



**General Certificate of Education (A-level) Applied  
June 2012**

**Applied Business**

**BS04**

**(Specification  
8611/8613/8616/8617/8619)**

**Unit 4: Meeting Customer Needs (External Test)**

***Mark Scheme***

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	<b>Assessment Objectives</b>
	The Assessment Objectives represent those qualities which can be demonstrated in students' work and which can be measured for the purposes of assessment.
AO1 Knowledge, skills and understanding	Students demonstrate knowledge and understanding of the specified content and relevant business skills.
AO2 Application of knowledge, skills and understanding	Students apply knowledge and understanding of the specified content and relevant business skills.
AO3 Research and analysis	Students use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.
AO4 Evaluation	Students 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 students are required to produce extended written material. Students 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 <b>Assessment Objective 4</b>.</p>

1

**Total for this question: 20 marks**

**1 (a)** Using **Item A**, describe **two** methods that Nissan might use to collect information on its customers' needs. (4 marks)

Award one mark for stating method.

Award second mark for describing in context.

Award three marks for one method described very well in context.

**Relevant answers might include the following:**

- the company could invite its customers to complete online questionnaires and use prizes to encourage this
- employees of the company's network of dealers could conduct personal interviews with potential and actual customers
- through test marketing – consumers have a chance to test drive *Nissan's* products and to give feedback to the company
- the company works in collaboration with local manufacturers in many markets and these companies are likely to hold important information about customers
- *Nissan* is a large company with considerable financial resources and may use market research agencies to collect information on its behalf using any of these methods.

**1 (b)** Explain the reasons why Nissan researches regularly the needs of its customers. Use **Item A** to support your answer. (7 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses <b>Item A</b> to explain possible reason(s) in context.	7–5	AO2
2	Uses <b>Item A</b> to describe possible reason(s) in context.	4–3	
1	States relevant points/shows relevant knowledge.	2–1	A01

**Relevant answers might include the following:**

- the company is entering new markets, such as Pakistan and China, where consumers' demands will differ. For example, the company supplies smaller cars in China and ultra-low price ones in Pakistan
- as income levels rise so consumers' needs change – this is seen in China where rising incomes have led to increasing demand for higher specification vehicles
- consumers' tastes vary between countries. Sales figures in Japan for the *Nissan Leaf* have been good unlike in the USA. Customer research is important to understand what consumers want in different markets
- customers' needs vary over time too. The development of electric cars is a response to this and requires market research, especially as varying sales indicates that customers' needs vary between geographical markets.

**1 (c)** Using **Item A**, analyse how Nissan's 'broad product range' enables it to meet the needs of its different customers. (9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses <b>Item A</b> to analyse how <i>Nissan</i> might use its broad product range to meet its customers' needs.	9–6	AO3
2	Uses <b>Item A</b> to describe how <i>Nissan's</i> might meet its customers' needs.	5–3	AO2
1	States relevant points/shows relevant knowledge.	2–1	AO1

**Relevant answers might include the following:**

- the company differentiates its products to meet the varying needs of its consumers and a broad product range is essential to do this as it sells in different geographical markets and to business and private customers. Its Kei cars are designed to meet the precise needs of its Japanese customers
- *Nissan* differentiates its products by offering different core aspects. In Pakistan, models are basic, enabling the company to meet the customers' needs of low-cost motoring. The core aspect of the vehicle varies according to the market and income levels
- additional features are an important way of meeting the company's customers' needs. Commercial vehicles are constructed to meet consumers' individual specifications. Rising incomes in China mean that the expected actual product should have additional features such as air conditioning
- the company conducts research and development to extend its product range to meet the changing needs of its consumers. The development of the *Nissan Leaf* is an example of this
- Segmented market and so it needs to have a broad product range.

2

**Total for this question: 20 marks**

**2 (a)** *Analyse why customers would need extensive product information before deciding whether or not to buy a Nissan Leaf.* (8 marks)

Level	Descriptor	Marks	Assessment Objectives
4	Uses <b>Item B</b> to analyse possible reason(s) in context.	8–7	AO3
3	Uses <b>Item B</b> to explain possible reason(s) in context.	6–4	AO2
2	Explains generic reason(s).	3–2	AO1
1	States relevant points/shows relevant knowledge.	1	

**Relevant answers might include the following:**

- the car is the first mass-produced electric car in the UK and so consumers will have little knowledge about it
- the *Nissan Leaf* is a complex product and an unfamiliar one for many consumers meaning that information will be required, especially about the battery and charging it
- the car is expensive (over £28 000) with new features such as the 'high tech navigation system' about which consumers may know little
- the car qualifies in the UK for a subsidy from the UK government of £5000 and potential consumers will require information about this
- this product will entail a high degree of involvement and information needs will be high especially for those customers who want to assess its environmental impact.

