



General Certificate of Education

Applied Business 8611/8613

BS04 Meeting Customer Needs

Mark Scheme

2006 examination – June series

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

	Assessment Objectives
	The Assessment Objectives represent those qualities which can be demonstrated in candidates' work and which can be measured for the purposes of assessment.
AO1 Knowledge, skills and understanding	Candidates demonstrate knowledge and understanding of the specified content and relevant business skills.
AO2 Application of knowledge, skills and understanding	Candidates apply knowledge and understanding of the specified content and relevant business skills.
AO3 Research and analysis	Candidates use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.
AO4 Evaluation	Candidates evaluate evidence to reach reasoned judgements.
Quality of Written Communication	<p>The quality of written communication is assessed in all assessment units where candidates are required to produce extended written material. Candidates will be assessed according to their ability to:</p> <ul style="list-style-type: none">• select and use a form and style of writing appropriate to purpose and complex subject matter• organise relevant information clearly and coherently, using specialist vocabulary when appropriate• ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear. <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1.

Total for this question: 18 marks(a) Describe **two** customer needs people have when purchasing a product. (2 x 2 marks)

For each part: one mark for identifying a need and one mark for development.

Possible types of needs include:

- **Understanding the value and suitability of the product**
eg is it worth buying (1 mark) as the customer might not like the taste (1 mark)
- **Information about the product and its functions**
eg information about what the snack is made of (1 mark) as they might be vegetarian (1 mark)
- **Reassurance about after-sales services, including guarantees**
eg if the product fails to operate as expected (1 mark), who can they complain to? (1 mark)

Candidate responses could describe two different types of needs or describe two aspects of the same type of need. Candidate can refer to any product market.

(b) Using **Item A**, explain why Walkers launched the following products. (4 marks)
Walkers Lites
Nobby's Crisps and Nobby's Nuts (4 marks)

Apply the following grid to each answer.

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to explain why the product was introduced	3–4	AO2
2	Uses Item A to describe why the product was introduced	2	AO1
1	Identifies a reason from Item A	1	

The sales of crisp and savoury snacks declined. **Item A** lists three possible factors contributing to this decline:

- Consumer concern over high salt and fat contents – possible reason for launching Walkers Lites
- Declining population of children aged under 15 – possible reason for launching Nobby's Crisps and Nuts
- Competition from healthier snacking products – possible reason for launching Walkers Lites.

Walkers launched new products because the types of customers and the needs of customers changed.

- Walkers Lites – need to meet the demand for healthier snacks given the concern over salt and fat content and/or given the competition from other healthier snack products
- Nobby's Crisps and Nuts – need to target an older market given the decline in the population of children under the age of 15.

(c) Using **Item A**, explain **how** Walkers differentiated its crisps by altering the **actual product**.
(6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to explain how <i>Walkers</i> differentiates its crisps by altering the actual product	5–6	AO2
2	Uses Item A when describing actual product	3–4	
1	Defines actual product	1–2	AO1

- Walkers Lites – the fat content is reduced and the name altered to indicate a less fattening alternative to the standard product
- Nobby's Crisps – the form of the crisp has been altered (“ridged crisps”) and “real food” flavours such as “Friday Night Balti Chicken”; the name is altered to appeal to the target customer segment
- Sensations – a “specially prepared” crisp indicating a possible change in the quality of the product; a different image presented (“posh crisps”) and a “range of indulgent flavours”.

2.

Total for this question: 20 marks

(a) *Explain why convenience store owners might be interested in receiving findings from “industry level market research” (Item B, lines 3–4) (4 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Explains, in context, why findings might be of use	3–4	AO2
2	Describes possible content/use of industry level research	2	AO1
1	States possible content/use of industry level research	1	

Industry level market research, such as that provided by Keynotes, Mintel and Euromonitor, helps to establish benchmark standards for customer needs, expectations and competitor performance. The article states two possible pieces of information:

- attitudes of customers to shopping - helps the owner of the store to meet the needs of his/her customers
- the marketing activities of competitors - helps the owner to identify ways in which he can compete against rival businesses.

The article also provides two examples of industry level research.

Candidates need only explain one possible way in which industry level market research can help the business. These do **not** have to be the ones covered in the item but should be in context for level 3 marks.

