

**Paper Reference 9BS0/03**  
**Pearson Edexcel**  
**Level 3 GCE**  
**Business**  
**Advanced**  
**Paper 3: Investigating business in**  
**a competitive environment**  
**Monday 18 June 2018 – Morning**  
**Data Book**

**In the boxes below, write your name,  
centre number and candidate number.**

<b>Surname</b>										
<b>Other names</b>										
<b>Centre Number</b>										
<b>Candidate Number</b>										

## INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

**THIS DATA BOOK MUST BE  
RETURNED WITH THE QUESTION  
PAPER AT THE END OF THE  
EXAMINATION.**

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SECTION B

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Extract A

Maltesers take top spot in UK chocolate market in 2015

	Position	Brand	Manufacturer	52 weeks to 14/09/14 revenue in £million	52 weeks to 13/09/15 revenue in £million
1		Maltesers	Mars UK Ltd	47.1	49.7
2		Cadbury's Dairy Milk (CDM)	Mondelez International	53.4	44.6

(continued on the next page)

Extract A continued.

3	Galaxy	Mars UK Ltd	33.7	36.6
4	Snickers	Mars UK Ltd	33.8	35.0
5	Mars Bar	Mars UK Ltd	30.5	29.6
6	M&Ms	Mars UK Ltd	21.3	25.1
7	CDM Buttons	Mondelez International	23.4	23.7
8	Twix	Mars UK Ltd	24.4	22.9
9	Twirl	Mondelez International	20.7	22.5
10	Kinder Surprise	Ferrero Ltd	19.7	22.0

(Source: © Carnyx Group Ltd 2017)

## Extract B

### Flexible working at Nestlé UK

- 5 Nestlé is a truly multicultural company operating in 197 countries. It has 339 000 employees worldwide. Job roles range from engineering, production and technical, to research and development, finance, marketing and purchasing, with some employees working across different departments.
- 10 Nestlé has introduced a number of measures to help staff achieve the right work–life balance. These measures include allowing people to work flexible hours as opposed to
- 15 common start and finish times, working from home and creating a dog friendly office at Gatwick HQ.

(Source: adapted from © Société des Produits Nestlé S.A. 2004)

## Extract C

### Global dark chocolate market 2015–2019

5      Global dark chocolate sales are  
expected to rise from **\$34·25 billion**  
to **\$51·7 billion** by **2019** – an average  
**9%** each year up to **2019** – according  
to market research company,  
Technavio.

10     ‘A growing awareness of the health  
benefits of dark chocolate (improved  
blood flow, enhanced cognition and  
better metabolism) is likely to lead to  
a considerable rise in consumer  
demand in the next five years,’ states  
15     Technavio’s report.

(continued on the next page)

**Extract C continued.**

**20     ‘There is also a growing demand  
for dark chocolate in developing  
countries, driven by a rise in incomes  
and changes in eating habits with  
growing urbanisation.’**

**25     India is the fastest growing chocolate  
market in the world, partly driven by  
rising demand for dark chocolate,  
such as a dark chocolate version of  
Nestlé’s Kit Kat Senses.**

**30     Europe makes up 45% of the global  
dark chocolate market, followed by  
32% in the Americas,  
12% Asia–Pacific and 11% for the  
rest of the world.**

**(Source: adapted from © William Reed  
Business Media Ltd 2017)**



## Extract D

### Thorntons sold

5      Thorntons has failed to revive its chocolate manufacturing business, despite opening more of its own stores and increasing sales through supermarkets.

10      Ferrero International, with global revenues worth over £8 billion (2015), has purchased Thorntons for £112 million to expand its operations in the UK, a market estimated to be worth £6 billion in sales.

