

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**Advanced Subsidiary GCE**

**BUSINESS STUDIES**

**2872**

Business Decisions

Monday

**6 JUNE 2005**

Afternoon

45 minutes

Additional materials:  
4 page Answer Booklet

**TIME** 45 minutes

**INSTRUCTIONS TO CANDIDATES**

- Write your name, Centre number and candidate number in the spaces provided on the answer booklet.
- Answer **all** questions.
- If you use extra sheets of paper, fasten the sheets to the answer booklet.
- Read each question carefully and make sure you know what you have to do before starting your answer.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is 45.
- You will be awarded marks for the quality of written communication where an answer requires a piece of extended writing.

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**This question paper consists of 4 printed pages.**

Alton Towers is one of the UK's largest theme parks, aimed at every member of the family with rides, attractions and hotels. It is located in the Midlands. Its mission statement is 'to create magic for everyone'. It gains 54% of its revenue from admissions and 46% from in-park spending and the hotels. 70% of its visitors arrive by car and 30% come by coach (groups and schools). The types of people who visit Alton Towers can be broken down into two market segments:

- general customers i.e. individuals and families;
- trade customers such as coach operators, corporate customers, school parties, hotels and group organisers.

Alton Towers carries out extensive market research to ensure visitors experience a magical day out. Some of the results are shown in Tables 1 to 4.

Table 1: Visitor Numbers

<p><b>5 tables have been removed due to third party copyright restrictions</b></p> <p>Details:</p> <p>5 tables showing information about Alton Towers</p>
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Table 2: Percentage of Visitors in 2000 by Socio-Economic Groups

<p>5 tables showing information about Alton Towers</p>
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Table 3: Percentage of Visitors in 2000 by Age

<p>5 tables showing information about Alton Towers</p>
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Table 4: Percentage of Visitors in 2000 by Geographical Region

<p>5 tables showing information about Alton Towers</p>
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Alton Towers has over 1,200 staff, around 300 of whom are employed on a full time basis. The majority of staff live within a 20 mile radius. Staff are organised into different departments including Marketing, Special Events, Information Technology, Technical Services, Human Resources, Security, Health and Safety, Cleansing, Finance, Hotels, Rides, Shows and Operations. These departments are regarded as either 'Front of House' or 'Support Functions'. Front of House departments are those with direct contact with visitors.

Examples of Support Functions include the Security and the Health and Safety departments that are responsible for the safety and welfare of both visitors and employees. The Technical Services department carries out park maintenance and co-ordinates any construction work. The Information Technology department is responsible for over two hundred computers and for installing and maintaining over five hundred internal and external telephones. One of the jobs of the Cleansing department is to 'litter pick' in the surrounding areas.

Alton Towers aims to provide entertainment for all its visitors during its 30 week season. To do this effectively, it has to provide a balance of attractions, from 'white knuckle' rides for thrill seekers to live entertainment for all the family.

The amount Alton Towers invests each year in new rides and attractions varies (see Table 5).

Table 5: 'White Knuckle' Ride Data

(See previous page)
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In 1996 £20 million was invested in the first Alton Towers hotel. A second 215 bed hotel, called Splash Landings, costing £35m opened in 2003 creating 150 new jobs. This hotel includes self contained conference facilities which it is hoped will generate revenue during the winter months when the theme park itself is closed.

Adapted from Alton Towers Student Information Pack/Teachers Notes (2003)

QUESTIONS:

- 1 (a) Outline two methods of market research Alton Towers may have used to gain the information in Tables 1 to 4. [4]
- (b) Discuss the importance to Alton Towers of maintaining a quality service for its customers. [9]
- 2 Analyse the implications for Alton Towers of having only one quarter of its total staff employed on a full time basis. [7]
- 3 (a) Calculate the number of visitors arriving by coach in 2000. [3]
- (b) Evaluate the issues related to promoting Alton Towers to trade customers. [8]
- 4 Discuss the factors that Alton Towers would need to consider when deciding whether to invest in a new 'white knuckle' ride. [12]

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*Copyright Acknowledgement:*

Tables 1 to 5 © Alton Towers Student Information Pack / Teachers Notes 2003.