

**Advanced Subsidiary GCE**

**F243/QP**

**Applied Business**

**Unit F243: The Impact of Customer Service**

**Specimen Paper**

Time: 1 hour 30 minutes

Candidates answer on the question paper.

**Additional materials:**

Candidate  
Forename

Candidate  
Surname

Centre  
Number

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Candidate  
Number

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### INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do not write in the bar codes.
- Do not write outside the box bordering each page.
- Write your answer to each question in the space provided.

### INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [ ] at the end of each question or part question.
- Your Quality of Written Communication is assessed in the question marked with an asterisk (\*).
- The total number of marks for this paper is 100.

FOR EXAMINER'S USE	
1	
2	
3	
4	
<b>TOTAL</b>	

This document consists of **16** printed pages.

Refer to case study on *Radical UK*.

- 1 (a) Identify and describe **two** reasons why effective customer service is important to any business organisation.

Reason 1: .....

.....

Description: .....

.....

Reason 2: .....

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Description: .....

..... [4]

- (b) Outline **three** examples of good customer-service practice. You may use examples from the case study to illustrate your answer.

Example 1: .....

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Example 2: .....

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Example 3: .....

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..... [6]

SPECIMEN

1 (c) Identify and describe **two** Acts or regulations that protect the customer.

Act 1: .....

Description: .....

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Act 2: .....

Description: .....

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..... [6]

(d) Evaluate the possible reasons for *Radical UK* re-focussing its aims and objectives on customer service.

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2 (a) (i) Identify **three** different customer groups that *Radical UK* may wish to target.

Customer group 1: .....

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Customer group 2: .....

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Customer group 3: .....

..... [3]

(ii) Explain how *Radical UK* might make adequate provision for **one** of the customer groups identified in **2(a)(i)**.

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..... [3]

(b) Identify and explain **three** methods *Radical UK* could use to gather information on its current business practices in order to improve its customer-service provision.

Method 1: .....

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**3 (b)** Identify and explain **two** advantages and **two** disadvantages to *Radical UK* of its new on-line parts service.

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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**[8]**

**3\* (c)** Evaluate the importance of a high standard of customer service in relation to the achievement of *Radical UK's* objectives.

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..... [8]

[Total: 24]

[QP Total: 100]

SPECIMEN

SPECIMEN

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SPECIMEN

Question Number	Answer	Max Mark
1(a)	<p><b>Identify and describe <u>two</u> reasons why effective customer service is important to any business organisation.</b></p> <p>One mark for each correct identification to a maximum of two, plus up to one mark for each description to a maximum of two.</p> <p>Possible responses include:</p> <ul style="list-style-type: none"> <li>• good customer service is important to any business to encourage repeat business(1) which enables a business to grow and gain in market share based on customer loyalty(1);</li> <li>• new customers through recommendations;</li> <li>• increased market share;</li> <li>• increased sales/profit.</li> </ul>	<p>AO1 4</p> <p>[4]</p>
1(b)	<p><b>Outline <u>three</u> examples of good customer-service practice. You may use examples from the case study to illustrate your answer.</b></p> <p>One mark for each correct identification to a maximum of three identifications, plus up to one mark for each of three developments.</p> <p>Possible responses include:</p> <ul style="list-style-type: none"> <li>• providing good after-sales service is an example of customer service as it provides customers with a degree of security in their purchase (1); this is particularly important to customers purchasing technical products due to the complexity of their use, e.g. computers (1);</li> <li>• providing accurate information;</li> <li>• providing additional customer facilities;</li> <li>• keeping accurate records;</li> <li>• catering for customers with special needs;</li> <li>• good problems/complaints procedures.</li> </ul>	<p>AO1 3</p> <p>AO2 3</p> <p>[6]</p>

