



**General Certificate of Education (A-level) Applied
June 2011**

Applied Business

BS04

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

Unit 4: Meeting Customer Needs (External Test)

Mark Scheme

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 events which all examiners participate in and is the scheme which was used by them in this examination. The standardisation process 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 standardisation each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, examiners encounter unusual answers which have not been raised they are required to refer these to the Principal Examiner.

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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: 20 marks

1 (a) Describe how BUPA uses its website to meet its customers' needs. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Describes relevant use of websites by BUPA.	4–3	AO2
1	Identifies relevant points/generic use of information about websites.	2–1	AO1

Relevant answers might include the following:

- BUPA operates a website providing details of many of its services and using video clips
- BUPA makes health factsheets freely available to more than one million people monthly
- BUPA's website gives information to businesses on workplace health issues.

1 (b) Explain why three million people pay for BUPA's services when their customer needs could be met by the NHS without charge. (6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains how BUPA satisfies its customers.	6–5	AO2
2	Describes how businesses can satisfy customers.	4–3	AO1
1	Demonstrates knowledge of customer satisfaction / identifies relevant factors.	2–1	

Relevant answers might include the following:

- speed is important for BUPA's customers. BUPA offers quick treatment without any waiting lists meaning that patients' illnesses are not prolonged and they can return to work quickly
- having access to information throughout the day and night is important for customers who are ill. The 24-hour healthline meets this need and can reassure and satisfy customers
- high quality and single rooms will be attractive to people who are unwell and want to receive treatment in comfort
- the latest drugs and treatments increase the speed and chances of recovery and are therefore a key factor in ensuring that customers are satisfied.

1 (c) Using **Item A**, analyse why BUPA provides a large amount of information about its services to its customers. (10 marks)

Level	Descriptor	Marks	Assessment Objective
4	Uses Item A to analyse why BUPA provides a large amount of information.	10–9	AO3
3	Uses Item A to offer explanation for reasons why BUPA provides a large amount of information.	8–5	AO2
2	Explains relevant points.	4–3	AO1
1	States relevant points/shows relevant knowledge.	2–1	

Relevant answers might include the following:

- BUPA offers a wide range of products including health insurance, preventative checks, long-term care services and travel insurance. Customers may use several of these and require information on each one
- the cost of health insurance can be expensive and customers will be unwilling to commit large sums of money without knowing precisely what they are buying
- healthcare is a complex product with many different levels of service available. Customers need to be aware of these and to choose which one is best suited to their needs
- most of BUPA's UK customers have the choice of free treatment with the NHS and will therefore want to compare the levels of services available (along with costs)
- there are many different ways in which payment can be made (by monthly insurance or 'pay as you go'). Information on these is vital in customer decision-making.

2

Total for this question: 20 marks

2 (a) Using **Item B**, analyse how customer research might help *Norwich Spire Hospital* to know whether it is meeting its patients' needs. (8 marks)

Level	Descriptor	Marks	Assessment Objective
4	Analyses how research will help the hospital to meet patients' needs.	8–7	AO3
3	Explains benefits of research to the hospital.	6–4	AO2
2	Explains different types or benefits of customer research.	3–2	AO1
1	Identifies relevant points.	1	

Relevant answers might include the following:

- the hospital could (and does) ask all patients to fill in individual questionnaires at the end of their stay or visit to the hospital. This could give brief information on whether needs are being met. But the questionnaires must ask good quality questions that elicit the necessary information to make effective judgements
- personal interviews will provide greater in-depth information about whether the hospital performs well in a variety of ways – it should provide qualitative data which is important for assessing whether customers' needs have been met in a service industry such as healthcare. Once again, the quality of the process will be important in reaching a correct judgement
- it will be important to compare the data collected for the *Norwich Spire Hospital* with that for other private hospitals. The managers will need to judge whether the hospital's data is better than that of other private hospitals.

2 (b) *Norwich Spire Hospital's core product is the treatment it provides to its patients. Is the core product the most effective way for the hospital to differentiate itself from its competitors? Use **Item B** to justify your view.*
(12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses relevant arguments in context of <i>Norwich Spire Hospital</i> .	7–6	AO3
2	Explains relevant points in context of <i>Norwich Spire Hospital</i> .	5–3	AO2
1	Identifies relevant points/shows relevant information.	2–1	AO1

Relevant answers might include the following:

- the core product describes the main benefits received from consuming a product.

