

**ADVANCED SUBSIDIARY GCE
APPLIED BUSINESS**

F243/CS

Unit 4: The Impact of Customer Service

PRE-RELEASE CASE STUDY

JUNE 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 **6** printed pages and **2** blank pages.

Cool Beats London (CBL)

New Manager

Emma Farrell is a 29 year old Business Studies graduate who, on finishing university in 2001, went to work for a large music retailer in the Midlands. She started as a sales assistant and worked her way up over the years to become the assistant manager. After realising that there were no further promotion prospects, she successfully applied to become the manager of a 'Cool Beats' store in London. There are currently 11 Cool Beats stores around the South Eastern area of England, selling CDs, DVDs and other music related-merchandise. The outlet of which Emma is now the manager, Cool Beats London (CBL), is the second largest in the chain and brings in a substantial percentage of the firm's revenue. 5

Customers

Emma's store is situated near to a tube station. Unlike a lot of businesses, a large amount of its trade is done in the evenings as people pass the store on their way home from work. Because of this, the store opens until 6.30pm Monday to Wednesday and until 8pm on Thursdays, Fridays and Saturdays. The nearest competitor is around three miles away in the West End of the city. Apart from commuters, the store attracts a lot of school children from the comprehensive school around the corner and from university students who are studying locally. In addition, there is an office block opposite from which the employees often come over to browse in their lunch hour. The store's recently created 'classical music' section has been generating interest with the older population in the area. 10 15

Passion For Music

CBL stocks all kinds of music from chart music to reggae and, although it cannot compete with the larger music retailers in terms of price, it prides itself on being able to relate to its customers and offer them expert advice. People often complain that employees in the larger music stores have a limited knowledge about what is happening in the music scene. All the staff at CBL are employed for their eclectic interest in music and their ability to help the customer make the right purchase. The staff often know the customers by name and will make suggestions as to what the customer would enjoy hearing, allowing them to listen to the CD in the shop before making a purchase. Apart from Emma, there are three full-time members of staff at CBL, all of whom have worked there for at least two years and have built up a good relationship with the customers. 20 25

Staff Trouble

Emma has found her inherited employees a dream to work with, apart from one person, who is sometimes hard to handle. Helen Cushley has been working for CBL for seven years and is the longest serving member of staff. Her obsession is dance music and it is this passion that makes her such an asset to the store. Her detailed knowledge and awareness of new trends in this field are held in high regard by local dance music DJs. She knows the name of any dance track heard in a nightclub and can inform the customers of any new releases, sometimes months in advance. People often come into the store specifically to talk to her and to ask her advice about what to purchase next. However, Helen is extremely headstrong and will not tolerate any other kind of music. She complains loudly whenever another member of staff plays something other than dance music in the store. Recently, she has been removing other employees' choices off the store's CD player in favour of her own. Only last week, she removed sales assistant Sarah Nicholson's choice of jazz CD and flung it across the store, proclaiming it 'hippy rubbish'. The disc nearly hit a customer who was browsing in the film soundtracks aisle and Emma had to call Helen into her office for a verbal warning. 30 35 40

Mystery Shopper

Emma was still thinking about the situation with Helen and how she could get her to moderate her behaviour when she received a fax, which she read through with mixed feelings (see Fig. 1). On the one hand, she was pleased that the store had done well. On the other hand, she was disappointed that the service given by the staff had not been exemplary. She knew, however, that now these points had been brought up, she needed to address them, particularly as she was a relatively new manager and needed to make a good impression. 45

