



Mark Scheme (Results)

Summer 2025

Pearson Edexcel International Advanced
Level

In Business (WBS11)

Paper 01 Marketing and People

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question	Define the term 'brand'. Answer	Mark
1(a)	<p style="text-align: center;">Knowledge 2</p> <p>Up to 2 marks for defining the term 'brand' e.g.</p> <ul style="list-style-type: none"> • A feature such as a name or logo (1) that distinguishes a product/service from its competitors (1) 	(2)

Question	Using this data, calculate the income elasticity of demand (YED) for <i>Sony's</i> games console. Answer	Mark
1(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed: QS2: calculate, use and understand percentages and percentage changes QS7: interpret values of price and income elasticity of demand.</p> <p>Knowledge 1 mark for identifying the formula for YED: • $YED = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$ (1)</p> <p>Application Up to 2 marks for selecting the correct data: • $\frac{3.21 \text{ million} - 3.0 \text{ million}}{3.0 \text{ million}} \times 100 = 7\%$ (1) / 3.5% (1)</p> <p>Analysis 1 mark for calculating YED • 2 (1).</p> <p>NB: If no working is shown, award marks as follows • If the answer given is 2, award 4 marks</p>	(4)

Question	Analyse two pricing strategies <i>Sony</i> could use to compete in the electronics market.	Mark
Answer		
1(c)	<p style="text-align: center;">Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for giving a valid definition of a pricing strategy, e.g.:</p> <ul style="list-style-type: none"> • Pricing methods used by a business (1) to set a price for its products or services (1) <p>OR</p> <p>For giving 2 possible pricing strategies <i>Sony</i> may use e.g.:</p> <ul style="list-style-type: none"> • Competitive pricing (1) • Price skimming (1) <p>Application Up to 2 marks for answers contextualised to <i>Sony</i> e.g.</p> <ul style="list-style-type: none"> • <i>Sony</i> competes with other businesses such as <i>Microsoft</i>, which also manufactures games consoles. (1) • <i>Sony</i> invented and produced the Walkman which was the first portable and personal device to listen to music (1) <p>Analysis Up to 2 marks for reasons / causes / consequences for <i>Sony</i>, e.g.</p> <ul style="list-style-type: none"> • <i>Sony</i> may have to price in line with its rivals due to the competitive nature of the games console industry to prevent customers switching to competitors (1) • <i>Sony</i> may set an initially high price for the products it invented to attract consumers interested in new tech products/recover its research and development costs (1) 	(6)

Question	<p>Discuss the benefits for <i>Sony</i> of using the product life cycle when making decisions on its product portfolio.</p> <p>Indicative content</p>
1(d)	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • A product life cycle shows the stages that a product goes through from introduction to decline • <i>Sony</i> has a wide variety of electronic goods in its portfolio and the product life cycle will assist with its marketing strategy • A benefit of the model is that it may help <i>Sony</i> make decisions on its established/mature products. Its PlayStation games console will benefit from extension strategies to prolong its life to compete with the <i>Microsoft Xbox</i> • The product life cycle can help <i>Sony</i> consider its promotional strategies. New products, such as the electronic pet dog, which are in the introduction/growth stage, will benefit from advertising and promotion • The product life cycle may help <i>Sony</i> make decisions on those products with low sales in the decline stage. It may help them to make decisions on which TVs to discontinue when newer technology is introduced • However, the product life cycle is very simplistic model. Whilst there are many products whose sales follow the classical shape of the model, many others do not. It is very difficult for <i>Sony</i> to predict the life of a games console due to changing trends and the dynamic market in which it operates • The model does not take account of competitors' actions. The PlayStation may move into the decline stage quickly if <i>Microsoft</i> or <i>Nintendo</i> introduce a superior games console • Whilst the model is a good visual tool for analysing a portfolio of products, <i>Sony</i> would need to take account of other research findings on competitors, the economy, changing trends etc before decisions are finalised on its product range

