

Version 1.0



**General Certificate of Education
January 2011**

Applied Business

BS04

Meeting Customer Needs

Unit 4

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 standardisation events which all examiners participate in and is the scheme which was used by them in this examination. The standardisation process 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 standardisation each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, examiners encounter unusual answers which have not been raised 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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	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: 16 marks

1 (a) Using Item A , describe one way in which Sony segments its market. (2 marks)

Award one mark for identifying a way and the second mark for development.

Relevant answers might include the following:

- by age – computer games will be aimed at younger people; films, such as Stuart Little, at specific age groups; it signs music artists and targets their output at different age groups (Frank Sinatra v Beyoncé, for example)
- by location – the company sells different versions of its products in different countries, United States, for example
- by gender – computer games are played mainly by males
- by lifestyle – for example, laptops for business people and students and energy efficient TVs for those seeking a low carbon lifestyle
- by type – the company supplies professional/business customers as well as individuals.

1 (b) Using Item A , explain two needs that Sony's customers may have when buying the company's products. (6 marks)
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Use the following grid below twice.

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to explain customers' need(s).	3	AO2
2	Explains possible customers' need(s).	2	AO1
1	States relevant points/shows relevant knowledge.	1	

Relevant answers might include the following:

- the customers will need to know about the value and suitability of Sony's electronic products in relation to their needs
- the customers will need product information prior to purchase as some of Sony's items, such as laptops and televisions, are complex products
- the need for product information will vary with the type of product sold by Sony. For example, the need for information will be less with films than with digital cameras
- after-sales service will be an important need for many of Sony's customers. Delivery of televisions, instructions on the use of cameras and ongoing support for laptops will be crucial
- some of Sony's products may be considered essential by consumers (such as mobile phones) and consumers will expect these products to be reliable and to receive high levels of customer service
- music products are less essential but consumers will expect a fair degree of information about CDs and MP3 files in, what is, a highly competitive market.

1 (c) *Sony sells its products in many countries which have ageing populations, including the UK. Using **Item A**, explain the impact that this change may have on the company.* (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to explain <i>impact</i> .	8–6	AO3
2	Uses Item A to explain possible changes in products/product range.	5–4	AO2
1	States relevant points/shows relevant knowledge.	3–1	AO1

Relevant answers might include the following:

- the pattern of demand for the company's products is likely to change over time/R&D needs
- a falling birth rate may mean that the amount of income available to spend on *Sony's* products will be greater/new target market
- fewer younger people may mean that there is less demand for children's films, such as *Stuart Little*/change in product portfolio
- an ageing population may lead to more demand for the music of artists, such as *Frank Sinatra*/change in product portfolio
- older (and retired) consumers may seek/demand more products associated with leisure, such as cameras and films/change in product portfolio
- older consumers may demand more home-based entertainment products, such as the latest televisions
- changes in promotional activity.

2

Total for this question: 22 marks

2 (a) Using **Item B**, describe **two** ways that Sony might use to differentiate its products from those of its competitors. (4 marks)

Award one mark for identifying a relevant method and one mark for development (1 + 1) x 2.

Relevant answers might include the following:

- through its core aspects – the ability of its e-reader to download, display and store 1000 books
- through the actual product – Sony's television uses less energy and is thinner
- by the provision of 'extras' - the augmented product – Sony's support website providing after-sales service.

2 (b) Explain why large businesses, such as Sony, use a range of market research methods to gather information from their customers. Use **Item B** to support your answer. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to explain why large businesses use a range of market research methods.	8–7	AO3
2	Uses Item B to describe market research methods a large business like Sony might use.	6–4	A02
1	States relevant points/shows relevant knowledge.	3–1	AO1

Relevant answers might include the following:

- Sony sells many different products and these may require different methods of researching customer information
- customer research on its laptops and computer products may be best collected through online questionnaires
- Sony sells on a global scale and the use of test markets (such as launching its 'green' TV in Japan first) may be appropriate
- Sony is a huge company and can afford more expensive forms of research, such as personal interviews to allow it to collect high quality data
- Sony has millions of customers across the world and questionnaires may be the only way to gain their opinions. Its support website will facilitate the use of this method.

