



General Certificate of Education

Applied Business 8611/8613

BS04 Meeting Customer Needs

Mark Scheme

2008 examination - January series

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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	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

(a) Describe **two** reasons why Nestlé develops new products. (4 marks)

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

Possible answers might include the following:

- to continue to grow and keep its position as the world’s biggest food and beverage company
- to remain competitive against companies such as Cadbury
- to sell across the world, some countries may prefer creamier texture
- to maintain a balanced portfolio allowing them to appeal to all customer preferences.

(b) Identify a method, other than tasting panels, that Nestlé could use to collect information on customer attitudes. Explain why it would be suitable for Nestlé. (4 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains the suitability of the method.	3–4	AO2
2	Describes a method.	2	AO1
1	Identifies a method.	1	

Possible answers might include the following:

- personal interviews, asking individual customers a range of qualitative questions face-to-face or over the phone to collect qualitative data. Nestlé could reach a wider geographical area to match its sales distribution
- customer feedback questionnaires could be used to collect both qualitative and quantitative data, eg what is your favourite Nestlé product. Nestlé could send out questionnaires by post to customers stored on a database or put a survey online asking customer opinion as Nestlé already has a website
- test marketing, Nestlé could try out a variation of a product within a small geographical area and monitor how it sells, eg launch Aero nougat in the North West of England. Nestlé would only have to invest a small amount of money in production but get feedback on taste, smell etc.

(c) Using **Item A**, analyse the advantages to Nestlé of using a tasting panel to collect information on customer attitudes towards its products. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses advantage(s) to Nestlé of using tasting panels.	6–8	AO3
2	Explains advantage(s) of using tasting panels.	3–5	AO2
1	Describes advantage(s) of using tasting panels.	1–2	AO1

Possible answers might include the following:

- consumers will be trained in how to express their views and it will therefore be more meaningful and useful allowing Nestlé to alter its product to better meet customer tastes in the future hence increasing sales
- customers will be able to see, smell and taste the product which is important with confectionery and therefore provide more detailed and accurate feedback than other methods of data collection, eg over the phone
- feedback will be from a panel of regular panel members therefore easier to draw comparisons between feedback and make more informed decisions.

2

Total for this question: 20 marks

(a) Using **Item B**, explain **two** ways in which *River Farm* aims to meet customer needs.
(10 marks)

Apply the following grid to two customer needs.

Level	Descriptor	Marks	Assessment Objective
2	Uses Item B to explain how <i>River Farm</i> aims to meet customer needs.	3–5	AO2
1	Shows understanding of customer need or describes how businesses meet customer needs.	1–2	AO1

Possible answers might include the following:

The value and suitability of the vegbox

- the promotional leaflet shows how the product is affordable with a starting price of £7.50 and the fact that new customers believe it to be value for money. This shows the organic produce to be value for money whilst information about the variety and freshness help the customer to understand the suitability.

Details about the vegbox and its functions

- the website includes information about how the produce are grown and the benefits of organic. It also includes a lot of recipes so the customer can find ideas on how to use the vegetables in different recipes as well as how to store and prepare them. This will help the customer with the functionality of the vegbox.

Reassurance about after-sales service

- the farm is looking to establish a lasting relationship with the customer through newsletters, repeat orders and asking for customer opinions. Delivery is next day and free of charge, as well as offering advice on the product the customer needs are hence met not only when placing the order but also whilst using the produce.

(b) Discuss the importance of market segmentation to the success of the River Farm vegbox delivery service. (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses why market segmentation is important to the <i>River Farm</i> vegbox.	5	AO3
2	Explains how market segmentation applies to the <i>River Farm</i> vegbox.	3–4	AO2
1	Describes a method of market segmentation.	1–2	AO1

Possible answers might include the following:

- lifestyle – *River Farm* is relying on customers who want to live a healthy lifestyle and eat organic vegetables. Its customers may have busy lifestyles, and are willing to pay more for organic veg to be delivered rather than going to buy them from a supermarket
- socio-economic factors, customers could buy veg cheaper from a market or store but are willing to pay more for organic veg and taste as advertised on the *River Farm* flyer. They may rely on orders from socio-economic groups C1, B and A who have higher disposable incomes.

For AO4, you should award marks 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
2	Judges the importance of market segmentation. 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
1	Demonstrates some judgement when discussing the importance of market segmentation. Ideas are communicated with some structure evident with occasional use of technical terms. There are some errors in accepted conventions of written communication.	1–2	

3

Total for this question: 24 marks

(a) Explain **two** reasons why achieving good customer service would be important to the success of the River Farm café and farm shop. (6 marks)

Apply the following grid to each reason.

Level	Descriptor	Marks	Assessment Objective
2	Explains why achieving good customer service is important to the River Farm café and shop.	2–3	AO2
1	Identifies advantage of good customer service.	1	AO1

Possible answers might include the following:

- maintain responsibility for good customer service so that sales of existing product (vegbox) do not decline
- service industry so relies on good customer service for repeat business, ie families frequently visiting farm
- need to build a reputation for shop and café through word of mouth, small farm therefore limited promotional budget.

(b) Using **Item C**, analyse how Rachel's plans could help to develop long-term relationships with customers. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how allowing customers to visit the farm could help develop long-term relationships with customers.	7–8	AO3
2	Explains how allowing customers to visit the farm could help develop long-term relationships with customers.	4–6	AO2
1	Identifies how allowing customers to visit the farm could help develop long-term relationships with customers or defines meaning of long-term customer relationships.	1–3	AO1

Possible answers might include the following:

- customers will see where the veg are grown and how they are grown giving a greater understanding leading to loyalty
- meeting face-to-face with owners and discussing the veg, organic issues and how to use them could give sense of personal care building a long-term relationship
- may associate experience with more than just buying produce, day out, educational, family involvement
- friendly and informed staff give sense of security.

(c) *John and Rachel understand the need to carry out some customer research before opening the café and farm shop.*

Identify the customer data that should be collected and the most suitable methods of collection. Justify your answer. (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses customer data and/or method(s) of collection.	4–5	AO3
2	Explains customer data and/or method(s) of collection.	3	AO2
1	Describes customer data and/or method(s) of collection.	1–2	AO1

For AO4, you should award marks 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
2	Justifies an aspect of the chosen data or method(s) of collection by judging its suitability. 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
1	Supports an aspect of the chosen data or method(s) of collection by stating its suitability. Ideas are communicated with some structure evident with occasional use of technical terms. There are some errors in accepted conventions of written communication.	1–2	