



**General Certificate of Education (A-level) Applied
January 2012**

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: 18 marks

1 (a) Using **Item A**, describe **two** ways in which Taylor Wimpey plc segments its market. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A to describe relevant method(s).	4–3	AO2
1	States relevant method(s) of segmentation / shows relevant knowledge.	2–1	AO1

Relevant answers might include the following:

- a segment is a group of consumers within a market who have similar characteristics
- the company segments its market by location, eg terraced houses in northern England and large houses close to London
- by lifestyle – studio flats for single people and large houses for families
- by income – the company’s prices vary from £120 000 to ‘approaching £1 million’
- by age – the company builds homes for people of retirement age and for those with large families.

1 (b) Explain why Taylor Wimpey plc provides its customers with a large amount of information. Use **Item A** to support your answer. (5 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains possible reason(s) in context.	5–4	AO2
2	Explains possible reason(s).	3–2	AO1
1	States relevant points/shows relevant knowledge.	1	

Relevant answers might include the following:

- it provides a wide range of information on the company’s products to help house buyers to gather information about what is a complex product and to meet their information needs. For example, information on room layouts
- a home can meet several needs for consumers at one time – as a home and a workplace, for example. Therefore detailed information on accommodation is essential
- the consumers are likely to have a high degree of involvement in a home as it is likely to have a significant effect on emotional needs such as security and status. Hence consumers will need help in purchasing and so *Taylor Wimpey plc* provides buying guides
- all household members are likely to be involved in the decision to purchase the house and may have different information needs
- a house is a complex product with a high degree of involvement and therefore results in a very high level of information needs amongst consumers.

1 (c) Using **Item A**, analyse the methods that *Taylor Wimpey plc* might use to research its customers' needs. (9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses advantage(s) / disadvantage(s) of relevant method(s) in context.	9–7	3
2	Describes relevant method(s) in context.	6–4	2
1	Shows knowledge of market research.	3–1	1

Relevant answers might include the following:

- this is a complex product and therefore personal interview might be a suitable method as *Taylor Wimpey plc* is likely to be seeking detailed information
- by registering with the website, consumers give *Taylor Wimpey plc* a lot of information about the products they are seeking allowing the business to provide suitable products
- the website allows potential customers to place a timescale on intended house purchases aiding *Taylor Wimpey plc* in planning its house building programme
- the company may use online questionnaires as it sells homes to diverse groups of consumers and needs to research a variety of needs. This may be an attractive option for the company as it recorded a loss of more than £600 million in 2009.

2

Total for this question: 20 marks

2 (a) Use **Item B** to analyse how the forecast changes in the size and structure of the UK's population might affect Taylor Wimpey plc's future building plans.
(8 marks)

Level	Descriptor	Marks	Assessment Objectives
3	Analyse effect(s) in context.	8–6	AO3
2	Explains effect(s) in context.	5–4	AO2
1	States relevant points/shows relevant knowledge or offers explanation.	3–1	AO1

Relevant answers might include the following:

- the population is ageing at a significant rate and this will lead to a demand for different types of properties such as bungalows. The increase in the over 80s is likely to increase the demand for smaller homes suitable for a single person
- the number of single person households is forecast to increase by nearly 60%. This will lead to a huge increase in demand for homes, mainly small ones. *Taylor Wimpey plc* may have to alter the types of homes that it builds
- the population of the UK is increasing rapidly leading to an increase in demand for homes. This will mean that the company has to build more homes mainly in England and especially in London and the South East
- the older age groups may demand higher specification homes given the disposable income that they are forecast to have available. New homes for younger people may need to be affordable.

2 (b) Do you think it is important that Taylor Wimpey plc augments its products by offering additional benefits and services? Use **Item B** to justify your view.
(12 marks)

Level	Descriptor	Marks	Assessment Objectives
3	Analyses factors in context.	7–6	AO3
2	Explains points in context.	5–3	AO2
1	Shows relevant knowledge.	2–1	AO1

Relevant answers might include the following:

In support of offering additional benefits:

- houses are a major item of expenditure and most buyers will want the benefit of a guarantee. *Taylor Wimpey plc* offers 'peace of mind' with a 2 year 24 hour helpline, on-site support and a ten-year structural guarantee. This helps to meet the needs of all of its consumers
- the company also offers help with credit and many younger purchasers will need a loan to buy a major asset such as a home. The attractive interest rate will help to meet a vital need of its customers
- the company has a reputation for top quality customer service. This is important for all consumers who are purchasing a complex product and also one with a high level of involvement.

