

Applied Business

Advanced Subsidiary GCE

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

Mark Scheme for June 2013

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.















All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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Annotations

Annotation	Meaning
	The response given is 'Unclear' to the marker.
	'Benefit of doubt' but credit given.
	To indicate the response is in 'Context' of the relevant case study.
	Response is incorrect, no credit can be given.
	Used for Level of response answers to indicate Level 1.
	Used for Level of response answers to indicate Level 2.
	Used for Level of response answers to indicate Level 3.
	Used for Level of response answers to indicate Level 4.
	The response is not incorrect but has 'Not answered the question'.
	Own figure rule. Used where indicated in the mark scheme.
	'Repeat' response repeats the same marking point.
	'Noted but no credit given' or to indicate all or part blank answer pages have been seen by the marker.
	Correct point/answer. Credit can be given.
	No use of context/Unable to credit context

Subject-specific Marking Instructions**Testing of QWC**

In this external assessment the assessment of QWC will take place in Question 2c which is a levels of response question and carries 12 marks.

Marks are embedded within this question for assessing the quality of written communication. The following criteria are embedded within the levels of response for Question 2c.

Level 4:

Ability to present relevant material in a well planned and logical sequence. Material clearly structured using appropriate business terminology confidently and accurately. Sentences, consistently relevant are well structured in a way that directly answers question. There will be few, if any errors of grammar, punctuation and spelling.

[4 marks representing the appropriate level of written communication are embedded in this level of response].

Level 3:

Ability to present relevant material in a planned and logical sequence. Appropriate business terminology used. Sentences for the most part relevant presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

[3 marks representing the appropriate level of written communication are embedded in this level of response].

Level 2:

Limited ability to organise relevant material. Some appropriate business terminology used. Sentences are not always relevant with material presented in a way that does not always address the question. There may be noticeable errors of grammar, punctuation and spelling.

[2 marks representing the appropriate level of written communication are embedded in this level of response].

Level 1:

Ability to communicate at least one point using some appropriate business terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

[1 mark representing the appropriate level of written communication is embedded in this level of response].

Question		Answer	Marks	Guidance
1	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • encourages repeat business • grow market share • enhance reputation/image • increase referrals • attract new customers • maintain customer loyalty • gain an edge over competitors • increase sales and profit. <p>Exemplar response: Eg Good customer service is important to any organisation in order to encourage repeat business (1) which enables it to grow and gain in market share (1).</p>	6	<p>AO1: 3 AO2: 3</p> <p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three explanations.</p> <p>It is anticipated that the response will be a combination of the items in the indicative content.</p> <p>No context required.</p>
	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> • set of rules • operating requirements/customer expectations. <p>Exemplar responses: Eg A code of practice is a document which lists procedures (1) that a customer could expect from a firm (1).</p>	2	<p>AO1: 2</p> <p>Up to two marks.</p> <p>Set/list rules/procedures one mark Impact customer expectation/business activity one mark</p>
	(c)	<p>Indicative content:</p> <ul style="list-style-type: none"> • to identify the level of service expected • to check the business is following guidelines • to compare businesses • to assess whether there are grounds for a complaint. <p>Exemplar response: Eg To check that <i>Chill Zone</i> is following guidelines (1). Eg To see whether there are grounds for a complaint (1).</p>	2	<p>AO1: 2</p> <p>One mark for each correct identification up to a maximum of two identifications.</p>

Question	Answer	Marks	Guidance
(d)	<p>Indicative content:</p> <ul style="list-style-type: none"> • helps employees know what is expected • to enable employees to check their own behaviour is compliant • to check that colleagues are following correct procedures • helps employees know the culture of the business • helps to identify any problems or gaps • it can be used to identify training needs. <p>Exemplar response: Eg To help employees know what is expected when working in the company (1). Eg To enable a clear understanding of training needs (1).</p>	2	<p>AO1: 2</p> <p>One mark for each correct identification up to a maximum of two identifications.</p>
(e)	<p>Indicative content:</p> <ul style="list-style-type: none"> • trained staff • code of practice • motivated staff • good knowledge • good availability of staff • use of a specialist engineer • creating a safe environment • fixing problems • fast speed of response. <p>Exemplar response: Eg Aamina has enough staff on duty at all times (1). This means that they are available to deal with any booking problems (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Identification must be from the case study.</p> <p>Context must be, at least, implicit.</p>

