

Applied Business

Advanced Subsidiary GCE

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

Mark Scheme for January 2011

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	Tick
	Cross
	Benefit of doubt
	Unclear
	Repeat
	Level 1
	Level 2
	Level 3
	Level 4
	Own figure rule
	Accepted as context
	Not answering question
	Candidate's response seen

Question	Expected Answer	AO	Mark	Additional Guidance
1 (a)	<p>What is a customer?</p> <p><i>For one mark</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • someone who buys a product/service • someone who receives a product or service. <p>Example:</p> <ul style="list-style-type: none"> • A customer is any person or any organisation which receives a product or service off another person or organisation (1 mark). 	AO1	1	<p>Do not award marks for listing types of customers, eg gaming enthusiasts.</p> <p>Consumer can be accepted as candidates may consider consumers to be purchasers of the product or service.</p>
1 (b)	<p>Using information from the case study, identify four examples of good customer service.</p> <p><i>One mark for each correct identification from the case study up to a maximum of four identifications.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • Ryan replenishing the shelves (1 mark). • Allows customers to browse without pressure (1 mark) • Ryan keeping the shop clean and tidy (1 mark) • all staff have good product knowledge (1 mark) • Apologises to customer (1 mark) • Deals with problems quickly (1mark) • Ryan helps the wheelchair customer into/out of the shop (1 mark) • Ryan helps the customers (1 mark) • Dave listened to Mrs Edwards' complaint (1 mark) and gave a full refund (1 mark). 	AO2	4	<p>To achieve any marks the answer must be in context with the case study.</p>

Question	Expected Answer	AO	Mark	Additional Guidance
1 (c)	<p>Discuss why good customer service is important to <i>Dave's Disks</i>.</p> <p><i>Use level of response criteria.</i></p> <p>Level 1: [1-3 marks] Candidate identifies why good customer service is important to any business.</p> <p>Level 2: [4-6 marks] Candidate explains why good customer service is important to <i>Dave's Disks</i>.</p> <p>Level 3: [7-9 marks] Candidate analyses why good customer service is important to <i>Dave's Disks</i>.</p> <p>Level 4: [10-12 marks] Candidate evaluates why good customer service is important to <i>Dave's Disks</i>.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • meeting customer needs • customer retention • repeat business • customer loyalty • improve performance • improve reputation • increased market share • edge over the competition • improved PR • increased sales and profit • stability, growth and long term survival. 	AO1 3 AO2 3 AO3 3 AO4 3	12	<p>Reasons must be from <i>Dave's Disks</i> perspective.</p> <p>Restrict discussions on good customer service out of context to Level 1 if it is basic; or Level 2 if developed.</p> <p>Level 3 – analysis of one or more reasons.</p> <p>Level 4 – a judgement must be reached relating to the consequences for <i>Dave's Disks</i> having or not having good customer service.</p> <p>For 11 or 12 marks this must be linked to the possibility of new competition.</p>

