



General Certificate of Education

Applied Business 8611/8613

BS04 Meeting Customer Needs

Mark Scheme

2008 examination - June 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: 18 marks

(a) Using **Item A**, describe how the Ford website helps customers to:

(i) gain information about the product (2 marks)

For each part: one mark for identifying how the website helps customers and one mark for development.

Relevant answers might include the following:

- style (1 mark), range of colours, trims, appearance, to meet customers' personal preference (1 mark)
- space (1 mark), for passengers, children, boot, to meet customer lifestyle (1 mark)
- price (1 mark), can design a car and get a quote to see if within budget (1 mark).

(ii) match the suitability of the product to their needs. (2 marks)

Relevant answers might include the following:

- description of series (1 mark), possible features such as airbags, road handling (1 mark)
- diagram of options available (1 mark), look of hatchback, saloon (1 mark), or can see what each option looks like
- **Diagram 1** visual (1 mark), can see how the car changes as you configure it (1 mark)
- price (1 mark), the customer is given a quote for their chosen car (1 mark).

(b) Using **Item A**, explain why Ford differentiates its cars. (6 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A to explain why Ford differentiates its cars.	4–6	AO2
1	Shows some understanding of differentiation.	1–3	AO1

Relevant answers might include the following:

- to better meet customer needs – design car to match specific requirements
- encourages customers to spend more – add features
- maintain competitiveness by matching wide range of needs – all markets.

(c) Explain **two** ways car manufacturers, such as *Ford*, might use research and development to improve their competitiveness. (8 marks)

Apply the following grid to each answer.

Level	Descriptor	Marks	Assessment Objective
2	Explains how car manufacturers such as <i>Ford</i> use research and development to improve their competitiveness.	3–4	AO2
1	Demonstrates understanding of research and development.	1–2	AO1

Relevant answers might include the following:

- *Ford* invests in research and development in order to continue to launch new models of cars. This allows them to offer cars at different sizes, prices and appearance etc to meet the needs of different customers. Someone wanting a family car, for example, would be able to go to *Ford* and get something that meets their needs. They would not have to go to a competitor such as *Vauxhall*
- by investing in technology *Ford* is able to maintain its position as market leader. Developing better engines will give it an edge over competitors. Investing in diesel engines will appeal to customers who are interested in fuel efficiency. It will also look like *Ford* is trying hard to satisfy their customers giving them good publicity.

2

Total for this question: 20 marks

(a) Using **Item B**, describe **two** ways in which the car insurance market is segmented. (4 marks)

For each answer one mark for identifying a method of segmentation and one mark for development or supporting example.

Relevant answers might include the following:

- age (1 mark), eg 17 year olds (17to40) (1 mark)
- sex (1 mark), eg *Sheila's Wheels* aimed at women (1 mark)
- lifestyle (1 mark), eg *Saga*, 50+ with more free time (1 mark).

(b) Using **Item B**, analyse how the car insurance industry meets the needs of different types of customers. (6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse how the car insurance industry alters its products to meet the needs of different types of customers.	5–6	AO3
2	Uses Item B to explain how the car insurance industry meets the needs of customers.	3–4	AO2
1	Describes how businesses attempt to meet the needs of customers.	1–2	AO1

Relevant answers might include the following:

- insurance companies alter the amount of cover and services a customer gets depending upon the price paid and the amount of cover needed. For a young driver a low price is the most important and the cover may just be basic, whereas for older customers peace of mind and a high level of service is more important
- insurance companies may look at what is likely to be important to drivers depending on their age and sex. Young people may not carry much expensive luggage in their car but will have a stereo whereas an older couple using their car to go on holiday will want higher cover, ie £1000 by *Saga*. By meeting each segment's needs, eg women drivers having their handbag covered by the insurance, the businesses are altering their product rather than everyone paying the same premium for the same cover which might not be necessary or important to them.