15      The takeover marks the loss of another British chocolate business to an overseas buyer. Cadbury and Green & Black's were sold to the US business Kraft Foods Inc

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**Extract D continued.**

**(now Mondelez International) in  
2010, while Rowntree was sold to  
20 Nestlé in 1988**

**In 2014, Ferrero International  
purchased the world's largest  
hazelnut processor, the Oltan Group  
for an undisclosed sum. Hazelnuts  
25 are one of Ferrero's key commodities,  
which it uses for its luxury Ferrero  
Rocher chocolates, Nutella and  
Kinder Bueno.**

**The Oltan Group, based in Trabzon,  
30 Turkey, was previously under family  
ownership. It has five production  
facilities exporting to the EU and  
global markets, with an annual  
turnover of £600 million.**

**(Source: adapted from © Guardian News  
and Media Limited 2014 and © William  
Reed Business Media Ltd 2017)**

## Extract E

### Cadbury chocolate

Cadbury chocolate is a well-known global business, with nearly \$4 billion in sales. This is forecast to grow to \$6 billion by 2020. Cadbury has a history spanning nearly 200 years, when John Cadbury opened his first grocery shop in 1824 in Birmingham, UK, to sell cocoa and drinking chocolate. The first Cadbury's chocolate bar was sold in 1847 and the iconic Dairy Milk bar was launched in 1905

Since then over 200 different chocolate products have been produced, including Flake, Wispa, Buttons, Curly Wurly and the

(continued on the next page)

**Extract E continued.**

**Cadbury Crème Egg, which is  
mainly sold at Easter. Cadbury  
20 chocolate is sold in 40 countries and  
manufactured in 10**

**(Source: adapted from © Mondelez  
International)**

## Extract F

### Profit or social responsibility?

Cadbury used to be committed to using Fairtrade cocoa beans to produce its chocolate. Fairtrade meant that up to **200 000** cocoa farmers in countries, such as Ghana and Ivory Coast, earned a minimum of **£1 600** per tonne of cocoa sold. In November **2016**, Cadbury switched to a new cocoa production partnership known as Cocoa Life, which does not apply the same price rules and does not guarantee other ingredients, such as nuts, sugar or raisins, are responsibly sourced.

Raisins had been the dry fruit of choice in a Fruit & Nut bar for **90** years.

(continued on the next page)

**Extract F continued.**

**At the end of 2015, sultanas were added ‘to give more variation’.**

**20 Sultanas are cheaper than raisins.**

**One of the benefits of working for Cadbury was that you were looked after in retirement. Former employees were given a gift of**  
**25 chocolates at Christmas. Mondelez International scrapped the gifts, claiming it needed to save money to help plug the company’s pension deficit.**

**30 By contrast, Mondelez International has recently taken steps to be more socially responsible – such as pledging that all its standard-sized ‘single-serving’ chocolate bars would**  
**35 contain less than 250 calories by the**  
**(continued on the next page)**

**Extract F continued.**

**end of 2015. This was in response to the UK government's voluntary anti-obesity policies.**

**(Sources: adapted from © Independent Digital News and Media Ltd and © Guardian News and Media Limited 2014)**

## Extract G

### £75 million investment at Cadbury

- 5      Mondelez International and the Unite trade union are celebrating successful negotiations over a £75 million modernisation to Cadbury's Birmingham factory. Over 200 people agreed to leave by voluntary redundancy by the end of 2016, with some redundancy packages worth in excess of £100 000. It should boost the Cadbury factory's efficiency when four 'state-of-the-art' production lines replace six outdated ones.
- 10
- 15      The 650 remaining staff will develop extra skills with appropriate training provided, for which there will be a

(continued on the next page)



**Extract G continued.**

**20      2% pay increase. The investment should enable Cadbury to meet the growing consumer demand for Dairy Milk, Marvellous Creations and Oreo bars.**

**25      The table on the next page shows the forecast returns for the first 5 years following the modernisation project.**