In support of other approaches to meeting different customer needs:

- the basic features of the product have to be correct for all consumers. For example, the company should make effective use of all the space within the property – and not waste 17%
- the basic features of the house (size, layout etc...) will vary greatly according to the type of customer and their needs – one person household versus family, for example. *Taylor Wimpey plc* must meet the needs of these people as fully as possible
- the additional features of the core product are important too. *Taylor Wimpey plc* personalises its properties to meet the individual needs of its customers through choice of fittings and colour schemes for example. This is very important as different groups of customers (young and old, for example) may have very different ideas.

Possible themes for Evaluation:

- some additional benefits will be wanted by all types of consumers – guarantees for example, but others (such as mortgages) may be required only by certain groups
- the core aspects are the key factor – the home must fit the requirements of all customer groups
- additional features may be required by all groups and can help to meet different needs of different groups
- augmenting the product does not appear to be the most important factor.

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 good 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: 22 marks

3 (a) Use **Item C** to explain the difference between internal and external customers.
(4 marks)

Level	Descriptor	Marks	Assessment Objectives
2	Uses Item C to make distinction.	4–2	AO2
1	States knowledge / offers theoretical distinction.	1	AO1

Relevant answers might include the following:

- internal customers are the staff of the business itself. In this case, it is the staff that make the windows who are the customers of those making the double glazing units to fit into them
- external customers are organisations who buy *Darrold Ltd's* windows and doors such as *Taylor Wimpey plc.*

3 (b) Explain **how** *Darrold Ltd* might analyse the data it collects on its customers to help it to understand changes in customer needs.
(6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains method(s) in context.	6–4	AO2
2	Explain possible method(s).	3–2	AO1
1	Identifies relevant method.	1	

Relevant answers might include the following:

- the company may group its data according to the size of the customer as larger customers have different needs to smaller ones. The company can then look for patterns in needs to establish any relationship between the size of the customer and their needs
- the company could group data according to the location of its customers – customers in cities are asking for different designs. Similarly, this will help the company to establish how customer needs vary according to location
- *Darrold Ltd* might forecast future trends in its sales by using extrapolation. It has historic data (back to 1994) on its different groups of customers and can extend this forward, although this market is showing some changes such as city builders asking for different designs
- the company has the option to engage in data mining as it holds a large amount of information on its customers and could seek to see if any unknown patterns exist in this data that would reveal more about its customers' needs.

3 (c) Do you agree with Tom's view that Darrold Ltd should just focus on improving customer service to meet the needs of its external customers? Use **Item C** to justify your view. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses factor(s) affecting the decision in context.	7–6	AO3
2	Explains factor(s) affecting the decision in context.	5–3	AO2
1	Identifies relevant point(s)/Shows relevant knowledge.	2–1	AO1

Relevant answers might include the following:

In support of Tom's view:

- the company has diverse customers with large firms such as *Taylor Wimpey plc* and smaller customers wanting bespoke products. It is important to the business to offer precisely what these customers want
- Tom's business has been very successful relying on customer service over a twenty-year period and good customer service is vital in developing long-term relationships
- the company has a reputation for giving advice on installing and maintaining its products – this could be vital in meeting the needs of its smaller customers
- the company offers a bespoke service for smaller customers which helps to meet their needs and they could become the large house builders of the future.

Against Tom's view:

- the smaller builders wanting bespoke products means that the company has to pay attention to its actual products (and the features they include) to meet the needs of its customers
- there is some evidence that the company's customers, especially those building city homes, require different products (triple glazing etc...) which means some research and development is required
- the core product has to remain good (reliability of supply, durability of the windows and doors) has to remain good as this is a highly competitive market.

Possible themes for Evaluation:

- Tom may be right in that *Darrold Ltd's* success appears to be based on its reputation for 'excellent customer service' and it has 'thrived' in a competitive market
- surely it is a combination of R & D, the products themselves and customer service that allows any business to meet the needs of its external customers.

See next page for Evaluation grid.

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