

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Education
Advanced Subsidiary Examination
January 2013

Applied Business

BS04

Unit 4 Meeting Customer Needs

Monday 14 January 2013 1.30 pm to 2.30 pm

You will need no other materials.

Time allowed

- 1 hour

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 60.
- 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
 - organise information clearly
 - use specialist vocabulary where appropriate.



J A N 1 3 B S O 4 0 1

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

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

Item A

Never knowingly undersold

The *John Lewis Partnership (JLP)* operates 37 John Lewis department stores, 279 Waitrose supermarkets and an online business. *JLP* appeals strongly to well-off shoppers. Recently, however, it has broadened its marketing strategy towards all types of customer with the introduction of the 'Value' range to John Lewis department stores and the 'Essential' range to Waitrose. Its department stores sell a wide range of products, including electrical goods, kitchen equipment and furniture, and operate separate clothing departments for men, women and children. *JLP* is opening new department stores and supermarkets in many parts of the UK.

Increasing numbers of UK consumers use the internet: in 2007, 61% of households had internet access; in 2011, this figure had increased to 77%. Many UK consumers expect to communicate electronically with major retailers. *JLP's* website has won numerous awards for its quality. Since 2011, the company's website has included customers' reviews on products sold. The internet is an efficient and cost-effective way to communicate with customers, including conducting primary market research.

JLP's online business offers a larger range of products than the company's high street stores and also offers other benefits.

- Its 'click and collect' service allows a customer to order online and to collect their order next day from a local store.
- Visually impaired customers can have magnified text and pictures or pages read to them as necessary.
- Customers can register complaints and exchange goods.

The company has a reputation for providing high quality customer service before, during and after selling products. It was voted the top provider of customer service in a recent UK poll. This is an important unique selling point in the increasingly competitive UK retail market. In the second three months of 2011, high street sales in the UK fell 1.5% compared with the same period in 2010, whilst *JLP's* sales increased by 5%.



1 (a) Use examples from **Item A** to describe **two** ways in which *JLP* segments its customers.

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Question 1 continues on the next page

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1 (c) Analyse why *JLP* has used ICT to improve its customer service. Use **Item A** to support your answer.

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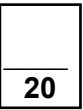
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2 Read **Item B** and then answer the questions that follow.

Item B

Broadening the range

The *John Lewis Partnership (JLP)* sells and delivers products to individuals and businesses. It sells a wide range of products, including simple products such as towels and also highly complex electrical products such as HD TVs. *JLP's* department stores sell a range of products for home and garden as well as sports and leisure equipment and beauty products. Its supermarket chain, Waitrose, supplies groceries. *JLP* also owns a manufacturing business called Herbert Parkinson that makes John Lewis's own-brand duvets, pillows, fabrics and ready-made curtains. *JLP* is an internal customer of this business.

JLP places great importance on researching its customers' needs and in responding effectively to them. Its employees are knowledgeable and well trained. The company is committed to training to help its employees to develop the skills and knowledge they need in a business that is changing significantly. Training is one way in which the company can encourage employees to provide high quality customer service.

In recent years, the company has offered several new services, some of which have added to the original product. *JLP*:

- designs interiors for hotels, schools and colleges, and offices as well as selling the necessary equipment and furnishings
- provides advice on wedding planning, manages wedding lists and provides wedding insurance
- sells its products internationally using its website. Its international sales are highest in France, Ireland and Spain.

JLP augments the products that it sells. It delivers heavy and bulky products to its customers, operates a credit card to assist customers in purchasing products, and offers extended guarantees on many of the products that it sells.



2 (a) Using **Item B**, analyse how selling a wide range of products to different types of customer will affect how *JLP* operates its business.

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

Item C

City Sandwiches Ltd

Donald and Jemima Drake own a well-established sandwich making and delivery service called *City Sandwiches Ltd* that sells throughout the City of London. Many of its customers are well-paid employees of banks and other financial organisations. In December 2012, the company had 730 customers who had a variety of needs.

Over the past few years, the business's sales have fallen at an increasing rate and, by 2012, profits were low. Market research undertaken by the local Chamber of Commerce two years ago had revealed that sales of sandwiches in the area were rising by 7% a year. New entrants to the market, in addition to offering sandwiches, are also offering salads, pasta dishes and speciality breads.

At a time when consumers are looking for different eating experiences, Donald and Jemima have not developed any new products. Jemima is frustrated by this as she is a talented and inventive chef who wants to develop new sandwiches and other foods. One customer who has stopped ordering from the company said that he was 'bored with the same old products'.

Donald has considered offering a service guaranteeing delivery within 45 minutes of an order being placed. This would be unique within the area. He has also investigated reducing prices as most firms charge very similar amounts.

Donald and Jemima have agreed that action is necessary and that customer research should be the starting point. Donald favours asking existing customers to complete questionnaires but Jemima disagrees, insisting that consumer panels should be used. Donald believes that cost and time are the most important factors influencing how the research should be carried out. The couple also disagrees about the amount to spend on this research and the depth of information needed.



3 (a) Using **Item C**, describe how *City Sandwiches Ltd* might differentiate its products.

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3 (b) Use **Item C** to analyse the reasons why *City Sandwiches Ltd* should invest in research and development as soon as possible.

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END OF QUESTIONS



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