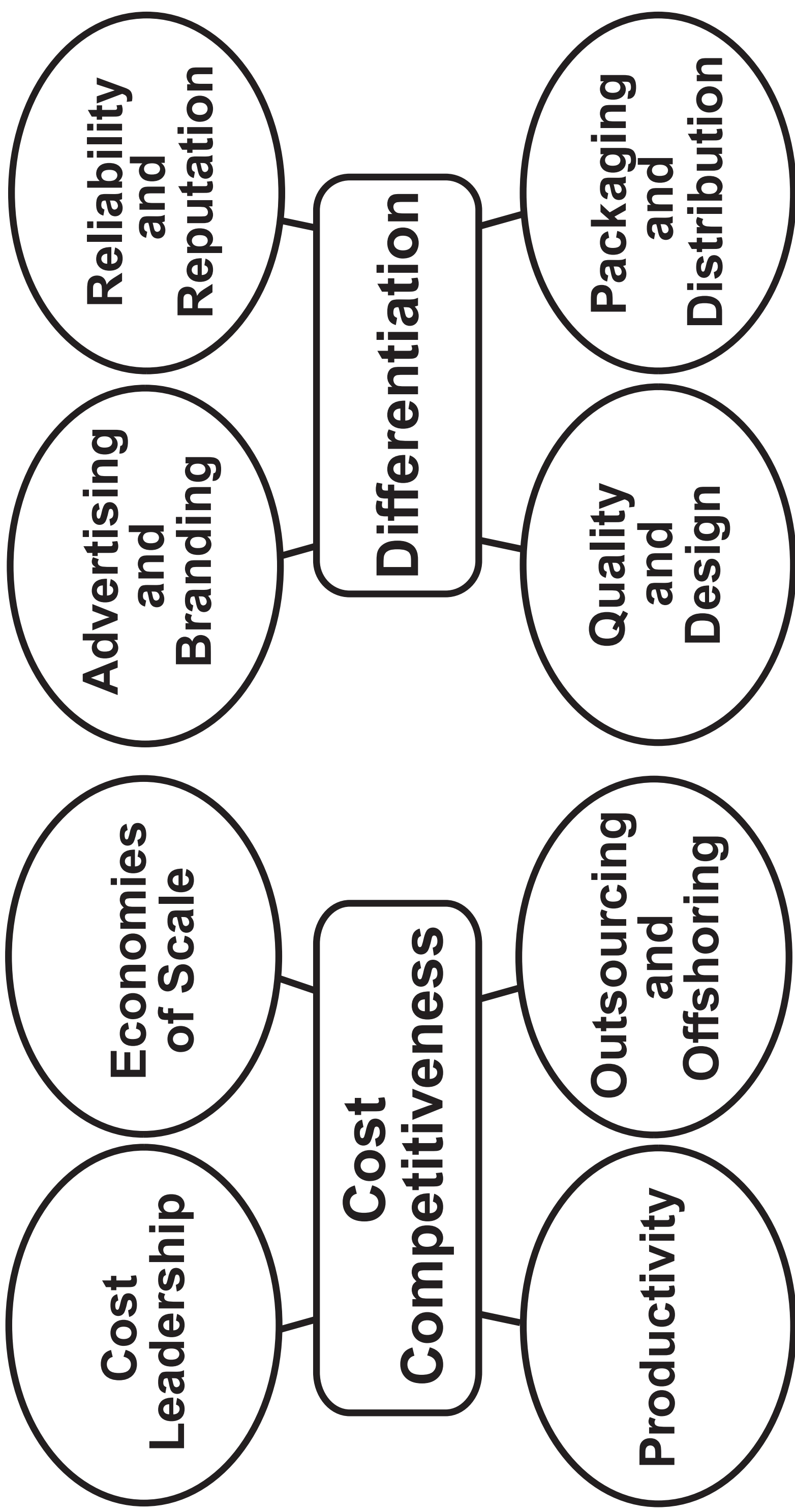
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**Extract G continued.**

<b>Year</b>	<b>Net cash flow (£million)</b>	<b>Discount factors at 10% discount rate</b>
<b>0</b>	<b>(75)</b>	<b>1·0</b>
<b>1</b>	<b>20</b>	<b>0·909</b>
<b>2</b>	<b>25</b>	<b>0·826</b>
<b>3</b>	<b>30</b>	<b>0·751</b>
<b>4</b>	<b>22</b>	<b>0·683</b>
<b>5</b>	<b>20</b>	<b>0·621</b>

**(Sources: adapted from © Guardian News and Media Limited 2014 and © 2017 Trinity Mirror Midlands)**

# Extract H – Competitive advantage



(Source: adapted from [http://www.economicsonline.co.uk/Global\\_economics/Competitiveness.html](http://www.economicsonline.co.uk/Global_economics/Competitiveness.html))