2 (c) Do you agree with Sony's decision to invest £3.48 billion in research and development in 2009, when it made a loss of £1.59 billion? Use **Item B** to justify your view. (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse factors affecting the decision.	5–4	AO3
2	Uses Item B to explain factors affecting the decision.	3–2	AO2
1	Identifies relevant point(s).	1	AO1

Relevant answers might include the following:

In support of the decision:

- Sony trades in a technology market and needs to invest to develop new products (such as its 'green' TV) on a regular basis to compete effectively
- the amount that Sony has invested has declined slightly from 2008 and 2007 reflecting that it has made a loss
- this is the first loss the company has ever made, so presumably it has past profits on which it could draw
- The company would have to lay off skilled employees if it cut back on R&D – this is not a sensible long-term decision.

Against the decision:

- Sony could reduce its investment in R&D for a year or two more significantly than it already has
- the reduction in investment in R&D is very small in relation to the change in Sony's financial performance
- If Sony cuts investment in R&D it will have little effect on the company's products, sales and profits for many years.

Possible themes for Evaluation:

- investment in R&D to produce new products is a long-term strategy and should not be affected by short-term fluctuations in profits
- any decision would probably be influenced by the investment decisions of rivals, such as Microsoft and Panasonic
- The decision should depend upon the cause of the decline in profits – if it is short term, the company should continue to invest heavily in R&D.

See next page for Evaluation grid.

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
E2	Offers judgement plus full 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.	5–3	AO4
E1	Offers judgement plus limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are some errors in accepted conventions of written communication.	2–1	

3**Total for this question: 22 marks**

3 (a)	<i>Explain how the Sony Centre stores might use ICT to collect, store and analyse customer data.</i>	<i>(5 marks)</i>
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Level	Descriptor	Marks	Assessment Objective
2	Explains point(s) in context.	5–3	AO2
1	States relevant point(s)/demonstrates relevant knowledge.	2–1	AO1

Relevant answers might include the following:

- the *Sony Centres* may store customer details on databases which can be compiled as purchases are made
- the purchase of relatively high value *Sony* products will involve warranties and mean that customers provide personal details
- *Sony Centre* databases can be interrogated to provide data
- The company may collect data directly from customers who order online.

3 (b)	<i>Explain in what ways the Norwich Sony Centre might consider that it offers good customer service.</i>	<i>(7 marks)</i>
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Level	Descriptor	Marks	Assessment Objective
3	Explains why the <i>Sony Centre's</i> customer service is good.	7–6	AO3
2	Explains features of the <i>Sony Centre's</i> customer service.	5–3	AO2
1	States relevant point(s)/demonstrates relevant knowledge.	2–1	AO1

Relevant answers might include the following:

- it has the widest selection of *Sony* products available and is more likely to meet a customer's needs
- its staff are highly trained meaning that they are able to offer informed advice when buying technical (and complex) products
- The centre offers full warranties. This is important as many *Sony* products (such as televisions) are relatively expensive
- The Norfolk *Sony Centre's* staffs tries to give its customers a good shopping experience.

- 3 (c)** *The Sony Corporation aims to meet the needs of its customers. Discuss the extent to which the Sony Centre chain of stores might help the Sony Corporation to achieve this aim. (10 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Using Item C , analyses relevant arguments.	5–4	AO3
2	Using Item C explains relevant arguments.	3–2	AO2
1	Identifies relevant points.	1	AO1

Relevant answers might include the following:

It can help as:

- it provides a dedicated network of outlets just selling *Sony Corporation* products
- the staff are knowledgeable and well trained giving the best advice on *Sony's* products meaning that *Sony's* customers are more likely to have their needs met
- the *Sony Centre* chain is independent of *Sony* and therefore allows the *Sony Corporation's* funds to be diverted to other ways of meeting the needs of its customers, such as through R&D
- it makes the company's full range of *Sony's* products available to consumers throughout Europe and Australia
- the *Sony Centre* can collect information on consumers' attitudes to *Sony's* products
- However, the *Sony Centre* offers no benefits to *Sony's* consumers, for example in Japan and America.

But:

- The *Sony Corporation* supplies technology products and must make sure that these meet the changing needs of consumers. The *Sony Centre* cannot help with this
- the company has to invest sufficiently in its R&D programme to enable it to meet the needs of its consumers
- The *Sony Centre* only sells *Sony* products which may not meet all customer needs.

Possible themes for Evaluation:

- much will depend upon how well the *Sony Centre* and the *Sony Corporation* communicate with one another
- the *Sony Centres* are independent and it will depend on how well managed they are
- Having a dedicated retail outlet network must help *Sony* to meet its customers' needs if this asset is used effectively.

See next page for Evaluation grid.

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.

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E2	Offers judgement plus full 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.	5–3	AO4
E1	Offers judgement plus limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are some errors in accepted conventions of written communication.	2–1	