

**Wednesday 11 January 2012 – Afternoon**

**AS GCE APPLIED BUSINESS**

**F243/01/CS** The Impact of Customer Service

**CASE STUDY**

**Duration:** 1 hour 30 minutes



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## Floors & More Floors (F & MF)

### Background

*Floors & More Floors (F & MF)* is an independent retailer of wood and laminate flooring based in the North West of England. The owners, Andy and Susan, have over 35 years of retail experience between them and have been trading as *F & MF* for the last 12 years. *F & MF* operates from a medium-sized retail unit on a large trading estate on the outskirts of town. It is open seven days a week. From Monday to Saturday it is open from 7.30am for tradesmen and from 10am to the general public, closing at 8pm. On Sundays and Bank Holidays it is open from 11am until 4pm.

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Andy and Susan take pride in the fact that *F & MF* has a reputation for providing good customer service having previously employed a customer service manager. However, due to the economic recession *F & MF* had to make her redundant. At the same time, Andy and Susan took the opportunity to review their business as a whole in order to see where further cuts could be made in order to help *F & MF* remain competitive and to stay in business. They decided to buy lower quality products in bulk from suppliers and also, when the opportunity arose, they took on younger employees so that they could reduce the wage bill. They also decided to reduce the number of employees by two, so that they could cut costs even further. This left a total workforce of eight staff, some full-time but most part-time.

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### The current situation

However, all has not gone well for *F & MF*. The warehouse supervisor, Leroy, has been complaining that whenever he receives a bulk delivery he has no space in the warehouse and has to put stock in the aisles on the shop floor. Sometimes this leaves a narrow gap for customers to get through and they often scratch the stock, particularly the wood flooring, while trying to squeeze through the gaps with trolleys. Leroy has pointed out that recently a customer, Mrs Patel, cut her leg on the corner of a stack of flooring. Mrs Patel, who is retired, was extremely angry and wanted to complain to Trading Standards but Leroy was able to calm her down and she accepted his apology. Leroy told Andy and Susan: "This is not the first time a customer has said that they will complain and I am starting to get fed up with it". The stacks of flooring in the aisles also angered Lisa and Sanjay, a young couple who were furnishing their new home, because they could not get their baby's pushchair down the aisles.

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Reducing the number of staff has not gone down too well as the remaining members of staff still have to make the same number of sales which puts them under pressure. This has often resulted in arguments between the staff, particularly when Rita and Bob are in work together, because they are all trying to meet their sales targets. Rita and Bob are the most experienced sales people in the team and often take advantage of the younger members of staff when Andy and Susan are not in the shop. Rita and Bob often tell the younger members of staff to do things such as sweeping the floor, helping Leroy in the warehouse or making cups of tea. This means the younger members of staff cannot meet their targets which results in them getting into trouble with Andy or Susan. When challenged about this, Rita and Bob say that the younger members of staff have not had any training in sales or customer service and do more harm than good. The attitude of Rita and Bob makes *F & MF* a poor place to work and it is affecting the morale of the workforce.

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Rita has pointed out to Andy and Susan that there is no respect from the younger staff who will often argue between themselves in front of customers and take extra breaks, especially when the shop is busy. There is also a problem with high staff turnover which Andy and Susan want to resolve because they know it will damage their business. Andy has also noticed that some staff are selling damaged stock as perfect stock, just to make a sale. 40

### Resolving the problems

Andy decided that it was time to have a staff meeting in order to discuss the problems and to explain to the staff what was happening as a result of their behaviour. 45

At the meeting each member of staff was allowed to make contributions. One of the younger members of staff, Sunita, suggested that Andy and Susan put together a customer service policy so that all the staff knew what was expected of them. Sunita said that a good place to start when creating the policy would be the Customer Service Pledge (**see Appendix 1**) which already exists. Sunita also suggested that quite a few laws were being broken, of which, perhaps, Andy and Susan were not aware. In addition, she said that Andy and Susan very rarely gave positive feedback to the staff. 50

Bob commented that he was spending too much time supervising new members of staff and thought that the position of customer service manager should be created again. 55

Rita complained that the number of returns had increased since Andy and Susan had started buying in poor quality stock. This meant that her sales commission had gone down.

Susan informed the team that for the previous few weeks mystery shoppers had been used to assess the standard of customer service at *F & MF*. Rita and Bob were outraged with this, but Andy pointed out that the feedback from the mystery shoppers only backed up his and Susan's view that customer service standards at *F & MF* are now very poor. Bob argued that this was only one way to gather feedback and suggested that Andy and Susan use other methods before reaching any decision as to the cause of the poor customer service standards. Susan said that she and Andy would consider this suggestion. 60

### The future

At the end of the meeting Andy and Susan sat down to consider what had been said. They agreed that something needed to be done very quickly if these problems were to be overcome. Solving these problems was particularly important as *F & MF* is losing business and there are rumours that a large national flooring company, Kingdom Floors, is going to open a store on a new retail park located nearby. Andy and Susan decided to take a couple of days to think about what could be done to improve the quality of *F & MF*'s customer service and how they could assess any improvement. They would then meet the staff again to explain their decisions. 70

## Appendix 1

**Floors & More Floors****Customer Service Pledge**

**Floors & More Floors promises all our customers that we will always:**

- **Treat all customers with respect;**
- **Deal with questions in a professional manner;**
- **Sell products which are not damaged;**
- **Honour your statutory rights.**

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