Question Number	Answer	Max Mark
1(c)	<p><b>Identify and describe <u>two</u> Acts or regulations that protect the customer.</b></p> <p>One mark for each identification to a maximum of two, plus up to a further two marks for each of two developments.</p> <p>Possible responses include:</p> <ul style="list-style-type: none"> <li>• Sale and Supply of Goods (1979/94) (1); this act dictates that goods must be of 'satisfactory quality' (1) and fit for their purpose(1) .</li> <li>• Supply of Goods and Services Act (1982);</li> <li>• Trades Descriptions Act (1968);</li> <li>• Consumer Protection Act (1987);</li> <li>• Consumer Credit Act (1974);</li> <li>• Weights and Measures Act (1985);</li> <li>• Data Protection Act (1984/98).</li> </ul> <p>No context required.</p>	<p><b>AO1 6</b></p> <p><b>[6]</b></p>

Question Number	Answer	Max Mark
1(d)	<p><b>Evaluate the possible reasons for Radical UK re-focussing its aims and objectives on customer service.</b></p> <p>0 marks – no response or response does not address the question.</p> <p><b>Level 1: (1-2)</b> Candidate identifies possible reasons for the re-focussing of a business with no reference to context.</p> <p><b>Level 2: (3-4)</b> Candidate applies knowledge and makes an attempt to evaluate the possible reasons for the re-focussing of Radical UK.</p> <p><b>Level 3: (5-7)</b> Candidate evaluates some of the possible reasons for the re-focussing of Radical UK explaining cause and/or effect.</p> <p><b>Level 4: (8-10)</b> Candidate provides a detailed evaluation of the possible reasons for the re-focussing of Radical UK in terms of cause and effect and reaches a justified conclusion.</p> <p>Candidates will be expected to evaluate the links between issues related to the new customer-service initiative and the aims and objectives of the business.</p> <p>Possible responses may include::</p> <p>Re-focussing a business adjusts its aims and objectives to meet future needs (<b>L1</b>). Radical UK may need to do this in order to re-focus on the importance of their customer service (<b>L2</b>). This is because the car market is now a very competitive market and if they do not actively improve their customer service they may lose customers to the competition (<b>L3</b>). In the long run this will hopefully result in increased customer loyalty and satisfaction thus generating repeat sales and ultimately, levels of profit (<b>L4</b>).</p>	<p>AO1 2 AO2 2 AO3 3 AO4 3</p> <p>[10]</p>
2(a)(i)	<p><b>Identify <u>three</u> different customer groups that Radical UK may wish to target.</b></p> <p>One mark for each correct identification up to a maximum of three.</p> <p>Possible responses include:</p> <ul style="list-style-type: none"> <li>• individuals or private customers;</li> <li>• groups or corporate fleet clients;</li> <li>• different age groups;</li> <li>• special needs, e.g. disabilities.</li> </ul>	<p>AO1 3</p> <p>[3]</p>

Question Number	Answer	Max Mark
2(a)(ii)	<p><b>Explain how Radical UK might make adequate provision for <u>one</u> of the customer groups identified in 2(a)(i).</b></p> <p><b>Up to three points for an explanation.</b></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> <li>• individuals or private customers – who may be identified in different market segments with specific target strategies for customer service (1); Radical UK, by taking this approach, will be able to achieve higher levels of customer satisfaction (1) by tailoring their service to the needs of the customer type (1).</li> </ul>	<p>AO2 3</p> <p>[3]</p>
2(b)	<p><b>Identify and explain three methods <i>Radical UK</i> could use to gather information on its current business practices in order to improve its customer-service provision.</b></p> <p><b>One mark for each correct method identified to a maximum of three identifications, plus up to two marks for each of three explanations.</b></p> <p>Possible responses include:</p> <ul style="list-style-type: none"> <li>• questionnaires(1) could be used by Radical to try to ascertain the views of their customers and staff as a basis for an analysis of current customer-service provision (1); Radical may gain both quantitative and qualitative information from this source to aid with their improvements for the future (1);</li> <li>• mystery shoppers;</li> <li>• informal comments;</li> <li>• suggestion boxes;</li> <li>• focus groups;</li> <li>• general observation.</li> </ul>	<p>AO1 3 AO2 6</p> <p>[9]</p>
2(c)	<p><b>For the <u>three</u> methods identified in 2(b), describe what type of information may be obtained from each of the <u>three</u> methods.</b></p> <p><b>Up to two marks for each of three descriptions.</b></p> <p>Possible responses may include:</p> <p>Focus groups may provide the company with qualitative information indicating the perceptions and views of consumers (1) of Radical's product portfolio and the customer service which supports it (1).</p> <p>No context required.</p>	<p>AO1 6</p> <p>[6]</p>