Question		Answer	Marks	Guidance
2	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • outside the business • purchases product/service. <p>Exemplar response: Eg An external customer is a member of the general public or another business who buys from the business (1).</p>	1	<p>AO1: 1</p> <p>For one mark.</p> <p>Outside the business and a customer/ buys product/service, both required for one mark.</p>
	(b) (i)	<p>Indicative content:</p> <ul style="list-style-type: none"> • staff will gain immediate, direct and first hand responses • research has impact and is relevant to the member of staff • any ideas or views will be fresh in the customer's mind and more valid • staff can ask customers to elaborate on their answers • action can be taken immediately • customers may feel that <i>Chill Zone</i> is genuinely interested in their opinions. <p>Exemplar response: Eg Asking customers what they think as they leave <i>Chill Zone</i> means that their opinions will be fresh in their mind (1). This could mean that the information is more valid (1) which means that Aamina can rely on the information before making any decisions about investing in new lanes (CONT) (1).</p>	6	<p>AO1: 2 AO2: 4</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</p> <p>Must be benefits to the company, specifically related to staff asking, not research in general.</p> <p>To award full marks the explanation must be in context.</p>

Question	Answer	Marks	Guidance
	<p>(ii) Indicative content:</p> <ul style="list-style-type: none"> • staff are likely to be untrained, damage reputation • customers may be in a rush and not respond • customers may not want to waste time • staff might not pass on any negative comments • without a structured set of questions the answers could all be different, also hard to write down answers • answers difficult to analyse and may be invalid • could be time consuming, a waste of time and money. <p>Exemplar response: Eg The staff are unlikely to be trained in interview techniques (1) so they may not get responses from customers (1) limiting the research they could use to base their investment decisions on for new lanes (CONT) (1).</p>	<p>6</p>	<p>AO1: 2 AO2: 4</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</p> <p>Must be drawbacks to the company, specifically related to staff asking, not research in general.</p> <p>To award full marks the explanation must be in context.</p>

Question	Answer	Marks	Guidance
(c)*	<p>Use level of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • keeps <i>Chill Zone</i> in touch with customers • identifies customer needs • identifies problems • identifies new opportunities • identifies what competitors are doing • can maintain competitive edge • can help to set prices • can influence change • helps make business decisions • only helps if valid/relevant research that is up to date and also acted upon. <p>Exemplar response: Eg Feedback is important because it helps a business to identify customer needs (L1). Aamina has noticed that more younger people than older people (CONT) are visiting, who could be targeted for research in order to improve (L2). If up to date information is obtained by her and used then the research may be more valid and may reflect the real needs of the younger group more accurately (L3). Overall, gathering feedback will only help improve levels of customer service if it valid research and if it is acted upon by <i>Chill Zone</i>, ie actually installing the new lanes, in this case, to satisfy the younger customers' (CONT) needs and wants (L4).</p>	12	<p>AO1: 3 AO2: 3 AO3: 3 AO4: 3</p> <p>QWC is assessed in this question.</p> <p>Level 4 (10–12 marks) Candidate evaluates how using feedback will help <i>Chill Zone</i> improve its levels of customer service</p> <p>Level 3 (7–9 marks) Candidate analyses how using feedback will help <i>Chill Zone</i> improve its levels of customer service</p> <p>Level 2 (4–6 marks) Candidate applies knowledge and understanding of how feedback will help <i>Chill Zone</i> improve its levels of customer service</p> <p>Level 1 (1–3 marks) Candidate identifies how feedback will help improve levels of customer service with no use of context.</p> <p>Do not award for discussions on methods of gathering feedback.</p> <p>Do not award answers that relate solely to growing sales, rather than improving levels of customer service.</p> <p>Non-contextual answer max Level 1.</p>

Question		Answer	Marks	Guidance
3	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • taken to court • fined/pay compensation • incur costs of going to court • result in poor reputation • <i>Chill Zone</i> could be shut down • staff resign • new staff may be less likely to want to work there • customers may not visit • customers go to a competitor. <p>Exemplar response: Eg The business could be taken to court (1) and given a fine which <i>Chill Zone</i> may not be able to pay as currently revenue is decreasing (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Must be an implication to the business</p> <p>Context must be, at least, implicit.</p> <p>Watch out for repetition.</p>

