



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

MARKETING

5164/01

Optional Module

May 2008

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



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

(The following case study is fictitious.)

MAISIE'S GLASS CRAFTS

Kuching in Malaysia is experiencing a tourist boom. It is not just the Chinese Temple and the market that are popular, but also the rows of small shops selling local crafts. International tourists either stay at local western style luxury hotels or come on short excursions from neighbouring holiday resorts.

Maisie and her family have been making objects in glass for many years – she learned the skill from her father. They make a range of goods from small ornamental animals and jewellery, to large vases which contain glass flowers. One of the favourite items sold is a small tree with glass leaves which is supposed to bring luck to those who own one. The craft is dangerous for those who have not had the training that Maisie received from a young age. 5

Maisie and the other craftworkers rent their small workshops and retail outlets from the government. This year the Ministry for Tourism has said that a part of their rent will be refunded to enable businesses to carry out individual marketing campaigns to boost sales of their goods. To qualify for the reduction in rent, all the businesses must complete marketing plans and submit them to the government department. 10

Glass Crafts is run by Maisie, her brother Tan and her mother. Tan helps in the shop at weekends when he is not at school and her mother provides some help in the shop while Maisie is replacing stock and completing orders. It is a true family business and Maisie had no ambitions to grow it significantly. However, the government has also offered grants to businesses that are willing to take on an apprentice and provide training in their specialised craft. 15

Maisie is aware that some of the tourists she has sold goods to recently have asked about the possibility of ordering more of her goods by mail order or through the Internet when they return home. This would mean she would need someone else to help her make the goods and package them for sending overseas. She has no website but her brother is keen to set one up for her as part of a school project he is doing this year. 20

When Maisie attended a talk given by the Ministry of Tourism about the new plans she made a note of three key things she would need to read and learn about. These are: 25

- Relationship marketing
- Marketing research
- Segmenting her market.

She has spent many hours at the library since the talk and now feels she is ready to move ahead. 30

There are two more steps for her to take if she wants to change the way the business is run. First she must talk to her family and gain their agreement and then she must put together a marketing plan.

You must attempt ALL of the following tasks.

- 1 The first step for Maisie is to talk to her family and gain their agreement. Make notes about the following that will help her to persuade her family that this is a good plan.
- (a) Define the term 'marketing'. [5]
- (b) Explain **three** benefits that marketing could offer Glass Crafts. [3 x 5 = 15]
[Total: 20]
- 2 Maisie needs to carry out market research before she puts together her marketing plan.
- (a) Explain the **five** stages of the process used to collect marketing information. [5 x 2 = 10]
- (b) (i) Explain the difference between primary and secondary research. [4]
- (ii) Explain how Maisie could use **one** method of primary research. [3]
- (iii) Explain how Maisie could use **one** method of secondary research. [3]
[Total: 20]
- 3 Maisie knows that she needs to segment her market.
- (a) Define the term 'segmentation'. [4]
- (b) Explain **three** key methods that can be used to segment consumer markets. [3 x 4 = 12]
- (c) Recommend **one** of the methods given in (b) above for Maisie to use, and give reasons for your choice. [4]
[Total: 20]
- 4 Maisie must prepare a marketing plan for Glass Crafts for the next year.
- (a) Explain what the PEST factors are when analysing the external environment and identify **one** issue from the case study for **each** factor. [3 x 4 = 12]
- (b) Explain the term 'SWOT analysis'. [8]
[Total: 20]
- 5 (a) Outline a marketing mix (7Ps) with a description of each element in relation to Glass Crafts' new market of tourists who have returned home to other countries. [7 x 2 = 14]
- (b) Explain the term 'relationship marketing' and state why it is important to Glass Crafts. [6]
[Total: 20]

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