

Version 1.0



**General Certificate of Education  
June 2010**

**Applied Business**

**BS04**

***Mark Scheme***

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.

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	<b>Assessment Objectives</b>
	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.
<b>Quality of Written Communication</b>	<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"> <li>• select and use a form and style of writing appropriate to purpose and complex subject matter</li> <li>• organise relevant information clearly and coherently, using specialist vocabulary when appropriate</li> <li>• ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear.</li> </ul> <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1

**Total for this question: 18 marks**

**1 (a)** Using **Item A**, describe **one** way in which Tui Travel plc segments its market. (2 marks)

**Relevant answers might include the following:**

- by income – offering different priced holidays to places such as Vietnam and Europe
- by age – Country Walking and Student City will attract different age groups
- lifestyle – activity holidays such as Country Walking and more leisurely ones such as Thomson cruises
- by gender – most sales of rugby tickets will be to males.

**1 (b)** Using **Item A**, explain why customers need a range of information before buying products from Tui Travel plc. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains why customers need the information.	7–8	AO3
2	Uses <b>Item A</b> to describe the information.	4–6	AO2
1	States relevant points/shows relevant knowledge.	1–3	AO1

**Relevant answers might include the following:**

- Tui Travel plc sells complex products which may have features such as accommodation, travel, insurance and day trips. This results in consumers having substantial information needs when purchasing a product
- Tui Travel plc has a wide range of products on which its customers will need information
- complexities such as exchange rates and different time zones and languages means that customers will need support when purchasing the company's products
- customers have a high degree of involvement when purchasing Tui Travel plc's products affecting customers' needs for involvement and support in buying decisions
- customers' needs to extend to understanding the value and suitability of the product – older people may have specific needs due to limited mobility, for example
- customers' needs for information and support are heightened by the range of products that the company supplies.

**1 (c)** Using **Item A**, explain why *Tui Travel plc* operates four divisions and has over 200 brands. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains benefits to the business in context.	7–8	AO3
2	Describes point(s) in context.	4–6	AO2
1	States relevant points/shows relevant knowledge.	1–3	AO1

**Relevant answers might include the following:**

- the company has to offer a wide range of products to meet the varied needs of its customers ranging from skiing holidays to tickets for sports events
- *Tui Travel plc* needs to sell its products under different brand names to allow it to appeal to very different customer groups
- the company is divided into four different sectors dealing with different customer needs such as cruises and activity holidays
- this allows it to operate in different markets and to provide different services to different market segments.

**2****Total for this question: 20 marks**

**2 (a)** Using **Item B**, explain **two** ways in which the Thomson Airways website helps to meet its customers' needs. (4 marks)

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

**Relevant answers might include the following:**

- gain information about the destinations that are available/the cost of the flights/flight times
- gain information about other types of holidays including cruise liners, hotels and villas
- gain understanding of the value of the products in relation to their needs. Thus, they can compare the costs and benefits of a variety of holidays
- gain understanding of the suitability of holidays and choose holidays that match their needs (eg for activity holidays)
- offers reassurance about procedures in the event of lost baggage.

**2 (b)** Using **Item B**, explain possible reasons why Thomson Airways decided to include a Holiday Review section on its website. (6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains point(s) in context.	5–6	AO2
2	Offers limited explanation in context.	3–4	AO1
1	States relevant points.	1–2	

**Relevant answers might include the following:**

- it allows the company to collect information on customer attitudes cheaply and efficiently
- information collected in this way can be analysed electronically – especially where customers are asked to rate aspects of their holiday
- this feature assists the company in developing new products by identifying customer needs in what is a changing market
- it represents good public relations as customers feel that their 'voices' are listened to by the company
- this helps its customers to meet their needs by providing additional information on products
- it may also assist customers in assessing the suitability and value of the company's products.

**2 (c)** *The most important way in which Thomson Airways tries to differentiate its products is by offering additional features to supplement the core product. Do you agree with this statement? Justify your view.* (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how <i>Thomson Airways</i> differentiates.	4–5	AO3
2	Explains how <i>Thomson Airways</i> differentiates.	2–3	AO2
1	Identifies relevant points.	1	AO1

**Relevant answers might include the following:**

**In support of this statement:**

- *Thomson Airways* sells complex products and additional features are a part of this and a way in which it distinguishes them from those supplied by its competitors
- these additional features or extras are featured prominently on the company's website
- the company offers a range of additional features including premium seating which helps to set it apart from other holiday companies
- *Thomson Holidays* also offers links with other businesses such as car hire and car parking to help differentiate its products.

