

Please check the examination details below before entering your candidate information

Candidate surname		Other names	
Pearson Edexcel		Centre Number	Candidate Number
Level 3 GCE			
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.
- Good luck with your examination.

Turn over ►

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Answer ALL questions.

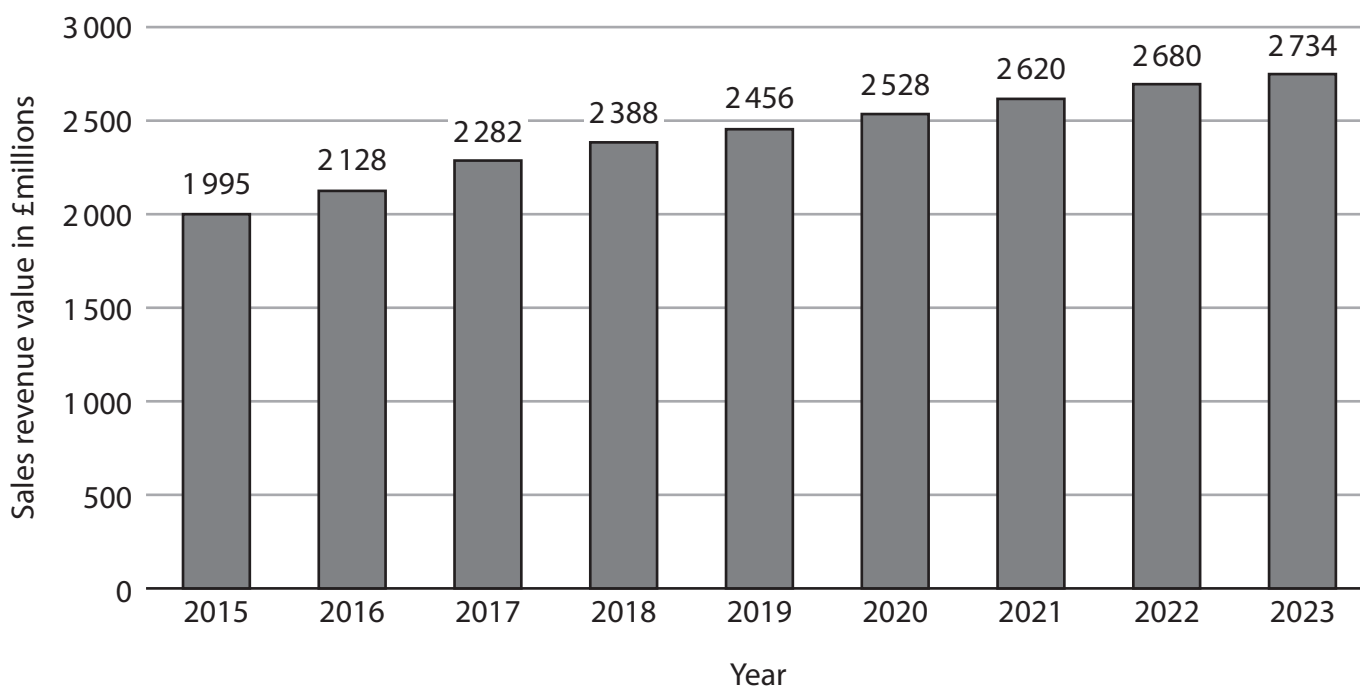
SECTION A

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

Write your answers in the spaces provided.

Extract A

UK sweet market revenue – actual and projected



(Source: adapted from <https://www.statista.com/outlook/40100200/156/sugar-confectionery/united-kingdom#market-revenue>)

Extract B

UK sugar sweets

Bags of sugar-based sweets are still popular in the UK's independent convenience stores. However, sales in the stores could be increased if they added 'better-for-you' options and dedicate space to kids' sweets. From lollipops to liquorice laces, convenience stores serve customers from school kids searching for a sweet snack, to pensioners with a desire for a 'pick-me-up'.

Sugar confectionery is often bought on impulse and there is a trend for consumers to buy little and often, so convenience stores are ideally placed to increase sales. In 2018, £445m of sweets were sold in convenience stores, out of total UK sweet market of £2 388m.

Convenience stores can take full advantage of their independent status to shop around and stock new sweet products from suppliers. Stores have the freedom of choice to stock smaller niche brands, an opportunity to differentiate, given that consumers are now switching to cheaper own brand sweets.

