1. Define the following terms:

South Korean tech giant Samsung has permanently ceased production of its high-end Galaxy Note 7 smartphones after reports of devices it had deemed safe catching fire. The firm had already reduced Galaxy Note 7 production volumes. Owners are expected to be able to return the phones for a refund or an exchange for a different Samsung phone.

The notice on the Samsung website reads:

*An open letter to all Galaxy Note7 customers*

*Update, 9th December*

*On October 10 we took the decision to stop sales and shipments of Galaxy Note7 devices as part of our commitment to customer safety.*

*We have asked everyone with a Galaxy Note7 to back up your data (click here for details of how) and switch off your device.*

*We are truly sorry that we have not met the high standard that you expect from Samsung.*

*We thank you for your patience during this time, and apologise for the inconvenience we have caused.*

|  |  |
| --- | --- |
| Quality control |  |
| Warranty |  |
| Culture |  |

2. Samsung has built a business based on innovation and quality. How might the concerns regarding the Galaxy Note 7 impact upon the business both in the short and longer term? (6 marks)

3. What might Samsung do in the short and medium term to limit the reputational damage to the business? (6 marks)

4. How important is it for firms such as Amazon and John Lewis to have a reputation of providing excellent customer service? (6 marks)

Each year the Institute of Customer Service undertakes a survey to discover the firms with the best customer service. Published in January 2016, the results of 2015 place Amazon at the top of the list, along with firms such as First Direct, Specsavers, Waitrose and John Lewis.