

Centre Number						Candidate Number				
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For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Education
Advanced Subsidiary Examination
June 2012

Applied Business

BS04

Unit 4 Meeting Customer Needs

Monday 14 May 2012 1.30 pm to 2.30 pm

You will need no other materials.

Time allowed

- 1 hour

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 60.
- Questions 2(b) and 3(c) should be answered in continuous prose.
In these questions you will be marked on your ability to:
 - use good English
 - organise information clearly
 - use specialist vocabulary where appropriate.



J U N 1 2 B S 0 4 0 1

Answer **all** questions in the spaces provided.

1 Read **Item A** and then answer the questions that follow.

Item A

The Nissan Group

The Nissan Group (*Nissan*) is a Japanese vehicle manufacturer. It is one of the world's largest car manufacturers, selling over four million vehicles globally in 2010.

Market research

Nissan's thorough market research enables it to meet its customers' needs. The company uses both its websites and its dealer network, which sells its products, to communicate with customers and to research their needs. It encourages customers to communicate with them via the website by offering prizes for completing online questionnaires. Through its dealers, *Nissan* researches and promotes its products by offering customers test drives. With its customers' needs changing over time, market research through regular communication is important.

Meeting customers' needs in changing markets

Nissan adapts its products for new and growing markets. In Pakistan, for instance, it works with local businesses, to meet local needs. Here, its 'ultra-low price' vehicles provide a basic means of transport. In China, *Nissan* sells low-priced small and medium-sized cars in partnership with the Dongfeng Motor Group. Rising incomes in China have led to higher sales of vehicles with additional features such as air conditioning.

Nissan's broad product range includes the following:

- off-road and 4x4 vehicles such as the Qashqai
- the 'Infiniti' brand: a range of luxury cars sold in North America
- Kei cars (a range of small cars and vans) specially designed to reduce running costs in Japan
- vans, trucks and lorries sold to businesses. These vehicles are manufactured to meet individual customers' needs by, for example, having different cargo capacities and different door arrangements.

Following extensive research and development, *Nissan* has launched an environmentally friendly electric car, the *Nissan Leaf*. The *Leaf* recorded disappointing sales in the USA, as consumers appeared not to value its unique features. In contrast, sales in Japan have exceeded expectations.



1 (a) Using **Item A**, describe **two** methods that *Nissan* might use to collect information on its customers' needs.

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1 (c) Using **Item A**, analyse how *Nissan*'s 'broad product range' enables it to meet the needs of its different customers.

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

Item B

The Nissan Leaf

When production of the *Nissan Leaf* begins at Sunderland in 2013, *Nissan* will have invested £420 million in researching and developing its electric car.

The *Leaf*'s unfamiliar, new, environmentally friendly technology means that consumers are likely to have a high need for product information and support when buying the car. *Nissan*'s research shows that the first customers are likely to be environmentally aware and earn high incomes.

The *Nissan Leaf* was first manufactured in the USA and Japan. Early sales figures were encouraging, especially in Japan. *Nissan*'s Chief Executive, Carlos Ghosn, believes that electric cars will account for 10% of global car sales by 2021.

The *Nissan Leaf* was the world 'car of the year' in 2011 and was the UK's first mass produced electric car. When it was launched in the UK in 2011, the *Leaf* was priced at £30 350. This is a high price for a complex product, although a UK government subsidy to buyers of electric cars reduces it by £5000.

Key facts about the *Nissan Leaf* are:

- it can travel only 109 miles on a full battery charge, but produces zero emissions
- the *Leaf*'s zero emissions mean that it avoids car taxes in several countries
- recharging the battery costs about £1.30 and takes 8–12 hours
- some 'rapid charging' points are available across the UK
- the car has a 'telematics' system which helps navigation, allows *Nissan* to communicate directly with owners and shows the nearest available charging points.

Despite its success in 2011, *Nissan* had to recall the *Leaf* later that year to allow a fault in the telematics software to be repaired. This created bad publicity and boosted sales of rival manufacturers' electric cars.

"Figure 1 is not reproduced here due to third-party copyright constraints."

Source: adapted from www.nissan-global.com



2 (a) Analyse why customers would need extensive product information before deciding whether or not to buy a *Nissan Leaf*.

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

Item C

Good by design

Natural Design Ltd designs and maintains gardens for individuals and businesses. It was established by Clive and Paula Radley in 1994 and employs 98 people. The company has been successful despite tough competition, mainly from smaller rivals who have reputations for excellent customer service. *Natural Design Ltd's* prices are higher than most of its competitors. However, its profits fell by 27% in 2010 and again by 17% in 2011.

The company's services include:

- an initial site meeting with the customer to collect information on the garden and on the customer's needs
- a design service giving customers a number of choices
- the creation of the customers' gardens by planting trees, hedges and flowers; installing ponds and fountains; laying patios, decking and paths
- a maintenance service to keep the gardens in excellent condition.

The company has been employed by businesses to create gardens for commercial properties and by wealthy people to plan and install individually designed gardens for their homes – many of these customers are attracted by the company's personalised service. In 2011, 68% of the company's revenue was from businesses, most of whom had been customers for many years. Clive has ambitious plans to expand the company by attracting more business customers.

Natural Design Ltd has grown quickly but suffers from high labour turnover. One possible result of this is the steady rise in customer complaints about all aspects of the company's work. Paula is very worried and believes that employees need training in customer service skills. Clive's view is that the company should make more use of ICT in designing gardens and in communicating with customers to ensure customer satisfaction. He has suggested that £350 000 should be invested in new ICT equipment and associated training.



3 (a) Use **Item C** to describe **two** needs that *Natural Design Ltd*'s customers may have during or after purchasing the company's services.

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3 (b) Explain why it is important for *Natural Design Ltd* to provide high quality customer service.

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END OF QUESTIONS



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