



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

**MARKETING**

**5164/01**

Optional Module

**May 2007**

**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 sides 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 **3** printed pages and **1** blank page.



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

(The following Case Study is fictitious.)

## **ONLINE VIDEO GAMES IN CHINA**

Representatives from the video games industry taking part in a conference in Beijing this week heard that more than 20 million Chinese nationals were playing video games and the number was rising fast.

A recent report has predicted that China is expecting a huge rise in spending on entertainment, largely because of online sales of video games. Last year, Chinese players spent almost US\$500million<sup>1</sup> on online games. 'The government is encouraging and supporting the development of online video games,' said Mr Lee Tai Sun, President of the Beijing-based New Energy Consulting firm. The authorities are hoping to attract more national investment in video games by hosting a two-day games conference in September in Beijing. 5

China has a population of 1.3 billion. Of these, 500 million live in the cities, where they have cheap and easy access to online games via Internet cafes. 'In the big Internet cafes in Beijing you can have several hundred PCs,' explained Mr Lee Tai Sun. 'Most people there are under 30 and this is how they get access to broadband<sup>2</sup> to play online games.' 10

According to recent figures, an estimated 22.8 million people play online video games. 'The online video gaming market is flying high in Asia,' said Mr Lee Tai Sun. His comments have been supported by a report by an International Research Company looking at the next five years for entertainment. It said the Asia-Pacific region could be expected to enjoy the fastest growth in spending on leisure, such as video games, TV distribution and music. 15

As well as offering opportunities for video game makers, China also presents challenges because of the tight regulation of video games. 'Video games are a very serious business in China,' said Mr Lee Tai Sun, explaining that three government ministries have responsibilities for video games. At the same time, concerns are growing about the amount of time young people spend playing video games and about the type of games which are being played. There is a concern that some of the more violent video games are quite disturbing. 20

AGES is the company name of an online games maker. You have just been appointed as a Marketing Executive at AGES. Your job is to manage the launch of a new and exclusive online video game for the Chinese market. 25

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<sup>1</sup> Amounts quoted in US dollars.

<sup>2</sup> A fast connection to the Internet.

**You must attempt ALL of the following tasks.**

- 1 The Senior Management at AGES China are concerned that the staff do not understand the key principles of marketing. Prepare a memo that covers the following topics.
- (a) Identify and explain **five** benefits of developing a marketing orientation within AGES, using examples to support your answer. [10]
- (b) Identify and explain, with examples from the case study, **five** key considerations for AGES when developing a marketing oriented approach. [10]  
[Total: 20]
- 2 Your Marketing Director has asked you to help put together a presentation for the staff at AGES. Produce a slide, with presenter's notes, for **each** of the following topics:
- (a) a definition of marketing research; [5]
- (b) reasons for carrying out marketing research; [5]
- (c) primary methods of marketing research which are available; [5]
- (d) secondary methods of marketing research which are available. [5]  
[Total: 20]
- 3 (a) Describe the **five** stages of the planning process used for gathering marketing information. [5 x 2 = 10]
- (b) Define the term 'market segmentation'. [4]
- (c) Explain **three** reasons why AGES would benefit from segmenting its consumer market. [6]  
[Total: 20]
- 4 You have been asked to prepare a report for the junior members of the marketing department to help them understand the marketing planning process. Your report should explain the following elements of the marketing planning process:
- (a) the marketing audit; [6]
- (b) SWOT analysis; [4]
- (c) objectives; [4]
- (d) the marketing mix. [6]  
[Total: 20]
- 5 (a) Recommend a **7P** extended marketing mix for AGES new online video game. [14]
- (b) Explain why it is important for AGES to consider the extra **3Ps** of the extended marketing mix. [6]  
[Total: 20]

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