1 (c)	Continued Example: Good customer service is important to encourage repeat business (L1) . This is important for <i>Dave's Disks</i> because the arrival of LetsGoGaming which has a good reputation for customer service, will mean that he has now got some local competition (L2) . This means that he could lose some customers unless he offers good customer service (L3) . Most of the time the staff do give very good customer service but there are mistakes being made, such as selling a game to someone underage, which could mean that <i>Dave's Disks</i> gets a bad reputation (L3) . If LetsGoGaming does set up in the town then <i>Dave's Disks</i> customers could start getting their games from LetsGoGaming which would mean that <i>Dave's Disks</i> might have to close down (L4) .			
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Question	Expected Answer	AO	Mark	Additional Guidance
2 (a)	<p>Identify and describe two specific needs a customer would expect to be met by a business.</p> <p><i>One mark for each of two correct identifications plus a further one mark for each of the descriptors.</i></p> <p>Indicative content:</p> <ul style="list-style-type: none"> • safety • tidy and clean • security • clear and accurate information • impartial advice and guidance • objective advice and guidance • meeting any special needs • meeting customer's rights under law • good product knowledge • products/stock to be available • obtain a refund • appropriate access (disabled) • treated with respect • staff uniform/badges • helpful <p>Example:</p> <p>A customer expects good product knowledge from the staff (1) so that they can make sure they buy the right product for their needs (1).</p>	AO1	4	<p>Generic answers accepted.</p> <p>Does not have to be applied to the case study but accept answers which are.</p> <p>Do not award marks for good customer service as this is too vague.</p> <p>Do not award marks for treated well, friendly, unless qualified.</p> <p>Do not accept customer service policy, complaint procedure as this is not direct customer service.</p> <p>Award mark for identification if this appears in description.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
2 (b)	<p>Identify from the information in the case study, four ways which have been suggested to Dave in order to meet the changing needs of the customers of <i>Dave's Disks</i>.</p> <p><i>One mark for each correct identification from the case study up to a maximum of four identifications.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • newsletter • renting games • change to opening hours • training • website 	AO2	4	<p>Only accept improvements which are explicit in the case study. This question relates to changing needs not existing needs.</p> <p>Newsletter only receives one mark even if more than one type is given.</p> <p>Do not award marks for more research, sell games on line or change to store layout.</p>
2 (c)	<p>Evaluate the extent to which setting up and selling through a website will meet the needs of <i>Dave's Disks'</i> customers.</p> <p><i>Use level of response criteria</i></p> <p>Level 1: [1-3 marks] Candidate refers to or identifies the needs of customers but not in context.</p> <p>Level 2: [4-6 marks] Candidate explains how the website will help <i>Dave's Disks</i> meet the needs of its customers.</p> <p>Level 3: [7-9 marks] Candidate analyses the extent to which the website will help <i>Dave's Disks</i> meet the needs of its customers.</p> <p>Level 4: [10-12 marks] Candidate evaluates the extent to which the website will help <i>Dave's Disks</i> meet the needs of its customers.</p>	AO1 3 AO2 3 AO3 3 AO4 3	12	<p>The discussion must focus on the customer perspective and their needs.</p> <p>Level 2 – explanations must link to the case study</p> <p>Level 3 – analysis of one or more reasons in context. If there is analysis but not in context, hold at Level 2.</p> <p>Level 4 – if there is some evaluation then Level 4 must be awarded.</p> <p>11-12 marks - Evaluation must be linked to the possibility that LetsGoGaming may open a new store and/or linked to Dave wanting to expand his business.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
2 (c)	<p>Continued</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • access to information at anytime • online purchases • electronic newsletter • customers can reserve rentals • online orders for new releases • customers can check the availability of games • staff can communicate easier with customers • customers can communicate easily with Dave's Disks • customers can leave feedback • customers can communicate with other customers through forums • customers can save time • Dave could pass on some of the savings onto his customers • Dave could offer a wider choice of games • more detailed information about the games will be available. <p>Example:</p> <p>A website can help customers find out about an organisation (L1) and the products it sells (L1). Customers can buy products online (L1). <i>Dave's Disks</i> customers can shop on line anytime they want to rather than wait for the shop to open (L2). They can also leave feedback for Dave to help improve his business (L2). Dave will be able to let his customers know what new releases are due out (L2) and what games are currently in stock (L2). This will help the customers to decide on what games they want to buy (L2) which will help to increase the sales of <i>Dave's Disks</i>. Any increase in profit could be used to improve the website (L3). The customers can use the website to feedback and make suggestions for games which <i>Dave's Disks</i> should stock (L3). Customers will be able to save time and possibly money by buying on line (L2) which would mean that they would have more time to play the games (L3).</p>			

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	<p>They could also order games from anywhere in the country/world (L3). It is important that <i>Dave's Disks</i> website meets the needs of its customers because of the new competition (L3). However, some of <i>Dave's Disks</i> customers may not like to buy through the website or do not have access to a computer so Dave must make sure that he maintains the same level of service to these customers (L3). If he does have a website it will be very useful as he will be meeting the needs of existing and new customers (L4). This means he will be able to compete with LetsGoGaming (L4) and, hopefully, expand his business (L4).</p>			