(Source: adapted from <https://www.conveniencestore.co.uk/products-in-depth/hanging-with-the-big-gums/567533.article>)



Extract C**Bon Bon's sweet wholesaler**

Bon Bon's, founded in 2007, is a confectionery wholesaler, led by Yorkshire businessman, Mark Rowntree, descendant of confectionery pioneer, Joseph Rowntree. In 2018, Bon Bon's opened an additional site in Yorkshire.

Bon Bon's supplies a range of confectionery, from Belgian chocolates to boiled sweets and specialist liquorices, as well as children's sweets such as 'Traffic Light Lollies' and 'Candy Necklaces'. It repackages these sweets in small quantities and interesting packaging. Bon Bon's claims this selection is different to the mass-produced ranges found in the larger high street chains. Sweets are supplied to hundreds of high-quality independent retailers including farm shops, delicatessens and tourist attractions such as The British Museum, Tower of London and Stonehenge. Bon Bon's provides display units so these retailers can recreate the look of a traditional, old fashioned sweet shop.

"We are probably the UK's largest confectionery business, that still packs by hand. The additional space will allow us to provide more packing capacity in our existing unit and use our additional site as a distribution warehouse. Although we want to grow, we don't have mass market ambitions," said Rowntree. Bon Bon's has a total of 85 staff.

(Source: adapted from <http://www.bqlive.co.uk/food-drink/2019/01/11/news/healthy-outlook-as-latest-rowntree-confectionery-entrepreneur-expands-into-new-scheme-34762/> and <https://www.bonbons.co.uk/traditional-sweets/>)



In 2018, the value of the UK market for sugar-free sweets was 3% of total sales revenue.
In 2023, it is forecast to be 5% of total sales revenue.

- 1 (a) Using the data in Extract A, calculate the change in value of sugar-free sweets sales predicted between 2018 and 2023. State your answer to 2 decimal places.
You are advised to show your working.

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(b) Explain **one** way in which a business such as Bon Bon's adds value to the products it sells.

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(c) Assess a likely trade-off for Bon Bon's of not having 'mass market ambition.'

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Bon Bon's has identified 'Traffic Light Lollies' as being a 'dog' in its product portfolio.

(d) Assess the possible consequences for Bon Bon's continuing to sell 'Traffic Light Lollies'.
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Bon Bon's is currently a business to business (B2B) company with an objective to increase profitability. To do this, Bon Bon's could either increase sales as a B2B company, or become a business to customer (B2C) company.

- (e) Evaluate these two options and recommend which **one** is more likely to improve Bon Bon's profitability.

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(Total for Question 1 = 50 marks)

