

Pearson Edexcel
International Advanced Level

Business

International Advanced Subsidiary/Advanced Level
Unit 1: Marketing and people

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Source Booklet

Paper Reference

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Sources for use with Section A

Extract A - *Tesco* - who we are

Tesco was founded in 1919 with a single market stall in London. *Tesco* now operates in 11 countries with over 476,000 employees and has 6,902 stores around the world. Over 65% of sales and profits come from the UK, where we have the largest market share in the food retail market. We operate a decentralised structure with only six management levels between the Chief Executive Officer and a sales assistant. 5

We were the first to offer internet food shopping in 1997 where food is ordered online and delivered to the customer's home. We have grown to be the world's largest and most profitable online food retailer, with sales of well over £2bn. We have two other online distribution channels on offer to our customers: 10

- over 150 Grocery Drive-throughs, where customers can drive to a *Tesco* store and pick up their shopping without having to leave their car. This allows us to respond to high customer demand
- our popular Click & Collect service, where customers order food and non-food items online and then collect from a local store. 15

We are not just a supermarket – we offer our customers a range of products and services to meet their needs, from *Tesco* Bank to *Tesco* Mobile. We sell more than milk and eggs.

Extract B - *mySupermarket*

mySupermarket is a price comparison website that allows you to compare prices and shop online from the main UK retailers. Our aim is to help you save time and money while giving you the best possible online shopping experience. All you have to do is select your favourite supermarket - *Tesco*, *ASDA*, *Sainsbury's* or *Waitrose* and start shopping! 5

While you shop, we compare your shopping basket across all the supermarkets so we can suggest replacements to help you save even more money. We also help you find the best online deals, offers and vouchers. We are 100% independent from the supermarkets featured on our website. No supermarkets or manufacturers own any shares in *mySupermarket*. 10

Our pricing information is updated daily based on the prices in your local stores.

Sources for use with Section B

Extract C - LEGO history

The name LEGO is an abbreviation of the two Danish words 'leg godt', meaning 'play well'. It is our name and our ideal. The *LEGO Group* is a private limited company and was founded in 1932. It has changed a great deal over the past 80 years and is a global enterprise that is now the world's third-largest manufacturer of toys.

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The LEGO brick is our most important product. This is why we are proud to have been twice named 'Toy of the Century'. Our products have had extensive development over the years – but the foundation is still the traditional LEGO brick. The brick, in its present form, was launched in 1958. The colourful interlocking bricks are unique, and offer unlimited building possibilities for children.

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The LEGO brand is more than simply our familiar logo. It is the expectations that people have of the company towards its products and services, and the accountability that the *LEGO Group* feels towards the world around it. The brand acts as a guarantee of quality and originality – 'Only the best is good enough' has been our motto since 1932.

Extract D - Successful product launches and innovation secures strong result

A successful launch of LEGO Legends of Chima and strong performance from classic lines, such as LEGO City and LEGO Friends, contributed to a very satisfactory annual result for the *LEGO Group*.

Mads Nipper, Executive Vice President of the *LEGO Group*, said, 'LEGO Legends of Chima is a rich and engaging universe that children can explore in many ways. Not only by building and playing with LEGO sets, but also in the digital world using apps, exploring content on LEGO.com, via videos and online games. The theme is a great example of how we bridge physical and digital play for all age groups.'

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In 2014, the first ever LEGO movie was launched. It has earned revenues of more than \$424m worldwide. A sequel is scheduled to be released in 2017.

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Source for use with Section C

Extract E - Valuing Staff at Manchester United Football Club (MUFC)

At *Manchester United*, we know only too well that our employees are the key to our success. Without the many people who work behind the scenes, we simply could not be the best on the pitch, nor could we achieve the levels of success we have off the pitch. All strive for excellence on a daily basis and as an employer we aim to provide them with the best working environment possible to enable them to be the best that they can be in their work. 5

In 2016, as well as 74 footballers, *MUFC* had 725 permanent employees. These are:

- 426 administration
 - 111 commercial
 - 94 coaching and technical support
 - 94 media.
- 10

The club also employed 2,323 people on a temporary basis for catering, security, ticketing, hospitality and marketing services during match days.

Reward 15

In 2003 we introduced a new Profit Share bonus scheme to all employees so they could share in *MUFC*'s success. For example, in 2011, *MUFC* paid out £5m in bonuses paid to the 725 permanent employees, which equated to a 7.9% bonus on their annual salary in recognition of the club's success.

In 2004, *MUFC* introduced initiatives to identify and publicly recognise our key people including Employee of the Month, Employee of the Season and Team of the Season. Our Performance and Development Review process provides continual opportunities for training and career development. We promote a sense of well-being and good health by providing a staff restaurant, health checks, sporting events/classes and leisure vouchers. 20

Employee Benefits 25

Manchester United's benefits ensure our employees are supported, valued and encouraged to have a good work/life balance. *MUFC*'s benefits include Life and Health Insurances, Contributory Pension Scheme, bonus schemes, car allowances, maternity/parental pay and leave, holidays, company sick pay, free parking and free lunches!

In addition we offer discounts at local gyms and a number of social and sporting activities that take place throughout the year, including the Staff Summer Party, which allows staff and their families to enjoy a fun packed day. 30

Acknowledgements

Figure 1 based on data taken from <http://www.indexmundi.com/Commodities/?commodity=coal-australian&months=60>; Extract A adapted from 'Physical coal prices surge to highest since start of 2014', by Henning Gloystein and Nina Chestney, Oct 4 2016, <http://www.reuters.com/article/us-coal-markets-idUSKCN1240C9>; Figure 2 based on data taken from: http://www.eia.gov/energyexplained/index.cfm?page=us_energy_home Extract B adapted from http://www.ucsusa.org/clean_energy/coalvswind/c02c.html#.V_6xwSS2Ukw

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