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For Examiner's Use

General Certificate of Education June 2007 Advanced Subsidiary Examination

## APPLIED BUSINESS Unit 4 Meeting Customer Needs

**BS04** 



Monday 4 June 2007 1.30 pm to 2.30 pm

You will need no other materials.

Time allowed: 1 hour

#### **Instructions**

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- Answer the questions in the spaces provided.
- Do all rough work in this book. Cross through any work you do not want to be marked.
- If you need additional space, you should continue your answers at the end of this book, indicating clearly which question you are answering.

#### **Information**

- The maximum mark for this paper is 60.
- The marks for questions are shown in brackets.
- Questions 2(c) and 3(c) should be answered in continuous prose. In these questions you will be marked on your ability to use good English, to organise information clearly and to use specialist vocabulary where appropriate.

For Examiner's Use					
Question	Mark	Que	stion	Mark	
1			3		
2					
Total (Column 1)					
Total (Column 2) ──→					
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Examine	r's Initials				

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### Answer all questions in the spaces provided.

1 Read Item A and then answer the questions that follow.

## Item A Let's Get Active!

Bannatyne's Health Clubs offers up-to-date facilities in over 60 convenient locations to over 180 000 members. Facilities include:

- gym
- swimming pool
- group exercise classes, including:
  - Yoga
  - Running club
  - Nice N Easy aerobics (50 yrs+)
  - Advanced step and aerobics
  - Circuit training
  - Kids 'B' active
- sauna, jacuzzi and steam room
- hair and beauty
- food and beverages
- sport's clothing shop.

Bannatyne's Health Clubs claims that, "Whether you want to lose weight, build muscle, tone-up or improve stamina, we can help, in an environment which is both relaxing and enjoyable."

All new members are given a tour of the gym facilities and an induction to the equipment. They are also offered on-going support from gym staff and the option of employing a personal trainer to assist them in achieving personal goals.

The health clubs offer different membership options, including: single, joint, child, off-peak (can use clubs Monday–Friday daytime only) and full. Membership prices vary: a full single member currently pays around £45 per month compared with £38 per person for a joint membership.

Source adapted from www.bannatyne.co.uk

	1	
		(2 marks)
	2	
		(2 marks)
)	Explain why it is important to provide detailed information in the	orochure.
		•••••

Question 1 continues on the next page

Turn over ▶

(c)	Using <b>Item A</b> , explain how <i>Bannatyne's Health Clubs</i> meets the differing needs of its customers.
	(8 marks)

18

## Turn over for the next question

2 Read Item B and then answer the questions that follow.

# Item B Bannatyne's Future

Bannatyne's Health Clubs is aware of the need for continuous product development in order to improve profits, meet customer needs and stay ahead of its competition. As part of ongoing Research and Development, the business has looked at future population trends.

Research has indicated that the population is ageing. The percentage of people aged 65 and over increased from 13 per cent in 1971 to 16 per cent in 2003.

Figure 1 shows how the population structure is predicted to change by 2025.

**UK Population 2000** 12 10 8 □ Male Millions 6 Female 4 2 0  $25 - \overline{44}$ 45-64 5 - 2465 - 84Age **UK Population 2025 (predicted)** 12 10 8 □ Male Millions **■** Female 4 2 0 5-24 25-44 45-64 65 - 84Age

Figure 1: Population bar charts, 2000 and 2025 (predicted)

) 1	Using <b>Figure 1</b> , briefly describe <b>one</b> predicted change to the UK population.
•	
•	(2 mark
	Explain what additional information might be of benefit to <i>Bannatyne's Health Clubs</i> in meeting future customer needs.
•	
•	
•	
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Question 2 continues on the next page

Turn over ▶

(c)	Discuss to what extent the predicted population change is significant to the future activities of <i>Bannatyne's Health Clubs</i> .
	(10 marks)

20

## Turn over for the next question

3 Read Item C and then answer the questions that follow.

#### Item C

### More than just a trainer?

*Nike* invests heavily in Research and Development, recognising the importance of this to past and future success. *Nike*'s mission is, "To provide a competitive edge to help athletes to perform better." Its emphasis is on technical innovation to produce products that help to reduce injury, to enhance athlete's performance and to maximize comfort.

One of *Nike*'s most innovative products is the Aire Zoom Moire +iD Trainer Shoe. This is a well-cushioned and lightweight road running shoe containing the Nike + Sensor. This sensor, fitted to the shoe, provides instant feedback on the runner's speed, distance and calories burned. The information is sent directly to the runner through the iPod Nano.

These trainers can be made to meet the customers' exact requirements and tastes: <a href="https://www.NikeiD.com">www.NikeiD.com</a> is a site which allows users individually to design their own *Nike* trainer. The choices include:

- separate shoe size for right and left foot
- trainer colour
- lace colour
- swoosh colour (the Nike Tick)
- mid-sole colour
- sole colour (black or white only).

Colours range from bright pinks and greens to more subtle blues and greys.

Source adapted from www.nikebiz.com and www.nike.com

(a)		g <b>Item C</b> , explain the core and actual aspects of the Aire Zoom Moire +iD ner Shoe.
	(i)	Core
		(3 marks)

	(ii)	Actual	
			•••••
			•••••
			•••••
		(3 mc	arks)
(b)		Ig <b>Item C</b> , analyse how <i>Nike</i> could use the information gained from its websupprove its existing product range.	site
			•••••
			•••••
			•••••
			•••••
		(6 m	arks)

Question 3 continues on the next page

Discuss how investment in research and development might help Nike to achieve
mission statement.

22

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