

**ADVANCED SUBSIDIARY GCE
APPLIED BUSINESS**

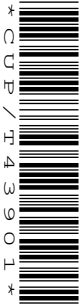
F243/CS

Unit 4: The Impact of Customer Service

PRE-RELEASE CASE STUDY

JANUARY 2008

To be opened on receipt



INSTRUCTIONS TO TEACHERS

- This case study **must** be opened and given to candidates on receipt.

INFORMATION FOR CANDIDATES

- You **must** make yourself familiar with the case study before you sit the examination.
- You **must not** take notes into the examination.
- A clean copy of the case study will be given to you with the question paper.

This document consists of **7** printed pages and **1** blank page.

The Cameo Cinema

History

The Cameo is a five-screen cinema situated in Penbridge, a large town in the South West of England. It has been owned and run by the Teague family since the 1950s and is currently managed by Toby Teague, a Business Administration graduate, who took over the running of the facility from his mother five years ago. The Cameo Cinema is in an excellent town centre location and, until recently, was the only cinema within a twenty-mile radius of the town. Over time, the Teague family have consistently turned down offers to be bought out by the larger cinema chains and they are determined to keep the Cameo Cinema as a private enterprise.

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The Cameo Cinema

Penbridge has grown significantly since the Cameo opened as a three-screen cinema in 1958 and the cinema is currently situated amongst a large selection of shops, pubs and restaurants. Although it does not have allocated car parking, there are always plenty of spaces available in the council-run car park across the road. Toby works alongside an assistant manager, Elizabeth Gregory, and they are the only members of staff who are full-time. The rest (six ushers, two ticket sales clerks, four snack bar assistants, two cleaners and four projectionists) are all part-time. The Cameo Cinema is open seven days a week, from around 2pm when the matinees start, to 11.30pm after the last film has finished. The matinees are the least popular of all the film showings; sometimes only two or three people, usually pensioners, turn up to watch a film in the afternoon. On the other hand, Friday and Saturday night showings are the most popular, with customers often having to be turned away. Currently, the Cameo Cinema does not offer an advance booking facility, preferring to operate a 'first come, first served' policy.

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Competition

In January 2006 a large 12-screen multiplex cinema opened on the outskirts of town. It not only provides a more wide-ranging variety of films than the Cameo Cinema but it has ample free parking and a plethora of bars and restaurants attached. Toby knew his small traditional style cinema would struggle against such competition and made the decision to invest a substantial amount of retained profit into improving the facilities at the Cameo, thus making it 'more twenty-first century than twentieth'. The Cameo Cinema shut for three months from May 2006 to allow some major changes to take place. Although there were limitations as to what Toby could achieve, the building had some under utilised space and was structurally sound, so with planning permission, he was able to add a further two screens. In addition, the foyer was refurbished and the range of snacks available was increased to sell popcorn, ice cream and pick and mix sweets.

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Accolade

The Cameo Cinema reopened with a flourish in August 2006 and in the short term was a resounding success. Ticket sales in the first month were the highest ever as the local people of Penbridge checked out the new, improved Cameo. After the first month, sales tailed off slightly but still remained steady for the rest of the year. The staff, motivated by the positive changes made to the Cinema, worked incredibly hard and seemed proud of the place in which they worked. In December 2006 the Cameo Cinema came third in the 'Most Helpful Staff' category of the Customer Service Awards in the local paper (see Fig. 1). Toby was invited to an awards ceremony where he was presented with a certificate and a bottle of champagne. The certificate was displayed in the foyer. Toby was over the moon; the refurbishment had been the best decision he had ever made and his worries about the multiplex taking his customers away had been unfounded. He felt positive about 2007.

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Heating Problems

However, 2007 had not been as successful as Toby had hoped. In January, the Cameo Cinema's 'antique' heating system broke down. Customers complained that they could see their breath whilst watching a film and often had to keep their coats, hats and gloves on to make the experience more bearable. Refunds were offered to anyone who complained. Toby had previously looked into having the heating system fixed or installing a completely new system, but the cost ran into thousands of pounds. After the refurbishment in 2006 the Cameo Cinema could not really afford this outlay. 45

Safety Issues

Things did not improve as the summer months approached. Toby was concerned about a drop in basic standards among the staff. The initial enthusiasm and commitment which had been created as a result of the refurbishment was now wearing off and the professionalism that had won the 'Most Helpful Staff' award now seemed a dim and distant memory. In one incident in July, both cleaners failed to turn up for work and as a result no one thought to clean or check the toilets. On another occasion a wash basin in the ladies' toilets leaked causing the floor to be flooded. No members of staff realised until a woman complained to the ticket sales clerk, Amy, that her little girl had just skidded on the water and fallen. Amy said that 'she didn't do toilets', but promised to report it to the manager as soon as she saw him. Unfortunately, she forgot and the toilets were only sorted out after two more people complained and Amy finally rang through to Toby in the office. He was livid when he found out. 50 55

