



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma in Business
Standard Level

MARKETING

5164/01

Optional Module

May 2009

2 hours plus 15 minutes reading time

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

Attempt **all** tasks.

Start each task on a new piece of paper.

Please leave a margin on the right and left hand side of each new page.

At the end of the examination, fasten all your work securely together, in the correct order.

The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **4** printed pages.



You must read the case study below and attempt ALL the tasks which follow.

(The case study is fictitious.)

BRANFEST BREAKFAST CEREALS

It has always been a good idea to eat breakfast – health publications say that if you don't eat a healthy breakfast you will feel really hungry before lunch and eat something unhealthy to compensate. Branfest Breakfast Cereals have produced and marketed their breakfast cereal products since 1911 and have operated globally since 1980.

About 15 years ago Branfest's key competitors launched cereal bars as an alternative to a bowl of cereal and successfully captured a large share of the market. The market consists of young, single working individuals who do not have time to eat breakfast and so have a cereal bar on the way to work. Although Branfest followed their competitors, sales of their cereal bars have been very slow and did not achieve their targets. 5

The Senior Marketing Manager at Branfest had been looking at the product portfolio and decided that some drastic action needed to be taken. Research was commissioned to explore customer attitudes towards the cereal bars and the results were surprising. 10

Although Branfest cereal bars had not been selling well, the research showed that those that were sold were to a totally different market than the one they had targeted. It found that the purchasers were mothers of children aged between 7 and 14, and the cereal bars were being given to their children for a snack while at school. 15

In the UK, where their company was founded, there is growing concern about overweight and unhealthy children. The government has started a campaign to encourage healthier eating by children. Branfest's senior management team see this as a major opportunity and have decided to re-brand and re-launch their cereal bars to target children directly. 20

The new product development team have held several meetings and have some ideas about the re-launch. Suggestions include:

- repackaging to attract children
- providing PR about the health benefits to target mothers
- offering free gifts with purchases of multi-packs
- extending the range with different fruit flavours
- getting a celebrity involved in the promotion of the product
- having a loyalty scheme that involves providing sports equipment for schools. 25

You have recently been appointed to the product marketing team for the new cereal bar and your first job will be to put together a marketing plan. 30

You must attempt ALL of the following tasks. Where appropriate use information from the case study to support your answer.

- 1 (a) Define the term 'marketing'. [5]
- (b) Explain **three** facts from the case study which demonstrate Branfest are market or customer oriented. [3 x 5 = 15]
[Total: 20]
- 2 Branfest has carried out some market research.
- (a) Explain the **five** stages of the process used in the collection of marketing information. [5 x 2 = 15]
- (b) (i) Explain the difference between primary and secondary research. [4]
- (ii) Explain **two** types of primary research that Branfest might have used to investigate their customers' attitudes to the cereal bars. [2 x 3 = 6]
[Total: 20]
- 3 Branfest discovered that they were reaching a different segment to the one that they were targeting.
- (a) Define the term 'segmentation'. [4]
- (b) Explain **two** methods that have been used to segment the consumer markets targeted by Branfest and their competitors. [2 x 4 = 8]
- (c) (i) Choose **one** consumer segmentation method other than those in (b) above that could be used by Branfest. [2]
- (ii) Explain **two** reasons for your choice. [2 x 3 = 6]
[Total: 20]
- 4 You must prepare a marketing plan for the re-launched product for the coming year.
- (a) (i) Identify **two** PEST factors from the case study. [2]
- (ii) Explain which part of the external analysis **each** factor represents. [2 x 2 = 4]
- (b) Explain which of Ansoff's growth strategies Branfest are following with their re-launch. [4]
- (c) Explain where each of the following would fall in the marketing mix and give **one** reason for **each** answer:
- (i) Repackaging to attract children; [2]
- (ii) Providing PR about the health benefits to target mothers; [2]
- (iii) Offering free gifts with purchases of multi-packs; [2]
- (iv) Extending the range with different fruit flavours; [2]
- (v) Getting a celebrity involved in the promotion of the product. [2]
[Total: 20]

- 5 (a) Identify the elements of the marketing mix (4Ps) and describe **each** element in relation to Branfest's re-launched product. **[4 x 3 = 12]**
- (b) Explain the benefit of using a celebrity in the promotion of the product to children and recommend a suitable celebrity in your region, giving reasons for your choice. **[8]**
- [Total: 20]**

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