Question Number	Answer	Max Mark
3(a)	<p><b>Analyse the implications for Radical UK's staff if the company's new customer-service focus is introduced.</b></p> <p>0 marks – no response or response does not address the question.</p> <p><b>Level 1: [1-3]</b> Candidate identifies the possible impacts on staff of re-focussing a business with no reference to the case study context.</p> <p><b>Level 2: [4-6]</b> Candidate applies knowledge and attempts to analyse re-focussing a business on customer-service to the impact on Radical UK's staff.</p> <p><b>Level 3: [7-9]</b> Candidate analyses the implications of the customer-service centred initiative to Radical UK's staff.</p> <p>Possible responses may include: Re-focussing upon customer-service will mean re-training (<b>L1</b>). The staff at Radical UK will have to take part in specific re-training programmes (<b>L2</b>). Individual members of staff may be uneasy with the new approach and no longer feel comfortable in their job (<b>L3</b>).</p> <p>Re-focussing on customer-service will change expectations (<b>L1</b>). Radical UK staff will be expected to go the extra mile to meet customer needs (<b>L2</b>). Existing staff may feel greater self-esteem using this approach to customers (<b>L3</b>).</p>	<p>AO1 3 AO2 3 AO3 3</p> <p>[9]</p>
3(b)	<p><b>Identify and explain <u>two</u> advantages and <u>two</u> disadvantages to Radical UK of its new, on-line parts service.</b></p> <p>One mark for each correct advantage identified to a maximum of two identifications, plus up to one mark for each of two explanations. Plus One mark for each correct disadvantage identified to a maximum of two identifications, plus up to one mark for each of two explanations.</p> <p>Possible advantages include:</p> <ul style="list-style-type: none"> <li>• increased customer satisfaction;</li> <li>• possible increased sales;</li> <li>• increased efficiency.</li> </ul> <p><b>Possible</b> disadvantages include:</p> <ul style="list-style-type: none"> <li>• cost;</li> <li>• technological hardware maintenance;</li> <li>• staff training requirements.</li> </ul>	<p>AO1 4 AO2 4</p> <p>[8]</p>

Question Number	Answer	Max Mark
3(c)*	<p><b>Evaluate the importance of a high standard of customer service in relation to the achievement of Radical UK's objectives.</b></p> <p><b>0 marks</b> – no response or response does not answer the question.</p> <p><b>Level 1: [1-3]</b>  Candidate identifies the importance of a high standard of customer service with no reference to context.  Ability to communicate at least one point using some appropriate business terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.</p> <p><b>Level 2: [4-6]</b>  Candidate makes an attempt to evaluate the importance of a high standard of customer service in relation to the achievement of Radical UK's objectives.  Limited ability to organise relevant material. Some appropriate business terminology used. Sentences are not always relevant with material presented in a way that does not always address the question. There may be noticeable errors of grammar, punctuation and spelling.</p> <p><b>Level 3: [7-9]</b>  Candidate evaluates the importance of a high standard of customer service in relation to some of the achievements of Radical UK's objectives.  Ability to present relevant material in a planned and logical sequence. Appropriate business terminology used. Sentences for the most part relevant presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.</p> <p><b>Level 4: [10-12]</b>  Candidate provides a detailed evaluation of the importance of a high standard of customer service in relation to the achievement of Radical UK's objectives, reaching a fully justified conclusion.  Ability to present relevant material in a well planned and logical sequence. Material clearly structured using appropriate business terminology confidently and accurately. Sentences, consistently relevant are well structured in a way that directly answers question. There will be few, if any errors of grammar, punctuation and spelling.</p>	<p>AO1 3  AO2 3  AO3 3  AO4 3</p> <p>[12]</p>

