



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

MARKETING

5164/01

Optional Module

May 2013

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.



* 2 7 6 9 6 9 4 6 1 9 *

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

(This case study is fictitious.)

SHARESCA'S CERAMIC CRAFTS

Pokhara in Nepal is experiencing a tourist boom. It is not just the beautiful waterfalls and the market that are popular, but also the rows of small shops selling local crafts. International tourists come both to stay at local hotels and lodges, and also on short excursions from neighbouring holiday resorts.

Sharesca and her family have been making objects in ceramics 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 that contain ceramic flowers. One of the favourite items sold is a small tree with ceramic leaves that is supposed to bring luck to those who own them. The craft is dangerous for those who have not had the training that Sharesca received from her father. 5

Sharesca and the other craftworkers rent their small workshops and retail outlets from the government. This year the Ministry for Tourism has said that part of their rent will be refunded to enable them 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

Ceramic Crafts is run by Sharesca and her brother Winsel, who helps in the shop at the weekend when he is not at school. Her mother also provides some help in the shop while Sharesca is replacing stock and completing orders. It is a family business and Sharesca previously had no ambitions to grow it significantly. However, the government has offered additional grants to businesses that are willing to take on an apprentice and provide training in their specialist craft. 15

Sharesca 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 Sharesca attended a seminar run 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 seminar and now feels she is ready to progress. 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.

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

- 1 The first step for Sharesca is to talk to her family and gain their agreement.
- (a) Define the term marketing. [5]
- (b) Make notes to explain **three** benefits that marketing could offer Ceramic Crafts. [3 x 5 = 15]
- [Total: 20]**
- 2 Sharesca needs to carry out marketing research before she puts together her marketing plan.
- (a) Explain the **five** stages of the process used in the collection of marketing information [5 x 2 = 10]
- (b) (i) Explain the difference between primary and secondary research. [4]
- (ii) Explain how Sharesca could use **one** method of primary research. [3]
- (iii) Explain how Sharesca could use **one** method of secondary research. [3]
- [Total: 20]**
- 3 Sharesca knows that she needs to segment her market.
- (a) Define the term segmentation. [4]
- (b) Explain **three** methods that can be used to segment consumer markets. [3 x 4 = 12]
- (c) Recommend **one** of the methods in (b) above for Sharesca to use, and give a reason for your choice. [4]
- [Total: 20]**
- 4 Sharesca must prepare a marketing plan for Ceramic Crafts for the coming year.
- (a) Explain what the PEST factors are in an analysis of the external environment and identify **one** issue from the Case Study for **each** factor. [4 x 3 = 12]
- (b) Explain the term SWOT analysis. [8]
- [Total: 20]**

5 Ceramic Crafts have identified a new market of tourists who still want to buy their goods after they have returned home to their own countries.

(a) Describe each element of a marketing mix (7Ps) designed to target this new market.

[7 x 2 = 14]

(b) Explain the term relationship marketing and state why it is important to Ceramic Crafts. [6]

[Total: 20]