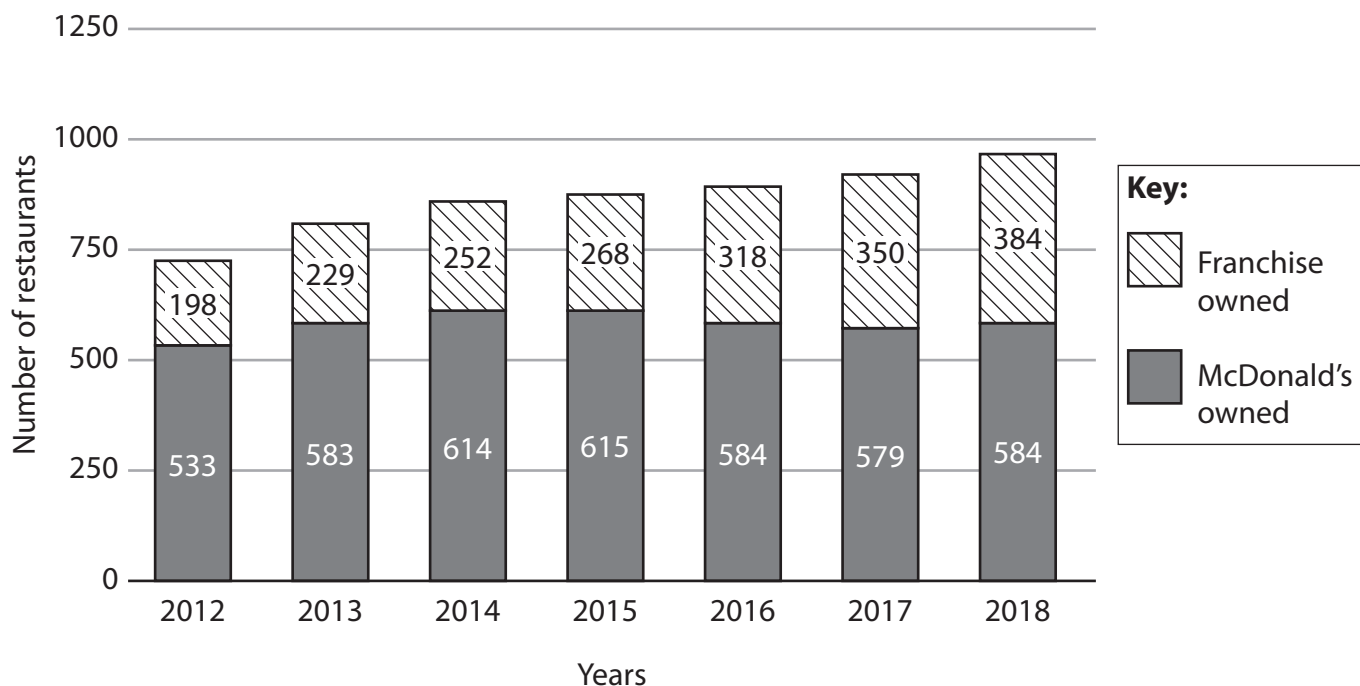
TOTAL FOR SECTION A = 50 MARKS



SECTION B

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

Write your answers in the spaces provided.

Extract D**Total number of McDonald's restaurants in Brazil**

(Source: adapted from <https://www.statista.com/statistics/812580/number-mcdonalds-restaurants-type-brazil/>)

Extract E**Taco Bell opens first Rio de Janeiro location**

American fast-food business, Taco Bell, has joined an already crowded market.

"Brazil has great potential both in terms of its geography and its food consumption," said Taco Bell's Director of Operations in Brazil. She added, "Operating on a larger scale is important, because it allows us to reduce the cost of inputs and services." The company's current goal is to have up to 200 locations by 2027.

As well as Taco Bell's popular Tex-Mex dishes, including the 'Crunchwrap Supreme' and the 'XXL Grilled Stuft Burrito,' Taco Bell has made sure to add local flavour to its traditional menu. For example, in São Paulo, it added the local drink maté.

Currently, all the branches in Brazil will be company-owned, but Taco Bell is considering franchising in the future.

(Source: adapted from <https://riotimesonline.com/brazil-news/rio-business/taco-bell-opens-first-rio-location-in-barra-da-tijuca/>)



Extract F**Brazilian Real to US dollar exchange rate 2018–19**

(Source: adapted from <https://tradingeconomics.com/brazil/currency>)

Extract G**Multinationals in Brazil**

Food and beverage multinationals provide a range of benefits to the Brazilian economy. They are responsible for 10% of Brazil's economic output and together employ 1.6 million people. Specifically, Nestlé employs 21,000 people in Brazil and has started an apprenticeship programme training 7,000 people under the age of 30.

However, in 2006, the Brazilian government, recognising the health problems caused by some multinational food businesses, introduced regulations to curb obesity and disease. These measures included advertising to warn consumers about foods high in sugar, salt and saturated fats. There were also marketing restrictions on sugary drinks aimed at children. The new rules also stopped brands such as Pepsi and KFC from sponsoring sports and cultural events.

Brazilian business, Citrusuco, exports 50% of the total orange juice exported to the USA, a total market worth \$1.4 billion. One of the American companies Citrusuco sells to is Tropicana, owned by PepsiCo.

However, a report in 2015, from the pressure group Supply Chainge, criticised working conditions in the Brazilian orange juice industry. The report alleged that high pesticide use led to unsafe working conditions and even deaths. It also stated workers were sometimes unpaid for weeks and trapped in employment contracts that kept them in debt.

(Source: adapted from <https://www.nytimes.com/interactive/2017/09/16/health/brazil-obesity-nestle.html> and <https://www.cnn.com/2018/08/23/brazil-florida-orange-juice-tariff-trade-war.html>)

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- 2 (a) Using the data in Extract D, calculate the percentage growth in the total McDonald's restaurants operating in Brazil, between 2012 and 2018. State your answer to 2 decimal places.
You are advised to show your working.

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(b) Explain how **one** of Ansoff's generic strategies might be applied to Taco Bell's decision to enter the Brazilian market.

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- (c) Using the data from Extract F, assess the impact of the exchange rate movements between January 2019 and April 2019 on the total costs of a business, such as Tropicana, which imports to the USA from Brazil.

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- (d) Assess whether legal controls are the most effective way of controlling the actions of multinational companies in countries, such as Brazil.

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Taco Bell entered the Brazilian market in 2018, with limited success. To increase sales, Taco Bell could either adopt a polycentric, or an ethnocentric approach to marketing.

- (e) Evaluate these two options and recommend which **one** is most suitable for Taco Bell to increase its sales in Brazil.

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(Total for Question 2 = 50 marks)

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



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