(b) *Using Item B, analyse why it is important for convenience stores to provide high levels of customer service. (6 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse the importance of customer service in the context of convenience stores	5–6	AO3
2	Uses Item B to explain importance of an aspect(s) of customer service	3–4	AO2
1	Describes a general aspect(s) of customer service	1–2	AO1

Item B indicates the importance of aspects of customer service:

- Staff - “service ...friendly”; “speed ...quick/efficient”
- Premises - “speed ...quick/efficient”; “shop cleanliness”; “Availability ... all of the time”
- After-sales care – although not explicitly mentioned, “staff friendliness” could indicate this aspect

Acceptable price and range of products were not listed above customer service features. Providing high levels of customer service is a significant way in which convenience stores can successfully meet customer needs.

(c) *The owner of a convenience store wants to identify whether his customers are satisfied with the customer service they are receiving.*

In order to complete this research, what customer data might be collected and which methods of data collection would you recommend? Justify your answer. (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses customer data and associated method(s) of data collection	5–6	AO3
2	Explains customer data and/or method(s) of data collection	3–4	AO2
1	Describes customer data and/or method(s) of data collection	1–2	AO1

Any suitable aspects of staff, premises and after-sales care could be identified:

- communication skills of the staff
- the layout of the store and the ease with which goods could be exchanged.

At level three candidates need to link specific data to suitable methods of data collection eg, customer feedback questionnaires, observation and informal/brief ‘personal interviews’, whilst customers are paying for goods or browsing the store.

For AO4, you should award marks using the scheme below.

Note that AO4 also assesses candidates’ quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
3	Justifies the chosen data or method(s) of collection by assessing their relative importance. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	3–4	AO4 and Quality of written communication
2	Supports an aspect of the chosen data or method(s) of collection by explaining its importance. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2	
1	Supports an aspect of the chosen data or method(s) of collection by stating its importance. Ideas are communicated in a simplistic way with limited use of technical terms. There are noticeable errors in accepted conventions of written communication.	1	

3.

Total for this question: 22 marks

(a) Using **Item C**, explain how *Tesco* can use its Clubcards to collect customer data. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item C to explain how <i>Tesco</i> uses its Clubcard to collect customer data	4–5	AO2
1	Describes features of the Clubcard	1–3	AO1

Relevant answers might include the following:

- Personal information gathered from application form
- Tracking purchasing behaviour

(b) Using **Item C**, assess how the data collected from Clubcards can help *Tesco* to meet customer needs. (7 marks)

Level	Descriptor	Marks	Assessment Objective
4	Uses Item C when assessing how the collected data could help <i>Tesco</i> to meet customer needs	6–7	AO4
3	Uses Item C to analyse how the data could help <i>Tesco</i> to meet customer needs	4–5	AO3
2	Explains how the data could help <i>Tesco</i> to meet customer needs	2–3	AO2
1	States a valid use of the data	1	AO1

Relevant answers might include the following:

- Shopping habits
- Special Offers
- Related product lines
- Staffing levels
- Customer behaviour/segmentation
- Any other appropriate response.

(c) *Tesco retails a wide range of products from simple, low investment products (eg milk and sugar) to complex, high involvement products (eg mobile telephones and holidays).*

Discuss how the use of an e-commerce website can help Tesco to meet a range of customer needs, both during and after the purchase of products. (10 marks)

Level	Descriptor	Marks	Assessment Objective
4	Analyses how the use of an e-commerce website can help Tesco to meet a range of customer needs	5–6	AO3
3	Explains how the use of an e-commerce website can help Tesco to meet customer needs	3–4	
2	Explains a valid use of an e-commerce website	2	AO2
1	Describes an e-commerce website	1	AO1

Relevant answers might include the following:

- Shopping at a convenient time for the customer
- Large amount of information available about the product
- Stock levels
- Online assistance/FAQs.

For AO4, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
3	Shows judgement when assessing the significance of an e-commerce website Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	3–4	AO4 and Quality of written communication
2	Shows judgment when explaining advantage or disadvantage of an e-commerce website Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2	
1	Shows judgment when describing advantage or disadvantage of an e-commerce website Ideas are communicated in a simplistic way with limited use of technical terms. There are noticeable errors in accepted conventions of written communication.	1	