



Rewarding Learning

ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
January 2013

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## Business Studies

Assessment Unit AS 1

*assessing*

The Competitive Business

[AT111]



WEDNESDAY 9 JANUARY, AFTERNOON

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### TIME

1 hour 30 minutes.

### INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.  
Answer **both** questions.

### INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in Question 1 parts (c), (d) and (e) and Question 2 parts (c), (d) and (e).

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

### ADVICE TO CANDIDATES

You are advised to take account of the marks for each question or part question in allocating the available examination time.

1 Study the information below and answer the questions that follow.

### UK Tablet Computer Market



© Jo Yong-Hak / Reuters

Tablet computers are becoming increasingly popular in the UK. They are commonly used for reading e-books and online newspapers, playing games and of course for a wide range of applications. Since Apple launched its iPad in April 2010, there has been rapid growth in the market for tablet computers.

According to new research from Kantar Worldpanel ComTech, a total of 3.62 million people in the UK own tablet computers, with Apple having a 73 per cent market share. The market seems set for further growth. With a UK population of around 60 million, of which there are 48 million adults, there are clear opportunities for successful brands.

Kantar gathered its data from consumer panels in the UK, France, Italy, Germany, USA and Australia. It found that of all the potential customers, only half intended to purchase an iPad in the next year. The second most popular brand was found to be the Samsung Galaxy, with 6% of potential customers intending to buy this model. After that there were many brands with only one or two per cent shares.

Dominic Sunnebo, a director in Kantar, said: "Apple's achievements in this market are clearly linked to its success in the smartphone market: 80% of people who already own an iPhone and plan to purchase a tablet, intend to buy an iPad. This is clearly something that other manufacturers will have to contend with." He also pointed out that manufacturers would need to clearly market the benefits of tablet computers to the over 45 year olds, as many of these potential customers were unclear about how they differed from PCs.

*Adapted from © "Apple's 73% UK tablet market share 'set to fall' " by Charles Arthur, 12-9-11. Copyright Guardian News & Media Ltd 2011*

- (a) Explain why Apple should be concerned about market growth in the tablet computer market. [4]
- (b) Explain what is meant by a consumer panel, using an example from the case study to illustrate your answer [4]
- (c) Analyse the advantages to a business such as Apple, of having a balanced portfolio of products. [8]
- (d) Discuss whether a business such as Apple, should use secondary market research to aid its decision making. [12]
- (e) Evaluate whether it is in the best interests of consumers for a single company like Apple to dominate the tablet computer market. [12]

2 Study the information below and answer the questions that follow.

### Coca-Cola HBC (Ireland and Northern Ireland)



In April 1939, local businessman, Tom Robinson, signed a franchise agreement with the Coca-Cola Company in London allowing him to bottle Coca-Cola in Belfast. The business grew and is today officially known as Coca-Cola HBC Ireland and Northern Ireland. Under its franchise agreement, it purchases concentrates, beverage bases and syrups in order to produce, sell and distribute a range of drinks including four of the world's leading brands: Coca-Cola, Diet Coke, Fanta and Sprite.

In September 2010, the business opened a new, state-of-the-art, facility costing £93.5 million at Knockmore Hill in Lisburn. The 50 000 square metre manufacturing, bottling and warehousing facility employs 600 people and has the capacity to produce 1.5 million litres of Coca-Cola per day using flow production techniques. Prior to the new plant opening, the business had been operating on two smaller sites based in Dublin and Lisburn.

The Knockmore Hill plant also bottles water from source which it markets under the Deep RiverRock brand. As well as sparkling and still water, the range also includes several flavoured water formats, such as Pear, Peach, Lemongrass and Forest Fruits.

The company states that its corporate vision is to become the undisputed leader in this market. On its website, it claims to "provide the right high-quality products for the right occasion in the right place". To achieve this, production processes are closely monitored and have sophisticated control equipment and testing programmes at key stages of the process. The Knockmore plant has achieved the ISO 9001 Quality Standard and also has its own Quality and Food Safety Policy.

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- (a) Explain what is meant by adding value, using an example from the case study to illustrate your answer. [4]
- (b) Explain **two** disadvantages of flow production to Coca-Cola HBC, using the case study to illustrate your answer. [4]
- (c) Analyse the internal economies of scale that a business such as Coca-Cola HBC might experience as it expands. [8]
- (d) Discuss the advantages and disadvantages of franchising to a franchisee such as Coca-Cola HBC. [12]
- (e) Evaluate the importance to a business such as Coca-Cola HBC of obtaining an ISO Quality Award. [12]

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**THIS IS THE END OF THE QUESTION PAPER**

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