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3-5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6-8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question	<p>Assess the advantages for a business, such as <i>Sony</i>, of using a product orientation approach when developing its products.</p> <p>Indicative content</p>
1(e)	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Knowledge, Application, Analysis, Evaluation - indicative content</p> <ul style="list-style-type: none"> • A product orientation approach is when the business develops products based on what it is good at producing and what it believes will sell well. Market orientation concentrates on researching the needs of customers before producing products • One advantage is <i>Sony</i> can save time and money by not researching customer opinions. This keeps costs lower which may lead to lower prices for games consoles and other electronic products • <i>Sony</i> was the first to create and sell innovative devices such as the Sony Walkman. Collecting consumer opinions on a new product/technology may not have yielded significant insights from consumers • Some products are argued to create a need or want in the customer, especially products of high quality/high technological content like the cameras • However, the electronics market is competitive. Businesses such as <i>Microsoft</i> are taking market share from <i>Sony</i> in the console market. <i>Sony</i> may need to react to consumer wants and become more market orientated in order to compete • Consumer research may become more important to the business to establish the specific requirements of Hollywood film producers or understand the price at which customers are willing to pay for TVs and electronic pet dogs • In the short term, a product-orientated approach is likely to have given <i>Sony</i> first mover advantage and helped to establish its brand • However, due to strong competition in the market and perhaps consumers becoming more knowledgeable about technology a market-orientated approach may be a safer approach for <i>Sony</i>

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1-2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5-7	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8-10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Define the term 'distribution channels'. Answer	Mark
2(a)	<p style="text-align: center;">Knowledge 2</p> <p>Up to 2 marks for defining the term 'distribution channels' e.g.</p> <ul style="list-style-type: none"> The route taken by a product (1) from producer to the customer (1) 	(2)

Question	<p>In 2022 <i>JLP</i> employed 650 delivery drivers. The average salary of a delivery driver was £42 000 Each employee received 3% of their salary as a profit share payment.</p> <p>Using this data, calculate the total amount of profit share <i>JLP</i> paid to all its delivery drivers.</p> Answer	Mark
2(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed: QS2: calculate, use and understand percentages and percentage changes</p> <p>Knowledge 1 mark for identifying a suitable formula for calculating the total payment:</p> <ul style="list-style-type: none"> profit share amount x number of employees (1) <p>Application Up to 2 marks for selecting the correct data:</p> <ul style="list-style-type: none"> $£42\,000 \times 3\% = £1\,260$ (1) x 650 (1) <p>Analysis 1 mark for calculating the total payment</p> <ul style="list-style-type: none"> £819 000 (1) <p>NB: If no working is shown, award the marks as follows</p> <ul style="list-style-type: none"> If the answer given is £819 000, award 4 marks If the answer given is 819 000, award 3 marks 	(4)

Question	Analyse two possible problems for <i>JLP</i> of using primary research to gather market data for its Partnership Plan.	Mark
2(c)	<p style="text-align: center;">Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining primary market research, e.g.</p> <ul style="list-style-type: none"> • The collection of market data (1) which has not been collected before (1) <p>OR</p> <p>For stating 2 possible problems of using primary market research e.g.:</p> <ul style="list-style-type: none"> • It is expensive to collect (1) • The sample may not represent the views of all the population (1) <p>Application Up to 2 marks for answers contextualised to <i>JLP</i> e.g.</p> <ul style="list-style-type: none"> • <i>JLP</i> has had financial problems with a loss made in 2023 and no profit share was paid to its partners (1) • As part of the Partnership Plan, <i>JLP</i> collected research from 8,000 customers, and 12,000 of its 80,000 partners (1) <p>Analysis Up to 2 marks for reasons / causes / consequences for <i>JLP</i>, e.g.</p> <ul style="list-style-type: none"> • The costs associated with collecting primary research using surveys/focus groups may have been better spent on other areas of the business (1) • This may lead to inaccurate/biased results if the view of those surveyed did not represent the majority of the population and therefore wrong actions taken (1) 	(6)

Question	<p>Discuss the advantages for <i>JLP</i> of using collective bargaining when negotiating with its partners (employees).</p> <p>Indicative content</p>
2(d)	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Collective bargaining is a process of negotiation between employers and a group of partners (employees) to discuss issues such as salaries, working conditions, benefits and redundancies in a business • The elected partners (employees) at <i>JLP</i> are able to represent the 80 000 partners (employees) when discussing terms and conditions. An advantage to <i>JLP</i> is that it should reduce time by having only one party to negotiate with, allowing them to focus on other aspects of its business • Costs may be reduced by negotiating redundancies for all partners (employees) at the head office rather than visits to individual stores around the UK • However, collective bargaining gives the 80 000 partners (employees) a larger voice. Representing a group with the same goals gives partners (employees) more power to negotiate demands with their employers. This may result in <i>JLP</i> agreeing to higher salaries and better redundancy payments which may increase costs and reduce profitability • Individual views of some of the partners (employees) may not be represented by the elected partners (employees). This may result in some partners (employees) leaving the business to work for other grocery competitors if they do not feel represented • A failure to agree terms with the partners (employees) may result in the partners (employees) considering strike action which may result in disruption to its retail stores leading to poor customer service • The outcome depends on the relationship <i>JLP</i> has with its

	partners (employees) to ensure collective bargaining results in a fast resolution of issues which benefits both parties
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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3-5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced, and unlikely to show the significance of competing arguments.
Level 3	6-8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors.

