

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
ADVANCED GCE
2874
BUSINESS STUDIES
Further Marketing

TUESDAY 16 JUNE 2009: Afternoon
DURATION: 1 hour 30 minutes

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the Answer Booklet.

OCR SUPPLIED MATERIALS:

8 page Answer Booklet

OTHER MATERIALS REQUIRED:

Calculators may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the spaces provided on the Answer Booklet.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer ALL the questions.
- If you use additional sheets of paper, fasten the sheets to the Answer Booklet.

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 60.
- You will be awarded marks for the quality of written communication where an answer requires a piece of extended writing.

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RUBENS INTERNATIONAL REMOVALS LTD

Rubens International Removals Ltd (RIR) was founded in 1909 by the current Chairman's grandfather. It has remained a family owned removals and storage business ever since.

During its first half-century, all four of the founder's sons became working directors. Today, a third and fourth generation of the family are still with the business. The current Chairman and Marketing Director is Peter Ruben who works closely with his son Tony (Managing Director), his eldest daughter Lucy (Director of the International Division) and his youngest daughter Mel (Corporate Moving Services Division). 5 10

RIR provides a high quality removal service along with one of the largest storage services in the industry. RIR is constantly looking to expand its storage facilities and now has warehouses in 12 locations around the country. RIR works with partner organisations around the world and have now arranged moves to 103 different countries. 15 20

For the last 30 years, RIR has offered customers assistance in the form filling and bureaucracy involved in helping to arrange moves to all parts of the Commonwealth. It is the leading provider of such services to New Zealand and Australia. 25

Quality is taken very seriously and the firm has gained ISO 9001 accreditation. This was particularly important when developing the Corporate Moving Services Division. RIR now has a relatively high market share in this high growth market. Lucy Ruben is able to manage all aspects of moving for 30

its corporate clients. Lucy and her team consider personal selling to be an important aspect of the marketing effort. As part of the continual drive for higher quality, all customers are encouraged to complete a comprehensive customer service survey. Peter has felt for some time that there should be a review of this process with a need to consider how this information is gathered. 35

With the company about to celebrate 100 years of success, Peter feels the time has come to evaluate and plan for the future. The recent growth in both the international and corporate aspects of the business has led Peter and the Board of Directors to consider setting up three offices in Western Europe. Sites in Brussels, Madrid and Warsaw have been identified as possible European operating bases. Peter is aware of the difficulties that operating and marketing abroad would bring. The Corporate Moving Services Division possibly offers the greatest opportunity. Peter knows that RIR is able to command a higher mark-up for this aspect of its work. Firms needing to move often over-budget for such costs and RIR is able to charge a premium price for such work, ensuring that a good quality service is provided. 40 45 50 55

Prices for different aspects of the services provided by RIR vary considerably. Generally, prices are calculated based on the volume of possessions that need to be moved and the distances involved. International moves carry a premium based on the additional administration required. Prices for storage services are based on volume and time. 60

Peter is considering the use of different pricing strategies for the different aspects of RIR's work. RIR is facing increased competition in the 65

domestic removal market from many localised small businesses. In common with the competition, it is usual to add on a mark up of 200% on calculated costs. Moves scheduled to take place at the weekend add a further 30% premium on top of the midweek price. Peter feels that the prices should be more closely linked with demand. As with many industries, customers are more likely to move house at certain times of the year, and Peter feels that RIR's prices should reflect this. He knows that it is possible to be much more flexible on prices at quieter times when his removal staff are less busy.

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RIR is clearly a successful family business. Peter and the rest of the Board must now start the second 100 years with a clear plan for the future.

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Answer ALL questions.

- 1 (a) Analyse TWO possible advantages to RIR of personal selling. [6]**
- (b) Calculate the price quoted to a customer wanting to move from Birmingham to Coventry on a Saturday when the calculated costs are £400. [4]**
- (c) Evaluate methods RIR could use to set prices. [16]**

- 2 (a) RIR has used a number of closed questions in its surveys to allow it to quantify the results effectively.
Analyse TWO reasons why the use of OPEN questions may give more useful results to RIR. [6]**
- (b) Other than surveys, discuss the advantages and disadvantages to RIR of TWO methods of gathering information from its customers. [10]**
- (c) Evaluate the factors that Peter would need to consider before RIR develops its European market. [16]**

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