

**UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS**  
Cambridge International Diploma Standard Level

**MARK SCHEME for the May 2010 question paper**  
**for the guidance of teachers**

**CAMBRIDGE INTERNATIONAL DIPLOMA IN BUSINESS**  
**5164      Marketing, maximum mark 100**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

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Across the whole Paper, examiners should accept any examples given which are suitably justified.

Generally: (marks shown relate to a task of 10 marks)

Level 1 answers will leave the examiner to 'fill the gaps'. The answer will show little evidence of understanding of theory, simply listing terms and failing to explain them in a marketing context. [1–3]

Level 2 answers will be adequate answers that attempt to bring together theory and practice. Evidence of understanding is limited and the use of the context restricted. [4–5]

Level 3 answers will combine theory and practice in an effective manner. It is not a Level 4 answer because it fails to apply the theory as effectively and/or is not as realistic/relevant as it might be. [6–8]

Level 4 answers will be rare, and will be exceptional, bringing together theory and practice in a professional manner. The answer will demonstrate an understanding of theory used effectively in the context of marketing and the circumstances described. [9–10]

**1 (a) Define the term 'marketing'. [5]**

Marketing is the **relationship between the seller and the buyer**, it is used to **meet and anticipate the needs of the customer**, it **facilitates exchanges** and **identifies that the customer is important to all organisations**. (5 marks)

**(b) Explain two facts from the case study which demonstrate that Multi-Purpose Technology (MPT) needs to become more customer focused. [2 × 5 = 10]**

Answers to this question will vary. However, candidates should identify three examples explaining each one clearly:

- They do not have a marketing department
- Customer care is failing
- Incorrect orders
- Difficulties getting customer problems resolved
- Poor quality products
- Poor treatment by the sales manager

(Any two examples, fully explained 2 × 5 = 10 marks)

**(c) Explain how relationship marketing could help MPT in their current situation. [5]**

Relationship marketing focuses on retaining important customers and building the relationship to meet their changing needs as well as getting to the point where they recommend you as a supplier through positive word of mouth. (5 marks)

**[Total: 20]**

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2 MPT have decided to carry out some market research. Their key focus will be on their competition.

(a) List the *five* stages of the process that is used in the collection of marketing information. [5]

The five stages of the planning process for the collection of information are:

- Setting research objectives
- Select sources of information
- Collection of the data
- Analysis of the data
- Drawing conclusions (5 marks)

(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]

Candidates should recognise that **secondary research (or desk research)** is more useful in gathering information on competitors – **e.g. competitor websites, Annual Report & Accounts, articles in Trade Journals and information in research reports.** It is more likely to give competitor information than commissioning primary research as **competitors are unlikely to answer questions in surveys etc.**

(1 mark for recommendation + 2 marks for each of the above key points or similar = 9 marks)

(c) Explain *two* types of primary research that MPT might use to investigate their customers' needs. [2 × 3]

Candidates should offer **two** examples of primary research methods that might be used by MPT from the following, and explain them.

Primary research:

- Interviews
- Focus groups
- Observation
- Surveys (2 × 3 marks)

[Total: 20]

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**3 MPT know little about marketing and they would like an explanation of segmentation.**

**(a) Define the term 'segmentation'. [3]**

Segmentation is – the **division of markets** into **groups of customers with similar needs** to enable more **effective targeting of marketing** activities. (3 marks)

**(b) Explain two methods that could be used to segment the business-to-business markets targeted by MPT. [2 × 4 = 8]**

Three key bases for segmenting the business-to-business market:

- Geographic
- Business demographics
- Purchasing approach
- Situational factors

Candidates can choose any two of the above, but the most likely are business demographics and situational factors, for example type of industry and the possible reason valves are needed.

1 mark for base and 3 marks for description. (2 × 4 marks) (8 marks)

**(c) Explain three ways in which segmentation could help MPT. [3 × 3 = 9]**

Three benefits of segmentation for MPT include:

Can help identify new markets

Can enable specialisation

Can help gain competitive advantage in certain segments

Enables more cost-effective targeting of marketing activities

(3 marks for each of three of the above, suitably explained – 9 marks)

**[Total: 20]**

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**4 You must prepare a marketing plan for MPT for the coming year.**

**(a) Explain two benefits of marketing planning to MPT. [2 × 4 = 8]**

Candidates' answers may vary but up to 4 marks can be given for any **two** of the following, suitably explained:

Can help them to become more competitive

Can help them keep ahead of customers' changing needs

Can provide a 'map' for employees to work to

**(b) Explain the following stages of the marketing planning process:**

**(i) SWOT analysis [2]**

1 mark for spelling out – Strengths, Weaknesses, Opportunities & Threats.

1 mark for saying it summarises external and internal factors from analysis.

**(ii) Objectives [4]**

2 marks for explaining SMART

2 marks for explaining they show what MPT want to achieve

**(iii) Marketing mix [4]**

2 marks for explaining the 4 or 7 Ps and listing these

2 marks for explaining that this stage outlines the tactics of the plan

**(iv) Control methods [2]**

2 marks for explaining that they are measures for reviewing the effectiveness of marketing activities

**[Total: 20]**

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- 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]

The product area of the mix is important to MPT as it is a business-to-business company who provide components for other companies' products. Quality of its products is important as it impacts on their customers' products and so is accuracy of its delivery service. Both of these areas could be improved by MPT.

(2 marks for identifying the **type of product and sector**, that **quality of product and accurate orders are important** and **both could be improved**.)

(ii) **Promotion**

[6]

Promotion – Use of the promotional mix to communicate with customers – personal selling is key and the behaviour of their sales manager needs improvement through training or performance feedback.

Up to six marks can be awarded for the type of promotion that is appropriate and for identification that sales needs to be improved and how.

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

[8]

Up to 4 marks for explaining why customer care is important and examples of poor performance in the case study – customer service team saying something would be corrected and then not following up with action.

Customer care involves everyone in the organisation and the Accounts Department were also unhelpful.

Up to a further 4 marks for recommending training, setting customer service standards, monitoring employee performance, internal marketing, recruiting staff with the correct attitude. (8 marks)

[Total: 20]