



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

MARKETING

5174/01

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.)

SEALFAST PLUMBING FITTINGS

Duyi Trade Plumbing has been providing equipment and copper plumbing fittings to the business-to-business (trade) market for many years. Duyi supplies copper fittings to many chains of plumbers' merchants¹ along the east coast of China and it is a very successful company. Two years ago a new Chief Executive, Mr Long Hui, took charge of the company. He has looked at ways of growing the business. 5

One of the ways of growing the business might be to move into international marketing and to target plumbers' merchants in other countries. However, Mr Long Hui has had some initial research done and now considers that this would be a risky strategy as there are high levels of competition internationally.

He has also stated that he believes that Duyi Trade Plumbing should stay in the market it knows most about – plumbing. He has no plans for the company to start to manufacture anything that does not apply to the plumbing trade. 10

Research has suggested that the do-it-yourself market for plumbing is increasing and Mr Long Hui is very interested in this fact. The research and development department are suggesting that they can make fittings which connect easily by being pushed together. These would be much easier for do-it-yourself plumbers to use as the ones used by the trade have to be connected using specialist equipment. 15

The company has recognised that the market for the new fittings is very different from the one they serve now. They will be selling fittings to consumers who know only a little bit about the products they need, rather than to qualified plumbers who are experts in their field. For this reason Duyi have set up a completely new marketing team. 20

You have recently been appointed to the marketing team for the new fittings and your first job will be to put together a marketing plan. The team have already done some research with the public and have come up with the name 'Sealfast' for the new fittings. However, you are aware that there is considerable work still to be done before sales of the new product start to grow and the company gets some payback for its investment in new product development. 25

Your new manager has arranged the first meeting of the team for tomorrow morning and you have made a list of items that you hope will be discussed. These include:

- The profile of your target segment
 - 'Place' decisions for your marketing plan
 - How the new products will be promoted
 - Customer care and advisory services for customers.
- 30

¹ Plumbers' merchants are suppliers of equipment to qualified plumbers who are in business.

You must attempt ALL of the following tasks.

Where appropriate use information from the case study to support your answer.

- 1 Duyi Trade Plumbing has operated in the business-to-business sector for many years and is now looking to enter the business-to-consumer sector.
- (a) Explain **five** ways in which marketing can help a company in a business-to-consumer market. [5 x 2 = 10]
- (b) Describe **both** the business-to-business **and** the business-to-consumer buying decision processes. [2 x 5 = 10]
[Total: 20]
- 2 Duyi needs to carry out further market research before the marketing plan is completed.
- (a) List the **five** stages involved in a marketing research project, and explain what is done at **each** stage. [5 x 2 = 10]
- (b) Duyi has recognised that some primary research will need to be carried out before deciding on price and promotional aspects of its **business-to-consumer** marketing plan.
- Recommend **one** primary research method that could be used for this purpose and justify your recommendation. [10]
[Total: 20]
- 3 Duyi has decided to enter the business-to-consumer market.
- (a) Define the term 'segmentation'. [2]
- (b) Explain **three** key methods that can be used to segment **consumer** markets. [3 x 5 = 15]
- (c) Recommend **one** of the methods in (b) above for Duyi to use, and state your reason for recommending this method. [3]
[Total: 20]
- 4 Mr Long Hui has made a decision about how to grow the business. He considered three options before making his decision.
- (a) Draw a diagram showing Ansoff's Growth Matrix and insert the following options on the diagram:
- (i) International marketing
- (ii) Developing products that are not related to plumbing
- (iii) Plumbing products for the do-it-yourself consumer. [10]
- (b) (i) Define branding. [5]
- (ii) Explain how branding the product as 'Sealfast' might help Duyi in its new market place. [5]
[Total: 20]

- 5 (a) Explain the **seven** stages involved in setting up a customer care plan for the new consumer market. [7 x 2 = 14]
- (b) Explain the importance of the **promotion** and **physical evidence** elements of the marketing mix, especially the website, using examples from the case study. [6]
- [Total: 20]**

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