(c) Using **Item B**, discuss to what extent customer service is important to car insurance businesses. (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse the importance of customer service for the car insurance businesses.	4–5	AO3
2	Uses Item B to explain the role of customer service for the car insurance businesses.	2–3	AO2
1	Identifies an aspect of customer service.	1	AO1

Relevant answers might include the following:

- customer service is important to those customers who are able to pay for it. Women may be willing to pay the competitive prices offered by *Sheila's Wheels* for a policy tailored to their needs and reassurance that if they have to have their car repaired it will be done at a female friendly garage. A student, however, will be more interested in getting the cheapest price available as they will be on a limited budget
- for customers of *Saga* service is very important and from the customers' responses shown determines whether they will go back to *Saga* or not.
- customers are influenced by ease of use of website and option to use phone
- young customers of *17to40* will want advice on how to keep their premiums down. Being offered advice on how to receive a 20% discount will help new drivers understand the benefits *17to40* can offer.

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 relative importance of customer service. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communications.	3–5	AO4 and Quality of written communication
1	Demonstrates some judgement when discussing the importance of customer service. Ideas are communicated with some structure evident with occasional use of technical terms. There are some errors in accepted conventions of written communications.	1–2	

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

(a) *Using Item C, analyse how the research findings (lines 13 to 23) might help Robert and Mark to select the most appropriate expansion option.* (7 marks)

Apply the following grid to one advantage and one disadvantage.

Level	Descriptor	Marks	Assessment Objective
3	Uses the data in Item C to explain how Robert and Mark might choose the most appropriate expansion option.	5–7	AO3
2	Explains how research findings might help Robert and Mark in their decision making.	3–4	AO2
1	Identifies how research findings might help businesses make decisions.	1–2	AO1

Relevant answers might include the following:

- identifies trends in the market, eg 5% growth in bus and coach services, therefore potential to expand as market is growing
- identifies potential target markets, may help to decide new service should be targeted at 18–24 year olds
- guidance re. potential demand
- collected and analysed by experts, therefore data should be more reliable giving Mark and Robert confidence in the data
- explains external influences to help predict future demand for services.

(b) *Analyse what other secondary research Robert and Mark might carry out before selecting the most appropriate expansion option.* (5 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains relevant secondary research Robert and Mark might carry out.	5	AO3
2	Describes relevant secondary research Robert and Mark might carry out.	3–4	AO2
1	Describes another research method.	1–2	AO1

Relevant answers might include the following:

- competitors' performance
- Mark and Robert could carry out research into the cost involved in the expansion, ie new mini buses, licences, staffing costs. This would help them identify whether they were able to finance the expansion
- Mark and Robert could research the performance of competition to see how they perform and whether the market is already saturated.

(c) *Mark wants to investigate the option of increasing services locally by adding new routes. He has decided to carry out some primary research and needs to develop a research plan.*

Recommend a suitable research plan, identifying the type of primary data that should be collected and how this might be analysed. Justify your answer. (10 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses the purpose of collecting primary data.	4–5	AO3
2	Describes an appropriate type of primary data and/or explains how it might be analysed.	2–3	AO2
1	Identifies a type of primary data and/or how it might be analysed.	1	AO1

Relevant answers might include the following:

- the routes that customers may be interested in travelling on, required destinations and the frequency of their journeys. The data collected could be put on bar charts to show most popular destinations/routes. These could also be drawn on a map to help plan new routes passing by as many of the results of the destinations as possible
- data could be collected as to the geographical spread of customers interested in travelling by bus. This could be used to identify potential new routes. Start and end points could be plotted on a map with possible routes before being identified
- the data collected, however, may not be accurate as existing customers may be happy with existing routes. Collecting data from potential new customers would be more beneficial because routes could be introduced to encourage them to use the service.

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	Candidate 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 communications.	3–5	AO4 and Quality of written communication
1	Candidate offers judgement and an attempt at justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are some errors in accepted conventions of written communications.	1–2	