

**ADVANCED SUBSIDIARY GCE
APPLIED BUSINESS**

The Impact of Customer Service

F243/CS

CASE STUDY

**Tuesday 11 January 2011
Morning**

Duration: 1 hour 30 minutes



INSTRUCTIONS TO CANDIDATES

- This is a clean copy of the Case Study which you should already have seen.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- You may **not** take your previous copy of the case study into the examination.
- You may **not** take notes into the examination.

INFORMATION FOR CANDIDATES

- This document consists of **8** pages. Any blank pages are indicated.

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Dave's Disks

Background

Dave has been an enthusiastic 'gamer' for over 10 years. It was his passion for computer and console games which drove him to set up his own retail business two years ago, after he was made redundant from a factory. Dave felt that his knowledge and experience of computer games would be good enough for him to run a successful business selling games to other gaming enthusiasts. He invested £3000 of his redundancy money and set up *Dave's Disks* on a stall in the local market, even though he had no previous knowledge of running a retail business. 5

The popularity of computer games meant that the business was profitable and with little competition in the town, Dave had a large target market that he could exploit.

Today 10

Having seen sales and profit grow, Dave was able, after only one year, to move to larger premises on the high street. He was able to employ Sanjay, a university student, on a part-time basis on a Friday and Saturday. Dave had obviously made some positive decisions during the development of *Dave's Disks* as sales continued to grow. Dave now employs, in addition to Sanjay, one full-time member of staff, Helen, and one part-time employee on a Saturday, Ryan. Ryan's duties are mainly replenishing stock on the shelves and keeping the shop clean and tidy. Occasionally he does get involved in selling games but always under the supervision of either Dave or Helen as he is only 15 years of age. 15

Helen is quite content with her job but Sanjay is hoping that when he finishes his business management degree he will be made manager of either the current shop or, if the business grows further, another shop in a nearby town. All three members of staff are experienced 'gamers' and have a good knowledge of computer games, but each had no experience of working in a shop and dealing with customers before joining *Dave's Disks*. 20

All sales from *Dave's Disks* are to customers who visit the shop. These are gaming enthusiasts, both male and female, and other customers such as mums and dads who are buying games as gifts. *Dave's Disks* opens from 9am until 5pm Monday to Saturday and from 10 am until 4 pm on Sunday. 25

Dave has heard that a national company, LetsGoGaming, which sells the same products as *Dave's Disks*, is interested in opening a store in the town. Obviously, Dave is very concerned about this as he feels that LetsGoGaming could take away his customers. LetsGoGaming has been in business for over 10 years and is recognised as a company which looks after its customers. 30

The Future

Dave decided to call a staff meeting to discuss what could be done to be more competitive, should LetsGoGaming set up a store in the town. He has also decided that he will take the opportunity to review the direction of his business and to identify if there are any opportunities which he can exploit to expand *Dave's Disks*, thereby putting the business in a stronger position. 35

Before the meeting he asked Sanjay to carry out some research into LetsGoGaming and asked the rest of the team to think about some improvements which could be made to strengthen *Dave's Disks*. Dave has told Sanjay to work from home on Friday in order to undertake the research. 40

Day to Day Business

As Sanjay would be busy researching, Dave asked Ryan if he could help out in the shop for an extra day because the shop tended to be unusually busy on Fridays during half term. Ryan agreed that he would work on Friday as he was off school. Ryan was doing really well refilling the shelves and helping customers. In the afternoon, a customer in a wheelchair was having difficulty getting into the shop because of a small step at the front door. Ryan noticed this and went outside to help. The customer was very grateful for Ryan's help. Once in the shop, the customer was allowed to browse the games without any pressure from Ryan. 45

All of a sudden there was a loud crash from a corner of the shop. Helen rushed over to see what had happened. What she saw was very worrying. The customer in the wheelchair had been trying to get around a promotional display but the gap was not wide enough. The customer had knocked the display over and it had almost hit another customer on the head. 50

The customer in the wheelchair was a little distressed and asked to be taken out of the shop, which Helen did. The second customer was not fully aware of what had happened and simply said, "What's happened?" When the confusion had calmed down and Dave had made sure that no one was injured, he said to Helen, "Tidy this mess up and make sure that the display is put back in the same position." Helen tried to make a suggestion to Dave about moving the display, but was told to just get on with her job. 55

The next day a very angry lady, Mrs Edwards, came into the shop asking to speak to the manager. Dave took Mrs Edwards to one side to find out what was wrong. "You have sold my 14 year old son a game which has an 18 certificate", she said angrily. 60

"That can't be right", said Dave. "All my staff have been instructed not to sell 18 certificate games to people under 18."