**Against the statement:**

- the company differentiates its products through core aspects such as quality of accommodation
- differentiation is also achieved through other core aspects such as pricing – its prices are emphasised on its website
- *Thomson Airways* also augments its products through customer service features such as holiday reviews
- the products are also augmented in other ways such as reassurance about procedures for recovering lost baggage and ATOL protection for customers.

**Possible themes for Evaluation:**

- inevitably, the company differentiates its products using a combination of core products, actual products and augmentation
- it may be that the use of additional features is the most important element of differentiation, but not the only one.

In addition (and separately) award marks for evaluation using the grid below.

Note: 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
E2	Uses <b>Item B</b> to make a supported justification. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	3–5	AO4 and Quality of written communication
E1	Makes a generalised justification. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	

3

**Total for this question: 22 marks**

**3 (a)** Using **Item C**, explain possible reasons why William decided to use customer feedback forms to collect information on customer needs. (5 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains reason(s) for using customer feedback forms.	5	AO2
2	Uses <b>Item C</b> to explain the reason(s) for collecting information.	3–4	
1	Identifies an aspect of customer feedback forms.	1–2	AO1

**Relevant answers might include the following:**

- the hotel provides increasingly complex products with high customer involvement and this method of research is likely to gain more complex information
- William is likely to gain higher quality and more reliable information about the attitudes of his customers
- William is unsure of the causes of declining customer service and asking open-ended questions may help him
- guests paying very high prices for the hotel's services may be unwilling to complete questionnaires.

**3 (b)** Analyse how the *Manor House hotel* might use ICT to help it to research the needs of its customers. (7 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains how the <i>Manor House hotel</i> uses ICT.	6–7	AO3
2	Describes the use of ICT in context.	4–5	AO2
1	Identifies point(s).	1–3	AO1

**Relevant answers might include the following:**

- William could conduct ongoing research using the company's website to identify his customers' needs and the extent to which they are being met
- he has not conducted any research in the past and ICT would allow him to conduct an ongoing programme
- the hotel's customer base is changing and ICT would be an effective way of researching (changing) customer needs, including storing of data or customer feedback
- William might use online resources which provide industry level data
- ICT would provide an efficient and cost-effective means of analysing the data he collects – this would help given that he has different groups of customers
- to help with customer enquiries and bookings.



**3 (c)** *William is determined to improve the level of customer service provided to the Manor House hotel's customers.*

*Using **Item C**, explain **two** actions he could take to achieve this improvement in customer service. Recommend which action he should take first. Justify your answer. (10 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Analyses relevant action(s) in context.	4–5	AO3
2	Explains relevant action(s) in context.	2–3	AO2
1	Identifies relevant action(s).	1	AO1

**Relevant answers might include the following:**

- William needs to manage the expectations of his customers by ensuring that all customers have the right information about the hotel's services on which to make decisions. This may be done by updating and extending the hotel's website to allow them to make informed decisions
- customers will also need other information such as payment terms (especially for business customers)
- the number of staff in the business has doubled and communication between staff will be more difficult. William may need to provide training and support for this
- an increasing number of staff are from Eastern Europe and may need language training
- all staff are likely to require customer service training, especially to work in a luxurious hotel – especially new ones
- the hotel's range of services and buildings have expanded significantly. Staff will require induction training to help them respond effectively to customers' queries
- post-transactional customer service appears to be poor. There are no monitoring methods and customers have to complain to William. He needs a system to allow customers to complain and to record these for future analysis.

**Possible themes for Evaluation:**

- the actions for priority are those that can be implemented quickly. These include updating the website and implementing complaints procedures
- the plan should have a structure and customer service training for those who meet with customers regularly should be a priority.

**See opposite page for Evaluation.**

In addition (and separately) award marks for evaluation using the grid below.

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E1	Makes a generalised justification. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	