Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

For Examiner's Use

General Certificate of Education
January 2008
Advanced Subsidiary Examination

ASSESSMENT and QUALIFICATIONS ALLIANCE

APPLIED BUSINESS BS04
Unit 4 Meeting Customer Needs

Friday 11 January 2008 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(b) 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	Question	Mark
1		3	
2			
Total (Column 1) →			
Total (Column 2) →			
TOTAL			
Examiner's Initials			

Answer **all** questions in the spaces provided.

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

Item A is not reproduced here due to third-party copyright constraints.

Source: adapted from *www.nestle.com* and *The Star* (York edition), 11 January 2007

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(a) Describe **two** reasons why *Nestlé* develops new products.

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(2 marks)

2 .....

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(2 marks)

(b) Identify a method, other than tasting panels, that *Nestlé* could use to collect information on customer attitudes. Explain why it would be suitable for *Nestlé*.

Method: .....

Explanation: .....

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(4 marks)

Question 1 continues on the next page

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(c) Using **Item A**, analyse the advantages to *Nestlé* of using a tasting panel to collect information on customer attitudes towards its products.

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(8 marks)

16

Turn over for the next question

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

Item B

River Farm

River Farm operates a service that enables customers to order a box of seasonal, organic vegetables (a vegbox) directly from the farm for next day delivery. *River Farm* advertises through its website www.riverfarm.co.uk and through flyers distributed with local free newspapers.

The *River Farm* website offers customers online recipes, information about varieties of vegetables, how it grows the crops, and advice on how best to store and prepare the vegetables. It also offers customers the opportunity to visit the farm. To order a vegbox, customers register on the website and place an order. Customers can place a one-off, weekly or fortnightly order. All customers are encouraged to let the farm know what they thought about the produce and are kept up-to-date with regular newsletters.

Figure 1 shows an example of a flyer that *River Farm* uses to attract and inform customers of its products and services.

Figure 1: Flyer

River Farm Organic Vegetables Home Delivery

Brighten your week with a box of seasonal, organic produce delivered fresh from our farm to your doorstep.

Food you can...

enjoy

Customers enthuse about the flavours and varieties of our boxes. We put this down to

- Freshness – we can pick your vegetables one day and have them on your doorstep the next
- The varieties we grow – we run lots of trials and choose varieties for taste, not how they look

trust

Everything we grow is organic

- Organic means working with nature not against it
- We grow most of the veg ourselves, on our own farm

afford

- By growing the veg and delivering it direct to your doorstep from our farm we can keep prices down, with boxes starting at £7.50
- New customers are always surprised at the quality and value.

Source: adapted from *River Swale Farm* Promotional Flyer thanks to River Farm Organic Vegetables

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(a) Using **Item B**, explain **two** ways in which *River Farm* aims to meet customer needs.

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(5 marks)

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(5 marks)

Question 2 continues on the next page

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(b) Discuss the importance of market segmentation to the success of the *River Farm* vegbox delivery service.

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(10 marks)

20

Turn over for the next question

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

Item C

River Farm extension plans

John and Rachel, owners of *River Farm*, enjoy the success of their vegbox scheme and are proud of their reputation for excellent customer service. On the website, Rachel explains that they "love to have visitors" and "believe it is a great way to feel really connected to where your food comes from." Recently, Rachel has been thinking about how they could expand their business. She frequently receives emails from customers asking for ideas on how to encourage children to eat more vegetables.

Rachel has suggested to John that they open a café and farm shop but John feels that this idea has already been done. He says that they do not have enough knowledge or staff to achieve this. John is concerned that they would need to employ more staff and to train them in customer service in order to maintain the good reputation of the farm. Rachel, however, is excited at the prospect of a small café. She thinks that it would encourage families to visit the farm, try home-cooked produce, see where the vegetables come from and, more importantly, buy some to take home.

(a) Explain **two** reasons why achieving good customer service would be important to the success of the *River Farm* café and farm shop.

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(3 marks)

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(3 marks)

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(b) Using **Item C**, analyse how Rachel's plans could help to develop long-term relationships with customers.

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(8 marks)

Question 3 continues on the next page

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(c) John and Rachel understand the need to carry out some customer research before opening the café and farm shop.

Identify the customer data that should be collected **and** the most suitable methods of collection. Justify your answer.

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(10 marks)

24

END OF QUESTIONS

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