Question	Expected Answer	AO	Marks	Additional Guidance
3 (a)	<p>Other than the Data Protection Act, identify and describe four Acts or regulations with which businesses have to comply.</p> <p><i>One mark for each correct identification up to a maximum of four identifications plus a further one mark of four descriptors.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • Sale of Goods Act/Sale and Supply of Goods Act (1) which relates to satisfactory quality (1). • Trades Description Act (1) which relates to false advertising (1) • Supply of Goods and Services Act (1) which relates to reasonable time, skill and care (1) • Consumer Protection Act (1) which relates to product safety (1) • Disability Discrimination Act (1) which relates to equal rights for all (1) • Health and Safety at Work Act (1) which relates to duty of care (1). • Weights and Measures Act (1) which relates to the weight or size of goods being traded (1) • Food Safety Act (1) which relates to sale of food, food labelling and food advertising (1) • Customer Credit Act (1) which relates to the purchase of goods or services on credit (1) • Video Recordings Act (1) which relates to selling games to under 18's (1). 	AO1	8	<p>Do not award marks for Data Protection Act</p> <p>Health and Safety at Work Act must include the words 'at work'.</p> <p>Accept British Board of Film Classification for Video Recording Act</p> <p>Title must be accurate.</p> <p>Year of Act does not have to be present.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
3 (b)	<p>Other than Mrs Edwards' complaint, analyse the consequences to Dave's Disks of Ryan selling an 18 certificate game to a 14 year old.</p> <p><i>Use level of response criteria.</i></p> <p>Level 1: [1-3 Marks] Candidate identifies the effects of selling games to underage customers out of context.</p> <p>Level 2: [4-6 Marks] Candidate explains the effects on <i>Dave's Disks</i> of selling games to underage customers.</p> <p>Level 3: [7-9 Marks] Candidates analyses the effects on <i>Dave's Disks</i> of selling games to underage customers.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Dave's Disks could be reported • bad reputation • loss of business • protests by parents • reduced sales and profit • customers could look for another supplier • could be fined. <p>Example:</p> <p>If a business sells products to someone under age then it could be reported (L1). This could mean that it gets a bad reputation (L1). Dave has been threatened to be reported by Mrs. Edwards (L2). This could mean that Dave could be fined (L2) but more importantly his customers would not think highly of him and go to another supplier (L3). This could result in a loss of business (L3) and a reduction in sales (L3).</p>	AO1 3 AO2 3 AO3 3	9	<p>Although <i>LetsGoGaming</i> has not yet opened a shop some candidates might say that customers can go to <i>LetsGoGaming</i>. This is acceptable.</p> <p>Restrict discussions on the consequences out of context to Level 1 if it is basic; or Level 2 if developed.</p> <p>Level 2 explains the effects on Dave/Dave's Disks.</p> <p>Level 3 – analyses one or more effects.</p> <p>Accept Dave as <i>Dave's Disks</i> and vice versa</p>