Staff Meeting

Emma decided to hold a meeting that evening to inform the staff of the fax and to discuss the points raised by James Chinery. Some of the staff agreed that they had been a bit slack recently in terms of putting the CDs back in the correct sections. They said that they were often so busy serving customers that they did not really have the time to do other things properly. Regarding the music played in the store, everyone – even Helen – agreed that it could be a lot quieter and a more varied mix could be played. They also agreed that it was important to be more tolerant of other people’s musical tastes. One issue the fax did raise, however, of which Emma knew nothing about, was how much the staff were struggling to use the new computerised ordering system. Sarah admitted that she often tried to put people off ordering CDs and to settle for what was in store because she just could not work out how to use the system. Andy Mortimer, Emma’s assistant manager, agreed. It had been installed to make order processing quicker and yet he found it easier to phone the supplier instead to check availability and place orders. This often left the customer hanging around, waiting for a response. 50 55

New Ideas

Emma made a note of these issues and told the staff that, one way or another, they would soon be confident using the ordering system. Finally, she asked the staff how they could make the experience of coming to CBL better for the customers. Andy started off. He told her there was a good local gig scene which could be capitalised upon – local bands could post up details of their next gig on a notice board next to the tills. Sarah said they could go one step further by producing a simple one-page weekly newsletter, available free to subscribers, not only detailing local gigs but also new CDs or forthcoming promotions. She felt sure that the regular customers would not mind providing their names and addresses if they were going to get something useful and informative in return. Andy then responded by suggesting getting a local DJ in-store on Friday and Saturday evenings to play a music mix to the customers as they shopped. As luck would have it, his brother was a DJ and Andy produced his business card for Emma to look at (see Fig. 2). 60 65 70

Dance Music Only?

Helen, who up until this point had said very little, suddenly piped up. “Why don’t we just stop messing around and change the store completely?” she shouted. When Emma asked her to explain, she went on, “We should specialise in dance music! That’s what people want to buy. It’s the most popular type of music we sell, and if we got rid of all the rubbish and concentrated a bit more on one area then sales would go through the roof. Customers are always saying to me that our range of dance music is too limited.” The rest of the staff were aghast but Emma had to admit that Helen had a point. Looking over the figures earlier that day, dance music sales accounted for nearly half of all revenue week on week. It was growing steadily, unlike the other styles, such as pop and rock, which were declining. 75 80

Decision

Emma thanked everyone for their input and told them she would pass on their ideas to head office. Some of them, such as the newsletter, she could see as a viable option, but the specialisation into dance music would be an all-or-nothing situation. She could not see James Chinery going for it, although it actually had some good points. Overall, she knew that even though her Cool Beats store was not doing too badly, she would have to focus a lot more on the service provided to customers if she were to keep everyone happy – and beat Cool Beats Romford in the next mystery shopper round.

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FAX

To: Emma Farrell, Manager, Cool Beats London

From: James Chinery, Sales & Marketing Manager

Date: 7 April 2008

Pages: 1 of 1

Re: Mystery Shopper Campaign

Hi Emma

Sorry to drop this on you but we've been running a mystery shopper campaign over the last couple of weeks in an effort to find out where we can improve our stores. You'll be pleased to know that your store did really well and came fifth! (Cool Beats Romford came first.) Overall, the 'mystery shopper' was very impressed with both the store and the staff, but has given me some areas where they felt you could improve:

- a few of the CDs were in the wrong section; for example, a jazz CD was in with hip hop;
- the background music was too loud, in some cases drowning out the customers;
- there seemed to be a lot of dance music played for a mixed genre store;
- a staff member refused to order a CD because 'they weren't sure how to work the computer';
- another staff member was overheard telling a customer that 'people who listened to rock music were weird' as the customer was buying a rock music CD.

Small things and I'm sure you can address them. Give me a call next week to let me know how it's going. Also, our latest corporate strategy is to push the local aspect of our stores. Can you put together a few ideas on how to improve the service you offer to your customers, over and above simply selling them the occasional CD?

Thanks Emma.

James

Fig. 1

DJ Gavin and his Decks of Fire
Winner of Best Local DJ 2001
 Available for parties, weddings, etc
 Reasonable Rates
 All styles of music - nothing fazes me
 Requests welcome!
 Contact: djgav@deejay.com

Fig. 2

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