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Pearson Edexcel Level 3 GCE		Centre Number	Candidate Number
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<h1 style="margin: 0;">Business</h1> <h2 style="margin: 0;">Advanced Subsidiary</h2> <h3 style="margin: 0;">Paper 1: Marketing and People</h3>			
Friday 18 May 2018 – Afternoon		Paper Reference	
Time: 1 hour 30 minutes		8BS0/01	
You do not need any other materials.			Total Marks <div style="border: 1px solid black; width: 60px; height: 40px; margin: 0 auto;"></div>

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.*
- 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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Answer ALL questions.

SECTION A

Read Extract A before answering Question 1.

Write your answers in the spaces provided.

Extract A

PureGym is the UK's number one fitness provider

The 2016 UK Fitness Industry Report revealed market growth in the UK fitness industry of 3.2% in the past year. The report highlighted increases of 1.9% in the number of fitness facilities and 5.3% in the number of members.

Currently 1 in every 7 people in the UK is a member of a gym.

5

For the first time, a low-cost fitness operator is the UK's number one. PureGym added 60 clubs in the last 12 months. With more than half a million members, six-year-old PureGym offers no-contract membership and low-cost, 24-hour access. It is the fastest growing gym chain in the UK.

The 406 employees love working for the business. Managers talk openly and honestly with the workforce and have leadership skills that inspire confidence.

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Staff say the job is good for personal growth, thanks to initiatives such as Shining Stars, which offers on-the-job training to selected assistant gym managers in order to support promotion within the business.

(Sources: adapted from <http://www.leisuredb.com/blog/2016/5/11/press-release-2016-state-of-the-uk-fitness-industry-report> and <http://appointments.thesundaytimes.co.uk/article/best100companies/>)

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1 (a) What is meant by market growth?

(2)

(b) What is meant by on-the-job training?

(2)

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(c) Explain how PureGym has gained a competitive advantage in the fitness market.

(4)

(d) Explain how the growth of the fitness market from 2015 to 2016 could have affected PureGym.

(4)

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(e) Assess **two** likely benefits for PureGym of its managers using a paternalistic leadership style.

(8)

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- (f) Assess the extent to which training assistant managers for promotion to managers could benefit a business, such as PureGym.

(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

Mars launches protein chocolate bars

Mars has launched two new products to move protein bars from a niche market into the mass market: a Snickers Protein Bar with 18g of protein and a Mars Protein Bar with 19g of protein, both containing 200 calories.

Oliver Collins, Brand Manager at the UK's largest distributor of bicycles, said: "We are incredibly excited about working with Mars on this brilliant range of products. As more people are getting on their bikes, there is a definite desire for nutritional, convenient and tasty snacks. There are lots of competitors out there, but with such instantly recognisable brand names and great taste, we are confident that Mars' new range of products will be popular".

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The market for protein bars is fast-growing, with sales valued at £22m in 2016, an increase of £8.2m from 2015. Almost 17% of UK customers now consume food or drink that contains protein as a snack between meals.

(Source: adapted from <http://www.bikebiz.com/index.php/news/read/madison-to-distribute-mars-lifestyle-products-to-uk-cycle-industry/019948>)

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2 (a) What is meant by niche market?

(2)

(b) What is meant by brand?

(2)

In 2015 the protein food and drink market was worth £310m.

- (c) Using the data in Extract B, calculate, to 2 decimal places, the market share of protein bars in the protein food and drink market for 2015. You are advised to show your workings.

(4)

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(d) Explain how Mars could research the protein bar market.

(4)

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(e) Assess **two** methods Mars could use to promote its new protein bars.

(8)

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(f) Assess the importance of adapting to market change for a business such as Mars.

(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

Mainstage Travel (MT) is a travel and technology company with a difference

In January 2014, MT secured £100 000 from IT pioneer Piers Linney, on the TV show Dragons' Den, in return for 15% of the company. Piers was chosen over the other investors because of his technology experience in a dynamic market.

MT supplies flight and hotel booking systems to the biggest festival organisers in Europe, including Outlook, Dimensions and Soundwave. The company's technology enables festival goers to book flights, hotels and tickets as a single package. MT achieved a turnover of £4.5m in 2015. 5

Since appearing on Dragons' Den, MT have been developing the most innovative technology in the travel industry. Its most recent product is Hotel2020, an application that will enable a hotel to sell flights and transfers through its own website. 10

(Source: adapted from <http://startups.co.uk/young-guns/aden-levin-rob-tominey-mainstage-travel/>)

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To continue developing the most innovative technology in the travel market, MT could either use more venture capital or a bank loan.

- 3 Evaluate these **two** options and recommend which option would be most suitable for a company that operates in a dynamic market, such as MT.

(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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