In support of the statement:

- the *Norwich Spire Hospital's* statistics show that its patients record a more significant improvement in their health following treatment than in other hospitals
- only a tiny proportion of patients have to come back for further unplanned treatment – less than in an average private hospital
- the fact that *Norwich Spire Hospital* publishes these statistics on its website is an indication that it believes the core product to be an important form of differentiation.

Against the statement:

- other aspects of the hospital's services, such as cleanliness, are important too and the customer assessment of quality here is far in excess of NHS hospitals: 92% against 52%
- other additional features of the product, such as the rooms, are also the basis of differentiation. These are for individuals and have superior facilities
- another additional feature that is used for differentiation is the quality of the food for which Spire Healthcare has won an award
- augmented features of the product are also used as a basis of differentiation as there are no restrictions on visiting hours and visitors and patients can dine together.

Points for Evaluation might include the following:

- most patients simply want to get well again and so the core product is a vital differentiator in this industry
- patients recover not just because of the treatment – the whole package is important here: cleanliness, good food, regular visits by friends and family etc. So it is a combination of core, actual and augmented products.

See next page for Evaluation grid.

For AO4, you should award marks using the scheme 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
E2	Offers judgement plus supported 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) Using **Item C**, analyse why product development is essential to the success of *Brook Hall* restaurant. (8 marks)

Level	Descriptor	Marks	Assessment Objective
4	Analyses essential nature of product development to the success of <i>Brook Hall</i> restaurant.	8–7	AO3
3	Explains importance of product development to <i>Brook Hall</i> restaurant.	6–4	AO2
2	Explains importance of product development.	3–2	AO1
1	Identifies need or defines product development.	1	

Relevant answers might include the following:

- Sam’s market research has revealed that customers want a range of foods and services that she does not currently provide – or provide sufficiently. Vegetarian dishes and Asian foods are examples
- Sam’s sales figures have declined recently and she has suffered from falling profits. Her partners have demanded that she corrects this trend quickly
- her customers’ needs have changed in recent years as incomes in the town have fallen following the closure of some large businesses
- diners have a high level of involvement in meals and this indicates that to meet their needs as fully as possible (for example, through extending the product range) is a sensible commercial decision.

3 (b) Identify and analyse **two** actions that Sam might implement to improve the level of customer service in Brook Hall restaurant. Recommend which of the two actions should be given priority. Justify your choice. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses action(s) in context of <i>Brook Hall</i> restaurant.	7–6	AO3
2	Explains action(s) in context of <i>Brook Hall</i> restaurant.	5–3	AO2
1	Identifies relevant points/shows relevant knowledge.	2–1	AO1

Relevant answers might include the following:

- Sam’s opening hours (and days) are limited and she could increase these to meet customers’ needs more fully, although this would be costly in terms of staff wages and overheads
- staff training would be essential to improve the communication as well as other skills as most of Sam’s employees have direct contact with the restaurant’s customers
- Sam tends to employ school and college students and her labour turnover is high – if she could reduce this and combine it with a programme of training, customer relations might improve
- a less crowded restaurant with fewer tables might add to the privacy and overall quality of customer service received by her diners. It would assist in reducing the pressure on her employees as there would be fewer diners at any time
- Sam is not effective at dealing with complaints about the service received by her customers as she rarely gets back to customers and is reluctant to implement any significant changes suggested by her staff
- the restaurant’s level of customer service does not match the quality of food that is provided (and the prices that the restaurant charges) and she needs to review all aspects of this before taking any other actions.

Points for Evaluation might include the following:

The principal line of evaluation is to make and support a decision on which action to take.

- there are some things that she can do relatively quickly and these would be best – so, for example, she could adjust the restaurant’s opening hours at short notice
- Sam must review the whole of her restaurant’s quality of customer service and not rush to make relatively small changes – so planning should be the priority
- the first step before she makes any specific changes should be to conduct some more market research to establish what her customers actually want.

See next page for Evaluation.

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E2	Offers judgement plus supported 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	