



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

MARKETING

5164/01

Optional Module

May 2010

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.

(This case study is fictitious.)

MULTI-PURPOSE TECHNOLOGY

Multi-Purpose Technology (MPT) have made industrial valves since 1981. They make many different types of valves including pressure reducing valves and manual valves. Their valves can be used in the control of the flow of air, water, gas and petroleum and so they deal with many different industries including pharmaceuticals, aerospace, and chemicals. Based in Zhejiang Province in mainland China, they sell very successfully to companies all over the world. 5

Although the company has a research and development (R & D) department, they do not have a marketing department and are currently product oriented. In fact, they have an international sales force which has so far been very effective, but do no other marketing. However, Jon Hu, the Managing Director (MD) of MPT, recently received a phone call from the Managing Director of their main customer, Guchon Aerospace, which gave him cause for concern. Asif Yezid has been the head of Guchon Aerospace for the last 10 years and has become a good friend. 10

The telephone conversation went as follows:

Asif – ‘Hello Jon, how are you? Good to speak to you again.’

Jon – ‘Hello, Asif. It is good to hear from you. What can I do for you today?’

Asif – ‘Ah, Jon, you know me too well. I am sorry to be calling with a problem. We’ve carried on for a few weeks hoping that things would get better, but unfortunately they seem to be getting worse. I thought I had better let you know or you might start to lose customers.’ 15

Jon – ‘That sounds serious. What’s been happening?’

Asif – ‘Well, it has been several things I’m afraid. It started with last month’s order. More than half of it had to be returned. We had a problem with the quality of the gas valves in three out of five batches. We also had two boxes of pneumatic valves delivered in error and then we were charged for them, in spite of being told by your Customer Service team that it would be put right. When Jeni from our Finance Department contacted your Accounts team they were not very helpful. You know that she plays a large part in our selection of suppliers and this has not made a good impression with her. 20

Abdul, our Production Manager, is also very unhappy about the quality matter. We were relying on that delivery and it meant that two of our orders went out to customers late. Unfortunately, that was not the worst of it. Your Sales Manager was due to come and meet Andreas from our Research and Development department this morning to talk about some new style valves we may need. He telephoned about half an hour after he was due to arrive to explain that he would be late and he was very rude to Alana, our receptionist. She was quite upset and complained to Andreas. Andreas was unhappy about the late arrival, and only had 10 minutes to talk to your Sales Manager before he left for another meeting.’ 25

Jon – ‘I’m really sorry Asif, I don’t know what to say. I will of course follow up on all the issues you have just raised. I can only apologise. You know how important you are to us as a client...’

Asif – ‘I think you may need to do more than apologise Jon. You know that your competitor E-valves has approached us again recently, trying to win our business. The MD there has arranged to bring in their Marketing Manager and two individuals from their R & D team next month. Their public relations coverage has been very good and there has been a lot of talk about them in the factory here.’ 35

After Jon had put down the telephone he started to make a list of issues he needed to follow up, but the big issue on his mind was the competitive nature of the market place. He really needed to think about marketing. 40

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 **two** facts from the case study which demonstrate that Multi-Purpose Technology (MPT) needs to become more customer focused. [2 x 5 = 10]
- (c) Explain how relationship marketing could help MPT in their current situation. [5]
[Total: 20]
- 2 MPT have decided to carry out some market research. The key focus will be on their competition.
- (a) List the **five** stages of the process used to collect marketing information. [5]
- (b) Advise MPT whether secondary or primary research is more suitable for gathering competitor information, and give **four** reasons why this is the case. [9]
- (c) Explain **two** types of primary research that MPT might use to investigate their customers' needs. [2 x 3 = 6]
[Total: 20]
- 3 MPT do not know very much about marketing and they would like an explanation of segmentation.
- (a) Define the term 'segmentation'. [3]
- (b) Explain **two** methods that could be used to segment the business-to-business markets targeted by MPT. [2 x 4 = 8]
- (c) Explain **three** ways in which segmentation could help MPT. [3 x 3 = 9]
[Total: 20]
- 4 You must prepare a marketing plan for MPT for the coming year.
- (a) Explain **two** benefits of marketing planning to MPT. [2 x 4 = 8]
- (b) Explain the following stages of the marketing planning process.
- (i) SWOT analysis [2]
- (ii) Objectives [4]
- (iii) Marketing mix [4]
- (iv) Control methods [2]
[Total: 20]

Question 5 is on the next page.

5 (a) From the situation described in the case study, the following **two** elements of the marketing mix are very important to MPT. Describe **each** element, using examples from the case study to show how they could be used to improve the situation.

(i) Product [6]

(ii) Promotion [6]

(b) Explain the importance of customer care to MPT and identify **two** ways it could be improved. [8]

[Total: 20]