Question	Answer	Marks	Guidance
(b)	<p>Use level of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • must adhere to the Data Protection Act • information must be kept securely • the information must be accurate • the information should be kept for no longer than is necessary • the information must have been given freely • the customer must agree to receive the newsletter • the information must be destroyed if requested by the visitor. • it will incur a cost to the business, it has to be managed • it may be of benefit to maximise the efficient despatch of newsletters • maintain customer contact and support customer service • the information will need to be updated and used appropriately if it is to be of benefit. • if it isn't a managed process, it could be a waste of effort, a cost and a potential liability for the business. • fines for non compliance with Data Protection Act • loss of customer confidence if data is lost or stolen. <p>Exemplar response: Eg All businesses which collect and retain customer information must adhere to the Data Protection Act (L1). This is particularly important because <i>Chill Zone</i> has a lot of young customers (CONT) (L2). As <i>Chill Zone</i> does not keep records on a computer (CONT), Aamina must ensure that the information it collects is locked away in a draw or safe (L2). If not this could result in a fine (L3). This would be a waste of money for <i>Chill Zone (L3)</i> and could mean getting further into debt (L3).</p>	9	<p>AO1: 3 AO2: 3 AO3: 3</p> <p>Level 3 (7–9 marks) Candidate analyses the implications for <i>Chill Zone</i> of obtaining and keeping personal information about customers.</p> <p>Level 2 (4–6 marks) Candidate applies knowledge and understanding of the implications for <i>Chill Zone</i> of obtaining and keeping personal information about customers.</p> <p>Level 1 (1–3 marks) Candidate identifies the implications of obtaining and keeping information about customers with no use of context.</p> <p>Award data protection issues and implications on customer service. Candidates can choose to focus on either or both.</p> <p>Non-contextual answer max Level 1.</p>

Question		Answer	Marks	Guidance
	(c)	<p>Indicative content:</p> <ul style="list-style-type: none"> • Office of Fair Trading • Trading Standards • police • the local court • consumer associations. <p>Exemplar response: Eg Trading Standards (1). It could investigate a business (1) and could close it down (1).</p>	3	<p>AO1: 3</p> <p>One mark for a correct identification plus up to a further two marks for an explanation</p> <p>Do not accept “Citizens Advice/ CAB” Do not accept “solicitor” Do not accept “Newspaper/Watch Dog” and other publicity media.</p>

Question		Answer	Marks	Guidance
4	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • keeping a customer • customer loyalty. <p>Exemplar response: Eg Customer retention means that businesses keep their customers (1).</p>	1	<p>AO1: 1</p> <p>For one mark.</p>
	(b)	<p>Use levels of response criteria</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • provides information, raises awareness, attracts customers • can contain special offers/discounts • could be sent by post or email • can target certain people • could help to gain repeat business • could attract new customers • costs money • takes time • money will need to be invested • money could have been spent elsewhere • may only be effective in increasing sales if the newsletter is executed properly • may not result in additional sales if there are other factors which stop customers from returning or inhibit new business • it may be particularly useful as the business is strapped for cash and it is a relatively low cost method of promoting the business • although useful, it may not be able to be done given the costs of setting up the database and getting the newsletter organised, given the business' current financial difficulties. 	12	<p>AO1: 3 AO2: 3 AO3: 3 AO4: 3</p> <p>Level 4 (10–12 marks) Candidate evaluates whether or not providing information through a newsletter would help boost sales at <i>Chill Zone</i></p> <p>Level 3 (7–9 marks) Candidate analyses the benefits and drawbacks of providing information through a newsletter at <i>Chill Zone</i>.</p> <p>Level 2 (4–6 marks) Candidate applies knowledge and understanding to suggest benefits and drawbacks of providing information through a newsletter.</p> <p>Level 1 (1–3 marks) Candidate identifies benefits and drawbacks of providing information through a newsletter with no use of context.</p> <p>Non-contextual answer max Level 1.</p>

Question	Answer	Marks	Guidance
	<p>Exemplar response:</p> <p>Eg A newsletter will provide customers with information about a business (L1). If <i>Chill Zone</i> sends out a newsletter it could let current and potential customers know about bowling, pool and the cafe (CONT) (L2). It could be targeted towards people in their 20's and 30's (L2). This would be beneficial because it could attract this group of people which are likely to use <i>Chill Zone</i> (L3). Also, the newsletter could contain special offers such as buy one game of bowling (CONT) get another free (L2). This could make people want to come to <i>Chill Zone</i> and spend money on other things such as the cafe (L3). However, producing a newsletter costs money and takes time (L1). Aamina does not want to spend more money unless it is going to help increase sales (CONT) (L2). If the newsletter does not work then Aamina will be wasting money (L3). Overall Aamina should only invest some money in the newsletter if she is confident that all the other factors associated with the marketing mix for bowling (CONT) meet customer needs, otherwise it's unlikely to boost sales (L4) will be a waste of money, with a high opportunity cost given the current cash position (CONT) at <i>Chill Zone</i> (L4).</p>		