Fantasy Weight

Toby was similarly exasperated with Dan, who worked on the pick and mix counter. One busy Saturday afternoon the scales broke. Instead of reporting the fault to Toby, Dan guessed the weight of the sweets and charged accordingly. After a while the customers began to get a bit suspicious and demanded that they see the scales results themselves as they felt they were being overcharged. Dan told them that if they were that bothered, Woolworths was just around the corner where they could buy and weigh the sweets themselves. Toby overheard this and called Dan into his office where he gave him a verbal warning. Dan argued back that he did not know who to report the broken scales to and he was only doing his best. However, the damage was done. 60 65

Worries

Apart from the staffing problems, Toby had received several irate phone calls and e-mails about a recent incident. He showed the most strongly worded of these to Elizabeth (**see Fig. 2**). Customers in general were appearing less and less impressed with the Cameo Cinema and ticket sales were decreasing month on month. It was now October 2007 and after the successes of 2006, Toby felt the business had had a horrible year. The Cameo Cinema had always prided itself on its excellent customer service and rapport with the people of Penbridge but this seemed to be diminishing every day. He was worried that soon the multiplex would be a lot more appealing to movie goers than the Cameo Cinema. 70 75

Proposals

Toby discussed the recent problems with Elizabeth. Apart from the issues with staff attitude, he felt the Cameo Cinema needed to offer more to customers than simply showing films, which, he admitted, the multiplex did a lot better than the Cameo.

“A main priority should be to make sure the customer is informed about what’s going on at the Cameo,” Toby said. “I’ve come up with a couple of ideas.” 80

Toby’s first proposal was a website, which could be updated with information on showings, timings and any changes to the schedule. His other idea was a premium rate phone line, which, at £1.50 a minute, would not only give out information when the customer phoned but would also generate some much needed revenue. 85

Elizabeth could see flaws in both of these proposals and pointed them out to Toby.

“Well, have you got any better ideas?” he snapped.

Elizabeth said that she had been thinking about how to encourage more people to come to the Cameo Cinema. She had been thinking about how they could capitalise on the time of year. With Christmas imminent, the staff could dress up as goblins, with Toby and herself as Father and Mother Christmas. One screen would show purely Christmas films from the middle of November to the New Year. 90

It was Toby’s turn to be cynical. “I can’t see the staff, or the customers, going for that.”

Elizabeth sighed. “We’re sitting here trying to work out what the customers would want us to do. Why don’t we just ask them? Why not put a suggestion box in the foyer over the next couple of weeks, so they can tell us themselves?” 95

The Way Forward?

Toby thought this was a great idea and set about organising it. After two weeks he took the box up to his office to read the comments. He was disappointed to find out that after 14 days only 11 comments had been put in the box. However, he felt sure that they were still worth looking at and so typed out the comments for further analysis (see Fig. 3). As he was doing so, Elizabeth came in, holding a copy of the local paper. 100

“Have you seen this?” she shouted, pointing at an advertisement on the back page. “From January, the multiplex is running a free bus service every half an hour from the town centre to their complex. If this goes ahead, we’ll be stuffed. We need to sort ourselves out and fast!”

The Penbridge Gazette

2 December 2006

Dear Mr Teague

Congratulations! Your establishment has come third in the 'Most Helpful Staff in Penbridge' competition. Our researchers visited your organisation three times in the last month and on every occasion we found your employees efficient, courteous and willing to help.

You are invited to attend an awards ceremony in the Town Hall on 19 December at 7.30pm to accept the certificate and for photographs. Unfortunately, numbers are restricted, so the invitation is for one person only.

Please reply, confirming your attendance.

David Hughes
Editor, The Penbridge Gazette

Fig. 1

To: Toby Teague
From: Lauren Hayward

I am incredibly angry with the Cameo! Last night I turned up with my best friend, Trixie, to watch a film we'd been dying to see for ages, 'Zombies in Turmoil Part 2'. When we got there we went to pay and the girl on the desk said it was off because the projector had broken! We weren't the only ones disappointed! No wonder people are going to the multiplex instead, the Cameo is rubbish now.

Lauren

PS We paid £1.30 each for the bus to get there – are you going to give us our money back or what?

Fig. 2

Comments from the suggestion box

Why not make the prices cheaper?

I hope you've fixed the heating after last winter's fiasco.

I suggest you close down.

How about showing some foreign language films? I am a French teacher at the local college and would like to bring my class to see some modern French movies rather than having to make them watch the old ones we have in our department. Our college is very under resourced and it really annoys me.

Have a better range of crisps.

Have a loyalty card scheme.

Give a discount for students.

How about hoovering occasionally?

Free parking in the council car park if you're seeing a film.

Let us book in advance! I'm fed up of turning up to find the film fully booked.

Do a deal with Tony's Pizzeria across the road, e.g. any pizza, drink and film £15.

Fig. 3

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