OXFORD CAMBRIDGE AND RSA EXAMINATIONS Advanced subsidiary gce F243/CS APPLIED BUSINESS

Unit 4: The Impact of Customer Service

CASE STUDY

TUESDAY 12 JANUARY 2010: Morning DURATION: 1 hour 30 minutes SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

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 <u>NOT</u> take your previous copy of the case study into the examination.

You may <u>NOT</u> take notes into the examination.

FANCY DRESS

Gary Miller is the owner of Gary's Party Box, a fancy dress shop in a town in Lancashire. The business has built up a loyal customer base over the years; the same people return again and again to hire costumes for 5 specific events. The busiest period for Gary's Party Box is the party season of Christmas and New Year when almost all of Gary's outfits are out on hire. He employs two full-time assistants – his sister, Zoe, and his niece, Evie, and together they keep the shop open 10 every day, except Sundays and Mondays, with late night opening on Thursdays. The popularity for fancy dress in the town has increased over the last few years. At the start of November Gary made the decision to relocate Gary's Party Box from a small 15 outlet on the high street to new, larger premises, slightly out of town but with nearly double the floor space. This would enable him to stock a larger selection of costumes and, hopefully, encourage even more customers to use Gary's Party Box. 20

NOT SUCCESSFUL

However, the move was not an instant success. The passing trade and impulse hiring that had previously brought in extra revenue dropped off dramatically, something Gary had simply not considered. Even 25 his regulars did not seem to want to walk the extra ten minutes to visit his new store. 'It's like people have forgotten we exist", Gary told Zoe one day. "How can we remind them we're still in business? I know we're fully booked over Christmas and New 30 Year, but it's deathly quiet in here at the moment". "OK then", Zoe suggested, "Why don't we put a full page advertisement in the local newspaper next week, announcing our move – albeit a bit late? That should get people interested again and boost our 35 sales until Christmas at least." Gary agreed, but later decided that the local newspaper may not be the best way of getting information to customers, so abandoned the idea. There was no point in doing anything, he thought, until after the Christmas and 40 New Year rush. After that, he would really concentrate on marketing the new premises.

LETTER

One morning in early December Gary received a letter (FIG. 1). He read it with dismay before calling Zoe into *45* the office to discuss it. "I did tell you, Gary, to get this place sorted," she said. "Let's just hope the man doesn't decide to take further action. Write him a letter of apology now whilst I organise for a ramp to be fitted on the steps." Gary then looked at the 50 previous week's rota and saw that Evie had been on duty on the day of the incident. "I would have helped them if I'd known," she said defensively. "Mind you, I sit out in the back room most of the time these days, so I probably wouldn't have seen them anyway. 55 I don't see the point of being on the shop floor if there are no customers."

RESIGNATION

Gary was annoyed with Evie's attitude and told her so, but she just laughed in his face. "Anyway", 60 she said, "you'll be pleased to know I've got another job, a proper one with customers, starting the day after Boxing Day, so I'm leaving." Gary was fuming. "But that's our busiest period!" he said to Zoe when Evie had gone home. "It's when all the Christmas outfits come back in and have to be cleaned ready for the New Year crowd. We'll never cope, just the two of us, and it's too late to get anyone now." Zoe nodded slowly. "We'll just have to do our best", she replied.

SHORTCUTS

For the first half of December sales were down considerably on the same time last year but, as predicted, nearly all of the costumes at Gary's Party Box were hired out for Christmas Eve, lifting Gary's spirits remarkably. On the day after Boxing Day, 75 Gary and Zoe arrived at the shop to see queues of customers outside, waiting to return their costumes and collect their deposits. "We're not going to be able to clean all these costumes in time for New Year's Eve", said Zoe. "Don't worry", said Gary, "I have a 80 plan." For the next few hours, the people handed their outfits to Zoe for checking, whilst Gary stood at the till giving people their deposits back. Instead of cleaning every single outfit, Zoe had instructions to only put aside for washing those outfits that were obviously **85** soiled - the rest were to be sprayed with deodorant and put back on the hangers ready for the influx of customers on 31 December. Zoe had her reservations but Gary explained it was the only thing they could do under the circumstances and that things would **90** improve in January.

COMPLAINTS

On New Year's Eve the next lot of customers arrived and everyone seemed to get the outfit they had been expecting. Unfortunately, on arriving back at

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Gary's Party Box on 2 January there were a crowd of irate customers ready to complain to Gary. "My Santa suit was filthy and the beard was full of holes!", someone ranted. "Both parts of our pantomime horse smelt of sick!", another couple 100 complained. "Our Seven Dwarfs set had one missing - it was Dopey!", complained a group of men from the local rugby team. "You made us look stupid! Give us our money back!" Gary tried to explain that they had been short staffed but, as someone pointed 105 out, that was no excuse and hardly the customers' problem. Gary accepted this, gave everyone their money back and braced himself for further complaints throughout the day.

IDEAS

Although it was her day off, Zoe came in later with her husband, Johnny, to see how Gary was getting on. She was distressed to find him crying in the back room. "I've upset even my most loyal customers", he wailed. "I need to sort this mess out 115 before it's the end of *Gary's Party Box*." Zoe told him she would get down to the job centre as soon as it opened again to sort out a new member of staff. "It's not just the fact that Evie wasn't here though, Gary", she said. "The whole business needs to be 120 refreshed, particularly as the move to these new premises hasn't exactly been the overnight success we were expecting."

Johnny spoke up. "Fancy dress is becoming more and more popular. It's important for people to have a costume that not only fits them perfectly but looks good and is unique. How about offering a tailor made costume service? Zoe's good with her

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hands – she has a 'B' in GCSE Textiles, and no one else offers this service. You could charge premium 130 prices." Gary nodded. Zoe had always been good at sewing and it was something the customers might really go for. "I have to say too," Zoe added, "that we should actually ask the customers what they think we should do. I overheard one say to another in the 135 queue on Christmas Eve that they wished we were open later every night of the week. That's something I'd never have thought of. Maybe we could set up a suggestion box by the till."

Gary readily agreed, even though he wasn't sure140how a suggestion box actually worked. All he did140know was that he had had the worst Christmas and140New Year of his life, and if he did not do something140to get the customers back on side, it was likely to be145

Dear Mr Miller

I am absolutely outraged! My family have been using your Party Box since it opened eight years ago, but since you've moved to the new premises we will never use you again. My Gran (who's in a wheelchair) and I came along last Thursday to choose outfits for the family Christmas party. It took us ages to get there! And when we did arrive, we could not even get into your new shop because I could not manoeuvre the wheelchair up the two rather large doorsteps your new place seems to have. When I went into the shop alone (leaving my Gran outside - anything could have happened to her!) to ask for assistance, there was absolutely no one around to help. Have you decided not to employ any staff as well as alienate your disabled customers? I'll be speaking to the Citizens Advice Bureau about further action to take, so prepare yourself...

Mr S Lee

Fig. 1



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