

2 (a) Explain one reason why branding is important for Tesco. (4 marks)







**Extract C** (Total marks: 20)

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.

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.

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