Question	Expected Answer	AO	Marks	Additional Guidance
3 (c)	<p>If Dave had not satisfactorily resolved Mrs Edwards' complaint, identify three appropriate organisations from which she could have sought advice.</p> <p><i>One mark for each correct identification up to a maximum of three identifications.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • Trading Standards • Citizens Advice Bureau (CAB) • Police • Court • Office of Fair Trading • Solicitor/lawyer • Consumer Protection Council • the local council/authority 	AO1	3	<p>Do not award marks for non official bodies such as Watchdog, Which?.</p> <p>The question is asking about seeking advice NOT compensation. Do not award marks for a response that is linked to compensation.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
4 (a)	<p>Give two reasons why customer feedback is important to a business.</p> <p><i>One mark for each correct identification up to a maximum of two identifications.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • feedback is important to ensure that businesses are meeting the needs of their customers • maintain their competitive edge • know what the customer wants/needs • what new markets could be open to the business • understand how their product/service is performing. • to know what they are doing right • to know what to improve • help to resolve problems 	AO1	2	<p>This question relates to the business not to the customer.</p> <p>Do not award marks for make a customer happy, increased sales and profit.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
4 (b)	<p>Other than a website, identify and describe four methods which <i>Dave's Disks</i> could use to gain customer feedback.</p> <p><i>One mark for each correct identification up to a maximum of four identifications plus a further one mark for each of four descriptors.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • Face to face questionnaire (1) where customers are asked pre-set questions in the shop (1) • Suggestion box (1) where Dave puts a box on the counter of the shop for customers to leave comments (1) • A telephone questionnaire (1) where customers are phoned after they have made a purchase and asked questions (1) • Email questionnaire/blog/forum (1) where customers reply to emails/contribute to blog/forum sent by <i>Dave's Disks</i> (1) • Postal questionnaire (1) where <i>Dave's Disks</i> send out a questionnaire by post (1) • Freephone number (1) where the customers can phone and leave comments and messages for <i>Dave's Disks</i> (1) • Focus groups (1) where a group of Dave's customers is invited to discuss the business (1) • Interview (1) which is a formal discussion with a customer (1). • Informal discussion/comments (1) which are unplanned and take place in the shop (1). 	AO1 4 AO2 4	8	<p>The description should relate specifically to the method.</p> <p>Do not award marks for observation as this does not gather feedback.</p> <p>Do not award marks for mystery shopper as this is not related to customer feedback</p> <p>Do not accept survey.</p> <p>Questionnaire must be qualified as to type eg postal and only accepted once.</p> <p>Accept complaint box in lieu of suggestion box.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
4 (c)	<p>State three principles of the Data Protection Act with which businesses such as <i>Dave's Disks</i> must comply when storing data collected about customers and potential customers.</p> <p><i>One mark for each correct identification up to a maximum of three identifications.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • Accurate/up to date • security • ethics • quality • relevant data only • not passed to any other party/confidentiality • available to the customer • discard information appropriately • need a valid reason to keep the data <p>Example:</p> <ul style="list-style-type: none"> • Dave has to consider the accuracy of the data he stores (1) • He has to make sure that all data is secure (1) • All data must be made available to a customer if it is requested (1). 	AO1	3	Does not have to be applied to the case study but accept answers which are.

Question	Expected Answer	AO	Marks	Additional Guidance
4 (d)(i) & (ii)	<p>If Dave decides to set up a new website to help improve his business:</p> <p>(i) state and explain one advantage of using the website to gain customer feedback for <i>Dave's Disks</i>.</p> <p><i>One mark for a correct advantage plus up to two marks for an explanation.</i></p> <p>Possible answers:</p> <p>Advantages:</p> <ul style="list-style-type: none"> • quick • lot of responses • wider audience • cheaper than postal survey • respond quickly • stay up to date with customer needs • remain competitive. <p>Example: An advantage of using a website to gain customer feedback is that it is quick (1). This means that Dave will be able to make changes more quickly (1). This will help Dave to remain competitive with <i>LetsGoGaming</i> as they have a website that has an ongoing survey (1).</p> <p>(ii) State and explain one disadvantage of using the website to gain customer feedback for <i>Dave's Disks</i>.</p> <p><i>One mark for a correct disadvantage plus up to two marks for an explanation.</i></p>	AO1 2 AO2 4	6	<p>Advantage/disadvantage should relate to the case study but generic context is acceptable.</p> <p>Responses must relate to websites.</p> <p>Benefits must be to <i>Dave's Disks</i> not customers.</p> <p>Do not award marks 'for more information'</p>

Question	Expected Answer	AO	Marks	Additional Guidance
	<p>Possible answers:</p> <p>Disadvantages:</p> <ul style="list-style-type: none"> • people can have more than one go • technical problems expenses with running the website • restricted to people who have computers/internet access • sample not representative • other businesses could see the feedback and act upon it. <p>Example: A disadvantage of using a website to gain customer feedback is that the person responding to the survey may do so more than once (1). This means that the results will not be accurate (1) which means that Dave may not have the right information with which to make his decisions (1).</p>			