**2 (b)** *In 2011, Nissan launched its electric car in the UK. Do you think that this was a good decision? Use **Item B** to justify your decision. (12 marks)*

Level	Descriptor	Marks	Assessment Objectives
3	Uses <b>Item B</b> to analyses point(s) in context.	7–6	AO3
2	Uses <b>Item B</b> to explains point(s) in context.	5–3	AO2
1	Identifies relevant point(s).	2–1	AO1

**Relevant answers might include the following:**

**In support of the decision:**

- the car has just been voted the world car of the year and this will help future sales and profits for *Nissan*
- initial sales in Japan are good, suggesting the car may have a prosperous future
- early customers are shown to have high incomes and to be committed environmentalists allowing the company to charge high prices and make substantial profits in the future.

**Against the decision:**

- the company's sales revenue has been falling over the past two years which is not a good background against which to launch an expensive and unique new product
- the development of this new car will have contributed to the decline in the company's profits and becoming negative in the 2008–2009 financial year. Can the company afford to promote this product and carry through any further developments?
- the *Nissan Leaf* has had some technical problems resulting in adverse publicity and helping rivals' sales – if this continues, the investment may not generate much profit.

**Possible themes for evaluation:**

- rivals are developing electric cars and *Nissan* cannot really afford to ignore this market
- the company's profits have declined but that is not only due to the research and development costs. However, it can expect rising sales revenue from the *Nissan Leaf* in the future.

**See next page for Evaluation grid.**

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

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

<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>	<b>Assessment Objective</b>
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 and quality of written communication
E1	Offers judgement plus limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	2–1	



3

**Total for this question: 20 marks**

**3 (a)** Use **Item C** to describe **two** needs that *Natural Design Ltd's* customers may have during or after purchasing the company's services. (4 marks)

Award one mark for stating a customer's need.

Award second mark for describing the need in context.

Award three marks for one customer's needs described very well in context.

**Relevant answers might include the following:**

- the company offers a wide range of services including design, installation and maintenance. Customers will need information about each of these to make a decision regarding suitability
- customers have a wide choice of companies offering this service and will need information on *Natural Design Ltd's* prices and products to assess its value against competitors' products
- a newly designed garden should last a long time and customers will want information about guarantees on plants and physical products and also after-sales service such as rectifying problems with ponds or paths.

**3 (b)** Explain why it is important for *Natural Design Ltd* to provide high quality customer service. (6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses <b>Item C</b> to explain reason(s) in context.	6–4	AO2
2	Explains generic reason(s).	3–2	AO1
1	Identifies relevant reason(s)/shows relevant knowledge.	1	

**Relevant answers might include the following:**

- customer service encompasses those aspects of a business's activities which are devoted to meeting customers' needs as fully as possible
- the company operates in a competitive market with mainly smaller businesses that appear to offer excellent customer service – the company may lose customers
- *Natural Designs Ltd* has ongoing relationships with many of its customers, for example maintaining gardens. This relationship (and sales) could be threatened by poor customer service
- the company's profits have declined considerably since 2010 (possibly due to complaints about customer service) and this threatens Clive's expansion plans
- the company charges high prices and its customers will expect the quality of customer service to reflect its high charges.

**3 (c)** *Clive favours the use of ICT to improve the company’s customer service, whilst Paula argues that employees need further training. Analyse the case in support of each of these views and recommend which approach should be adopted. Use **Item C** to justify your decision. (10 marks)*

Level	Descriptor	Marks	Assessment Objectives
3	Uses <b>Item C</b> to analyse factor(s) affecting the decision.	5–4	AO3
2	Uses <b>Item C</b> to explain factor(s) affecting the decision.	3	AO2
1	Identifies relevant point(s)/shows relevant knowledge.	2–1	AO1

**Relevant answers might include the following:**

**In support of Clive’s view:**

- the company has a large number of employees and customers and making more use of ICT will help them to communicate with each other and especially as there are many new employees
- more ICT will help to show customers a variety of proposed garden designs in an efficient way and business customers may expect to deal with its suppliers using ICT
- Paula’s training only relates to customer service, yet the complaints relate to all aspects of the company’s activities – a broader range of training including technical skills may be required.

**In support of Paula’s view:**

- the company still has a number of wealthy individuals who purchase its services – will these clients be happy with increased use of ICT or will they still require the ‘personal touch’?
- Clive’s plans entail a substantial investment (of £350 000). Can the company afford this at a time of declining profits and ambitious expansion plans?

**Possible themes for evaluation:**

- the best starting point should be to research the aspects of the company’s activities that have attracted increased complaints before taking a decision on remedial actions
- more training is needed and Paula is correct although its scope should be extended
- the increasing importance of the business market and the growing scale of the business mean that greater use of ICT is essential
- these two options may not be mutually exclusive, especially over a longer period of time.

In addition use the grid below to award marks for A04 – evaluation and quality of communication.

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

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

<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>	<b>Assessment Objective</b>
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 and quality of written communication
E1	Offers judgement plus limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	2–1	