Question	Answer	Marks	Guidance
(c)	<p>Indicative content:</p> <ul style="list-style-type: none"> • address staff weaknesses • give staff more knowledge/capability/confidence • increase staff moral/motivation improve customer service standards • introduce a common approach to customer service • improve/increase customer satisfaction • improve/increase in staff retention/loyalty/developed customer service • increase staff performance • increase competitiveness. <p>Exemplar response: Eg Training provides staff with customer service knowledge and skills (1). This will mean that they have more confidence when dealing with customers (1), which could mean that they could deal with complaints about bookings (CONT) better (1).</p>	6	<p>AO1: 2 AO2: 4</p> <p>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two developments.</p> <p>To award full marks the explanation must be in context.</p> <p>Do not award answers that relate exclusively to increasing sales, rather than high levels of customer service.</p>
(d)	<p>Indicative content:</p> <ul style="list-style-type: none"> • staffing levels • number of complaints • staff performance • sales turnover/profit • levels of repeat business customer retention • number of customers • levels of staff product knowledge • cleanliness • number of awards • customer review ratings/scores <p>Exemplar response: Eg The number of complaints received (1).</p>	4	<p>AO1: 4</p> <p>One mark for each correct identification up to a maximum of four identifications.</p> <p>NB This question does not relate to a research method but to the information which can be gathered and compared over time.</p> <p>Do not award vague answers eg number of people in <i>Chill Zone</i>.</p>

Question		Answer	Marks	Guidance
5	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • gives some customers easy access to information • bookings could be taken online/via search engine • customers could pay in advance and save time • easy to access information on the Internet • reach a wider audience. <p>Exemplar response: Eg Provides easy access to information for customers (1).</p>	2	<p>AO1: 2</p> <p>One mark for each correct identification up to a maximum of two identifications.</p>
	(b) (i)	<p>Indicative content:</p> <ul style="list-style-type: none"> • increase loyalty/repeat business/sales • encourage new customers • gather personal information • offer discounts to attract customers away from competitors • can track spending habits • good PR for the business and can initiate good word of mouth referrals. <p>Exemplar response: Eg A loyalty card could increase sales by encouraging repeat business (1) by offering rewards to loyal customers steering them away from competing bowling facilities (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Must be benefits to the company.</p> <p>Do not accept vague answers eg 'good advertising'.</p> <p>Context must be, at least, implicit.</p>
	(ii)	<p>Indicative content:</p> <ul style="list-style-type: none"> • special offers/reduced charge • discounts • priority booking • updated with information. <p>Exemplar response: Eg Customers could receive priority bookings (1) which would mean they would have a better choice of when to play bowling (1).</p>	2	<p>AO1: 1 AO2: 1</p> <p>One mark for a correct identification, plus a further one mark for an explanation.</p> <p>Must be benefits to the customer.</p> <p>Context must be, at least, implicit.</p>

Question	Answer	Marks	Guidance
(c)	<p>Indicative content:</p> <ul style="list-style-type: none"> • discounts on certain days of the week • discounts for families and groups • buy one get one free offers • advantage over competitor • price advantage • affects perception of value • supports differentiation. • pricing strategies can help boost sales • price only one element of the marketing mix • relative position against total marketing mix will dictate competitive advantage • competitor may adapt pricing in response, negating any relative competitive advantage. <p>Exemplar response: Eg Different pricing strategies can help differentiate the business (L1). This could help gain a competitive advantage over other businesses (L1). If <i>Chill Zone</i> offers discounts to families (CONT) this would be a type of penetration pricing (L2). This could attract new families to become customers and encourage existing families to use <i>Chill Zone</i> more (L3). However, whatever <i>Chill Zone</i> does to the price of its lanes (CONT), its competitors could do the same (L2) as prices can be altered quickly (L3). This would mean that ultimately whatever <i>Chill Zone</i> does with its prices for bowling (CONT) the effect may only be short lived and not give a sustainable competitive advantage (L4).</p>	12	<p>AO1: 3 AO2: 3 AO3: 3 AO4: 3</p> <p>Level 4 (10–12 marks) Candidate evaluates whether the adaption of the different pricing strategies would give <i>Chill Zone</i> a competitive advantage.</p> <p>Level 3 (7–9 marks) Candidate analyses the benefits and/or drawbacks of different pricing strategies to <i>Chill Zone</i>.</p> <p>Level 2 (4–6 marks) Candidate applies knowledge and understanding to suggest the benefits and drawbacks of different pricing strategies to <i>Chill Zone</i>.</p> <p>Level 1 (1–3 marks) Candidate identifies benefits and drawbacks of different pricing strategies with no use of context.</p> <p>Non-contextual answer max Level 1.</p>

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