

# Pearson Edexcel International Advanced Level

Time 2 hours

Paper  
reference

**WBS11/01**

## **Business**

**International Advanced Subsidiary**

**UNIT 1: Marketing and people**

### **Source Booklet**

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## Sources for use with Section A

### Extract A

#### Indian based *Bambrew* is helping to put an end to single-use plastic straws

For Vaibhav Anant to see a tortoise struggling in pain because it was caught up in plastic waste, was a difficult sight to witness. Plastic waste, including plastic straws, is accumulating in lakes and oceans, becoming a global crisis. Anant used product innovation to help tackle this problem and formed his business *Bambrew*.

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After researching for over a year and a half for materials that do not harm the environment, Vaibhav Anant found that bamboo was the best alternative material to plastic to make straws. Bamboo is available in high quantities in India. *Bambrew* developed a technology for making straws from bamboo fibres and bamboo waste. These materials are natural and biodegradable which means the products can decay naturally and do not have a negative impact on the environment.

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Secondary research helped him to collect quantitative data. He found that there are about 137 bamboo species, but not all of them are suitable for making straws. He researched the best areas in India to source the bamboo and identified communities in India who could manufacture the straws.

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*Bambrew* is now developing disposable bamboo food containers and packaging as well as straws and exporting these to the US, UK, and Canada. The marketing strategy used by *Bambrew* is business to business (B2B). Customers include *Zomato*, a food delivery business, and *Lalit Hotels*, a luxury hotel chain.

According to reports, the global biodegradable packaging market, which was valued at \$3.92bn in 2018, will be worth \$21bn by 2025.

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### Extract B

#### *Bambrew*: Our products

At *Bambrew* we believe the Earth has the right to live without pollution. All our products are 100% handmade, reusable and the perfect natural substitute for plastic. They are lightweight and fully biodegradable. No chemicals or pesticides are used in the production of our products. Our aim is not just to protect the environment, but to help and support local communities who produce our products. We act ethically to ensure the communities are supported and are paid a fair price for the straws.

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## Sources for use with Section B

### Extract C

#### About Aldi

*Aldi* was founded by the Albrecht family in Germany. The family had owned grocery stores since 1914 when Anna Albrecht opened a small store. *Aldi* remains a family business and is now run by brothers Theo and Karl Albrecht.

*Aldi* believes that great quality should not come at a high price, rather that great quality should come with everyday low prices. *Aldi* focuses on giving customers quality food, good customer service, low prices and a quick and easy efficient shopping experience with only four to five store aisles but with all grocery essentials. 5

*Aldi* sources much of its produce from local suppliers. The stores partner with local growers and farmers to offer a wide variety of fresh produce, including organic fruits and vegetables. 10

There are thousands of *Aldi* stores throughout Europe and it has expanded into the US. *Aldi* is one of the UK's fastest growing supermarket chains and plans to have 1,200 stores in the UK by 2025. *Aldi* has won numerous awards for offering competitive rates of pay and excellent working environments for all its employees. 15

In the UK *Aldi* is known for promoting its 'Super 6 fruit and vegetables'. Each week there are six types of fruits or vegetables offered at a reduced price. *Aldi* sponsors the UK Olympic team to promote a healthier lifestyle and advertises its Super 6 products using TV and other media.

### Extract D

#### What does the future hold for the UK grocery industry?

In response to changing social trends in the UK, supermarkets are having to adapt. The rise of the German-based stores, *Aldi* and *Lidl*, which both sell at low prices, have forced the UK's largest supermarkets (*Tesco*, *Asda*, *Sainsbury's* and *Morrisons*) into changing how they operate. 5

The way that people in the UK shop for groceries is changing. People are shopping more frequently for fresh groceries and using online services. *Tesco* is planning to offer a one-hour delivery service. Fewer shoppers are loyal to a specific supermarket as more are using price comparison websites to compare supermarkets.

## Extract E

### Market share (by sales revenue) of the top 10 UK Supermarkets

UK Supermarket	% share January 2019	% share January 2020
Tesco	26.7%	26.5%
Sainsbury's	14.9%	14.8%
Asda	13.9%	13.6%
Morrisons	9.9%	9.6%
Aldi	8.5%	9.0%
Lidl	6.0%	6.6%
Co-operative	4.6%	4.6%
Waitrose	4.3%	4.2%
Marks and Spencer	3.5%	3.5%
Iceland	2.4%	2.4%

**Extract F**

***Nike's new consumer experience distribution strategy***

*Nike* is currently the largest global sports footwear and clothing brand. It has a plan for growth called the Triple Double Strategy. Through this, *Nike* plans to double its speed of innovation, double its speed to market and double its connections with consumers.

This is based on changes to its distribution strategy by reducing the number of wholesalers and retailers. At present *Nike* sells its products through a variety of large and small businesses. It now plans to reduce the number of businesses it sells through and concentrate on those larger businesses that offer quality service and superior customer experiences. 5

While the company has not yet revealed the full list of these larger businesses, there are reports that *Foot Locker*, *JD Sports*, *Amazon*, *Zalando*, *Tmall*, and *Asos*, are among the chosen businesses. These businesses are expected to offer exclusive service for *Nike* products and employ *Nike* experts to give personal advice to customers. Currently over 60% of its North American sales are from smaller retailers that may no longer be able to sell *Nike* products. 10 15

The strategy aims to increase the number of online sales. A new app has been developed by *Nike* that improves the shopper experience and gives access to the NikePlus rewards programme. This loyalty programme offers members exclusive products, access to *Nike* advisers, personalised workouts and free delivery.

*Nike* continues to open new stores in major cities. In 2020 it opened flagship stores in New York, Los Angeles and Shanghai. 20