Question	Expected Answer	AO	Marks	Additional Guidance
5	<p>Using information from the case study, outline three criteria which Dave could use to assess the level of the customer service provided by <i>Dave's Disks</i>.</p> <p><i>One mark for each correct identification up to a maximum of three identifications plus a further one mark for each of three developments.</i></p> <p>Indicative content:</p> <ul style="list-style-type: none"> • cleanliness/hygiene • product knowledge • accommodating special needs • staffing levels • staff performance • number of complaints/refunds • sales turnover/profit • number of customers. <p>Example:</p> <p>Dave could assess the level of customer service through the performance of his staff (1). At the moment some of the staff are not performing well (1).</p>	AO1 3 AO2 3	6	<p>This question relates to aspects of performance and their consequences.</p> <p>Accept any other criteria if it cannot be or is not linked to the case study but award <u>only 1 mark</u>.</p> <p>AO2 Marks are awarded for implied context if criteria apply to the case.</p> <p>Do not accept number of people in the store.</p> <p>The question relates to method of researching or developing customer service.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
6	<p>Identify and explain three ways in which <i>Dave's Disks</i> could benefit from the training of its staff.</p> <p><i>One mark for each correct identification up to a maximum of three identifications plus a further one mark for each of three explanations.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • deal with complaints better • less mistakes • understand the law better • more aware of customer needs • provide customers with the right product for their needs • retain customers • attract customers • communicate better with customers/employees • secure repeat business • create new ideas • build team working • improve product knowledge. • improve competitiveness • improve customer service • improve reputation/image • consistency of performance <p>Example:</p> <p>Dave's staff will understand customer needs better (1) which will mean they can provide them with what they want (1).</p>	AO1 3 AO2 3	6	<p>Generic context acceptable.</p> <p>It is anticipated that the answers will be a combination of the indicative content.</p> <p>Do not award marks for a better store, happy customers or less problems.</p> <p>Improved sales and profit must be qualified to gain the AO1 mark.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
7	<p>Evaluate which aspects of customer service Dave should focus on if <i>Dave's Disks</i> is to successfully compete against LetsGoGaming.</p> <p><i>Use level of response criteria</i></p> <p>Level 1: [1–3 marks] Candidate identifies the need for improving customer service but not in context.</p> <p>Level 2: [4–6 marks] Candidate explains the need for improving customer service at <i>Dave's Disks</i>.</p> <p>Level 3: [7–9 marks] Candidate analyses the aspects of customer service at <i>Dave's Disks</i> that need improving</p> <p>Level 4: [10–12 marks] Candidate evaluates the aspects of customer service at <i>Dave's Disks</i> that need improving</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • retain/attract customers • train staff • set up a website • layout of the shop displays • understanding the law • customer information/database • build customer loyalty • creative ideas • product knowledge. 	<p>AO 1</p> <p>AO 2</p> <p>AO 3</p> <p>AO 4</p>	12	<p>Level 1 – will focus on the need to improve customer service with little or no focus.</p> <p>Level 2 – must be in context and focus on one or more aspects relevant to <i>Dave's Disks</i>.</p> <p>Level 3 – analysis of one or more aspects relevant to <i>Dave's Disks</i>.</p> <p>Level 4 – a judgement must be reached relating to the most important aspect of customer service which Dave should focus on, with justification.</p>

Question	Expected Answer	AO	Marks	Additional Guidance
7	<p>Continued</p> <p>Example:</p> <p>All businesses must maintain high standards of customer service if they are to remain in business (L1). It is important because all businesses need to attract and retain customers (L1). <i>Dave's Disks</i> new competitor has a lot of experience in the sector and so the product knowledge of Dave's staff has to improve (L2). Dave has to plan how to remain competitive (L2) and consider how to improve the level of customer service currently seen at <i>Dave's Disks</i> (L2). Dave has to decide which aspect of his business needs to be improved because he cannot rely on his existing customers remaining loyal (L2) and select the best way of doing this (L2). There is a problem with selling certificate 18 games to underage children (L2) which could mean that <i>Dave's Disks</i> could be taken to court (L3). The new website will mean that <i>Dave's Disks</i> will be able to collect customer information (L2) which will help to understand the customer better (L3). But this would mean that someone has to manage the website which could be costly (L3). I think the best aspect of customer service to focus on is staff training (L4) because this will help the staff to understand what they should and should not be doing (L4). If the staff are well trained then <i>Dave's Disks</i> will have a much better chance of competing against LetsGoGaming (L4). This will support his efforts to remain strong in what will soon become a competitive market (L4).</p>			

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