1. (a) Zurich Insurance operate a TQM system called iQUALITY that focuses on high customer service throughout all of its insurance operations.  
   The use of TQM at Zurich Insurance is most likely to lead to an increase in (1)
2. labour turnover
3. lead times
4. wastage levels
5. repeat purchases

(b) Explain why this answer is correct. (3)

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**Evidence A Cola-Cola India turns 20**

The Coca-Cola drink was launched in Agra, India in 1993. Since then Coca-Cola India has grown rapidly, owning two of the country’s largest soft drinks brands – Thums Up and Sprite. Operations include over 7,000 Indian distributors and more than 2.2 million retailers.

Coca-Cola India has invested more than $2bn in its Indian operations and provides direct employment to   
more than 25,000 people and indirect employment to more than 1,500,000 people through its vast supply and distribution system.

Coca-Cola India is the country’s leading beverage company with an unmatched portfolio of beverages. These include Coca-Cola, Fanta Orange, Limca, Sprite, Thums Up, Burn, Kinley, Maaza, Minute Maid Pulpy Orange, Minute Maid Nimbu Fresh and the Georgia Gold range of teas and coffees and Vitingo.

Coca-Cola India is one of the largest domestic buyers of agricultural products such as sugar and mango pulp. The company’s business also positively impacts on industries such as glass, plastics, automobiles and banking.

**Evidence B Coca-Cola India – Responsible Marketing**

As part of our marketing, we have a Global Responsible Marketing Policy and we do not market any products directly to children under 12. This means we will not use advertising directly targeted at audiences that have more than 35% of children under 12. Our policy applies to all of our beverages and the media outlets we use. We are proud to be part of the ‘India Pledge’, which is a commitment to change food and beverage advertising to children under the age of 12 years in India.

**Evidence C New High-tech Bottling Plant**

To mark its 20 years in India, Coca-Cola India opened a new bottling plant at Chatta in Uttar Pradesh. With an investment of Rs 135 crore ($23m) the new high-tech plant will be Coca-Cola India’s 58th manufacturing plant in the country. The company’s latest technology will ensure no wastage of water and energy. It will produce 1,200 bottles per minute and will be capital intensive, providing employment to 225 people.

Venkatesh Kini, Deputy Business Unit President, Coca-Cola India, said, “Our investments in India are on track as we build scale, manufacturing capacity, distribution capability and a robust product portfolio to realise our business goals in India. By using quality management techniques, we share best practices and technological advancements with our suppliers, vendors and allied industries, which often leads to improvement in the overall standards of quality across industries.”

**Evidence D Coca-Cola India – A Great Place to Work**

We aspire to be a great place to work, where employees are given opportunities to develop their skills and expand their breadth of experience. With this in mind we have developed six special training programs for all employees at all levels of the hierarchy.

Pegasus is our leading training program which seeks to develop all-round top talent for future roles within Coca-Cola India. Catalyst is another training program for selected managerial staff, relatively high in the organisational hierarchy, preparing them for senior management positions.

In addition, our Coca-Cola University operates a six-month program which helps to source and train fresh young talent ahead of demand for our franchise bottlers. The program includes classroom learning, e-learning, mentoring, coaching, feedback and fieldwork.

1. (b) Assess two factors that might affect the productivity of Coca-Cola India’s new bottling plant.

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1. (b) Assess the likely importance to Coca-Cola India of using quality management techniques to maintain sales.

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1. The car manufacturer, Maruti Suzuki India, uses a system of Total Quality Management (TQM).  
   (a) Using TQM is most likely to result in an increase in (1)
2. customer satisfaction
3. labour turnover
4. inventory levels
5. product defects

(b) Explain why this answer is correct. (3)

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