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Centre Number						Candidate Number					
Candidate Signature											

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General Certificate of Education
 January 2006
 Advanced Subsidiary Examination



APPLIED BUSINESS
Unit 4 Meeting Customer Needs

BS04

Thursday 12 January 2006 1.30 pm to 2.30 pm

You will need no other materials.
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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 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 unit is 60.
- The marks for questions are shown in brackets.
- You are reminded of the need for good English and clear presentation in your answers. Questions 3(b)(ii) and 3(d) should be answered in continuous prose. Quality of Written Communication will be assessed in these answers.

For Examiner's Use			
Number	Mark	Number	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
Buying tickets the *easyJet* way

Passengers can buy tickets over the internet on the *easyJet* website using a secure online sales system. The booking process is quick, simple and secure. There is also the benefit of a £10 discount for each return booking. Before booking, passengers will be asked to register their personal details, as set out below.

Registration

Your details

<p>Name</p> <input style="width: 90%;" type="text"/>	<p>Age range</p> <div style="border: 1px solid black; padding: 2px;"> <p>0–18 ▼</p> <p>19–30</p> <p>31–45</p> <p>46–65</p> <p>65+</p> </div>
<p>Postcode</p> <input style="width: 90%;" type="text"/>	<p>Income level</p> <div style="border: 1px solid black; padding: 2px;"> <p>£0–£15 000 ▼</p> <p>£15 001–£30 000</p> <p>£30 001–£45 000</p> <p>£45 000+</p> </div>
<p>House number</p> <input style="width: 90%;" type="text"/>	
<p>No. of air trips per year</p> <input style="width: 90%;" type="text"/>	

(a) The only way to book a flight with *easyJet* is online.

Explain how the online sales system helps *easyJet* to collect customer information.

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(4 marks)

(b) Apart from ICT, identify and explain **two** other methods which *easyJet* could use to research **customer satisfaction**.

Method 1

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(3 marks)

Method 2

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(3 marks)

10

Turn over for the next question

Turn over ▶

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

Item B	
Segmenting the airline market	
Airlines operate in a market that has two distinct types of customers:	
Business passengers who travel as part of their work	
Leisure passengers who travel to go on holiday or to visit family and friends.	
The following table classifies airline customer groups segmented by their attitude towards flying.	
Group	Travel behaviour
Global executives	Frequently travel on business and enjoy it because of the high level of service. It is paid for by the business on an expense account. They enjoy a very high income and take several holidays each year.
Corporate troopers	Occasionally travel on business and use an airline and a class of travel chosen for them and paid by the business.
Reluctant travellers	Do not enjoy travel and look for services that will make the experience bearable, such as extra legroom and allocated seats. They view air travel as an integral part of a holiday and also use it to visit friends and relatives overseas.
Frugal flyers	Seek out the lowest cost airlines but still expect their flight experience to be a good one. They view air travel as a means to get from A to B. They want to save their money so it can be spent abroad.

Source: adapted from The Times 100 (8th edition), www.tt100.biz

- (a) Describe how airlines could use **two** characteristics, other than those in **Item B**, to segment customers.

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(2 marks)

2

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(2 marks)

(b) Using **Item B**, analyse how airlines could use segmentation by attitude to flying in order to meet the needs of global executives and frugal flyers.

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(8 marks)

12

Turn over for the next question

Turn over ►

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

Text extract adapted from the **BBC Website**, 15 February 2004,
is not reproduced here due to third-party copyright constraints.

(a) Describe **two** ways in which *Virgin Atlantic* has changed the actual aspects of its product.

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(2 marks)

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(2 marks)

(b) (i) Explain why *Virgin Atlantic* and *Ryanair* adopt different approaches to developing their products.

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(6 marks)

Turn over ►

(ii) Discuss how airlines could use research and development to improve the core and actual aspects of their products.

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(10 marks)

- (c) *SwiftAir* is a low cost airline, based in Manchester, which offers a cheap ‘no-frills’ service within the UK and to Europe. It is planning to develop a new twice weekly route to Florida, USA. As part of this development, it will need to construct a customer research plan.

Analyse the method of collection and the type of data that *SwiftAir* would need for its customer research plan.

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(8 marks)

Turn over 