Question Number	Answer	Max Mark
3(c)* cont.	<p>Possible responses may include:</p> <p>High levels of customer-service increase sales (L1). Radical UK needs to sell more cars and better levels of customer-service should increase their sales (L2). Greater levels of sales from improved customer-service will lead to increased revenue (L3) but costs will also have increased because of the additional staff training required (L3). In the long run the increase revenue should be greater than the increased costs, especially if repeat sales can be encouraged (L4).</p>	
4(a)	<p><b>Assess the extent to which the reported company performance of Radical UK may be connected to its new customer-service approach.</b></p> <p>0 marks – no response or response does not address the question.</p> <p><b>Level 1: [1-2]</b> Candidate explains the link between customer-service and company performance with no reference to the case study.</p> <p><b>Level 2: [3-4]</b> Candidate makes an attempt to assess the link between customer-service and company performance at Radical UK .</p> <p><b>Level 3: [5-7]</b> Candidate assesses some of the reasons for improved company performance of Radical UK.</p> <p><b>Level 4: [8-10]</b> Candidate thoroughly assesses the extent to which the success of Radical could be attributed to customer service, reaching a fully justified conclusion.</p> <p>Possible responses may include: Improved customer-service usually leads to improved company performance especially in terms of sales (L1). Radical UK have improved their customer-service and company performance has increased (L2). Since they now appear to have more repeat sales and increased customer loyalty it looks like the improved customer-service is responsible for this improved company performance (L3). However it is possible that the declining service from competitors may be driving customers in their direction and the improved company performance may only in part be attributable to the improved service they are offering (L4).</p>	<p>AO1 2 AO2 2 AO3 3 AO4 3</p> <p>[10]</p>



Question Number	Answer	Max Mark
4(b)	<p><b>Outline <u>two</u> ways in which Radical UK could measure the performance of its customer-service initiative and its effects on its customers.</b></p> <p>One mark for each correct method identified up to a maximum of two, plus up to two marks for each of two explanations.</p> <p>Possible responses may include:</p> <p>One way in which Radical may measure the success of the customer-service initiative is by a questionnaire of customer satisfaction(1); the questionnaire provides valuable and measurable feedback(1) which may, in turn, allow Radical to improve their customer service further(1).</p>	<p>AO1 2 AO2 4</p> <p>[6]</p>
4(c)	<p><b>Outline the implications for a company such as Radical UK of obtaining and keeping customer-service information in terms of accuracy, safety, quality and ethics.</b></p> <p>One mark for each identification to a maximum of four, plus one mark for each of four developments.</p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> <li>• The accuracy of the recorded responses and views of customers is vital to the success of customer service at Radical as it will allow them to identify strengths and weaknesses accurately(1); if the information is inaccurate this may result in the wrong decisions being made in the future(1).</li> <li>• Safety</li> <li>• Quality</li> <li>• Ethics</li> </ul>	<p>AO1 4 AO2 4</p> <p>[8]</p>
<b>Paper Total</b>		<b>[100]</b>

## Assessment Objectives Grid (includes QWC\*)

Question	AO1	AO2	AO3	AO4	Total
1(a)	4				4
1(b)	3	3			6
1(c)	6				6
1(d)	2	2	3	3	10
2(a)(i)	3				3
2(a)(ii)		3			3
2(b)	3	6			9
2(c)	6				6
3(a)	3	3	3		9
3(b)	4	4			8
3(c)*	3	3	3	3	12
4(a)	2	2	3	3	10
4(b)	2	4			6
4(c)	4	4			8
<b>Total</b>	<b>45</b>	<b>34</b>	<b>12</b>	<b>9</b>	<b>100</b>