Question	Assess whether profit share payment is likely to improve employee performance at <i>JLP</i> . Indicative content
2(e)	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited."</p> <p>Knowledge, Application, Analysis, Evaluation - indicative content</p> <ul style="list-style-type: none"> • Profit sharing is a form of financial incentive given to employees, where part of the profit of the business is shared amongst employees • <i>JLP</i> has awarded a share of the profit to its employees since 1953. This may improve motivation levels of the employees because of the extra financial gain they get if the business is profitable. Employees may strive to work harder to contribute to the success and profitability of <i>JLP</i> • The fact that <i>JLP</i> wishes to reward the partners may indicate that the culture of its business has a sense of equality and care. It shows <i>JLP</i> regards the employees as being important to the business. This may encourage the employees to improve the level of customer service at <i>JLP</i> • However, in 2022 employees received only 3% of their salary as profit share. If the current salary of an employee is low then a 3% reward may not be enough to increase the performance of those employees • Some employees may be dissatisfied with how the profits are distributed as those employees on a higher salary will receive a higher amount of profit share. Dissatisfied employees may result in poor customer service in the grocery stores • In 2023 <i>JLP</i> did not give its employees a share of the profit due to a financial loss. This may decrease employee's performance as they may feel their hard work and commitment to the business has not been rewarded • Not all employees are motivated by financial incentives. Non- financial incentives may be more important to some workers at <i>JLP</i> and may improve efficiencies and output • There is no guarantee that <i>JLP</i> will make a profit each year and employees who are motivated by financial rewards may not be encouraged to be efficient in their work

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5-7	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8-10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Evaluate the advantages of a decentralised organisational structure for <i>IKEA</i> . Indicative content
3	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <ul style="list-style-type: none"> • A decentralised structure is an organisational structure where business decisions are delegated from the top of the hierarchy to lower-level management • <i>IKEA</i> has a decentralised approach as it allows managers working in the individual stores to make key decisions • Local managers in the stores in Asia may have a better understanding of cultural needs of its customers and be in a better position to meet the needs of its customers • Food sold in the individual stores around the globe will cater towards local needs and taste and encourage customers to visit the stores/remain in the store at lunchtimes • Local managers may be in a better position to negotiate with local suppliers to keep costs lower and fulfil the <i>IKEA</i> objective of selling affordable goods • Having authority lower in the hierarchy may motivate the managers in the <i>IKEA</i> stores. This may lead to higher productivity and/or a higher level of customer service in the stores • A decentralised approach may lead to fast decision making if problems/decisions do not need to be referred to head office. This may help to provide good customer service • However, a centralised structure can keep control over the stores by implementing common policies for the business such as selling the same furniture. This provides consistency for the business, its employees and customers • <i>IKEA</i> could benefit from economies of scale if the household goods sold are the same and the marketing can be organised centrally. A reduction in unit costs may help <i>IKEA</i> achieve its aim to sell at a low price • A centralised approach will usually speed up the decision-making process which may be important in an industry that is customer focussed • It is possible that the most experienced employees, like

Ingvar who worked until he was 91, are more experienced and able to make better decisions about the stores.
Decisions made at the head office/by senior employees may result in better strategies
/greater efficiencies

- It depends on the skills of the managers in the individual stores as to whether the reputation and performance of *IKEA* is maintained
-
- Overall, *IKEA* has successfully built and grown the business using a decentralised approach. However, it may be of benefit to centralise some of the decision making to benefit from economies of scale such as bulk buying and spreading the advertising costs

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-4	<p>Isolated elements of knowledge and understanding.</p> <p>Weak or no relevant application of business examples.</p> <p>An argument may be attempted, but will be generic and fail to connect causes and/or consequences.</p>
Level 2	5-8	<p>Elements of knowledge and understanding, which are applied to the business example.</p> <p>Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question.</p> <p>A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.</p>
Level 3	9-14	<p>Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context.</p> <p>Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question.</p> <p>Arguments are well developed.</p> <p>Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.</p>
Level 4	15-20	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.</p>