Mrs Edwards took out of her purse a receipt. "Look!", she said. "This is the receipt which proves this game was bought from your shop yesterday. I am not happy. I do not allow my son to watch TV, DVDs or play games which could upset him and I believe this game could do that. Fortunately, I saw it before he played it. I want the money back and I have to tell you that I am thinking of reporting you. It is clear to me that your staff need some training." 65

Dave was very apologetic and refunded the money. As the shop was busy, he decided to save his investigation into this problem until the staff meeting due to be held the next day. 70

The Staff Meeting

The staff meeting was held at 8am on Sunday morning, before the shop opened. Dave did not want to start the meeting off on a negative note, so he saved his investigation until last. He first asked Sanjay to present his research. Sanjay handed out a brief report (**see Appendix 1**). Dave then asked his team for suggestions which would improve the business. 75

Sanjay said, "I am very impressed with the website that LetsGoGaming has. You can buy games and other accessories through the site. You can subscribe to a newsletter, as well as posting comments on a customer forum. Perhaps we could have a similar website."

"That's a good idea", replied Helen. "I was wondering if we could rent out our games, just like you can rent films." 80

Ryan wanted to know if Dave would consider extending the opening hours of the shop so that he could work more hours.

Dave thought all these ideas were good and thanked his team. However, he was not so happy when he had to discuss the complaint made by Mrs Edwards. He asked his team to explain what happened. Ryan explained that whilst Helen was putting back the knocked over display, Mrs Edward's son, Ian, who happened to be a friend of his, came into the shop to buy a game. Ryan could see that both Dave and Helen were busy, so he decided to sell the game to Ian. He knew that it was wrong to sell Ian the game but did not think Ian would tell on him. Ryan apologised and promised it would not happen again. 85
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Dave's Decisions?

Dave was pleased that Ryan had accepted his error and was sorry. He was grateful that his team had made some positive suggestions. Dave thought it would be a good idea to do some customer research before making any final decisions as to ways in which he could make the business more competitive. The last few days had highlighted some problems, which, in conjunction with the arrival of a competitor, could seriously affect his business. 95

He thought that using a website to get feedback might be good but *Dave's Disks* did not yet have one. He had to think of alternative methods to obtain feedback. He also thought it would be a good idea to look at his business closely. Deciding what criteria he should use to assess how good he and his team are at customer service would be crucial. Finally, he realised that although he thought that the customer service of his team was good, it did have some problems. It was important to him as the owner/manager that customer service levels were maintained to a very high standard. If customer service standards were not improved, this could have serious consequences for Dave and *Dave's Disks*. Dave was wondering if there was now a need for his team to have some customer service training in order to overcome some of the problems. 100
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Appendix 1**Report on LetsGoGaming****By Sanjay****For Dave****12 December**

I have researched a number of aspects of LetsGoGaming as follows:

1. Its website is very easy to use and very informative. It has a forum on which gamers can share ideas and discuss how to play different games.
2. You can buy games online from anywhere in the country.
3. It also has an ongoing survey about the levels of customer service. This was as high as 95% satisfaction for shop purchases but only 66% satisfaction for online sales.
4. Anyone can sign up to its online newsletter which gives information about new games, top tips and customer reviews.
5. It is a public limited company, so I was able to find out that it had a turnover of £15 450 000 last year spread across its 40 shops. It made 43% gross profit.
6. Its annual report says that it is looking to open 10 new shops in the next financial year.
7. Its nearest shop to us is 30 miles away.

Signed

Sanjay

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