

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge International Diploma Standard Level

MARK SCHEME for the October 2005 question paper

CAMBRIDGE INTERNATIONAL DIPLOMA IN BUSINESS

5164 Marketing, maximum mark 100

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

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Page 1	Mark Scheme	Syllabus
	CAMBRIDGE INTERNATIONAL DIPLOMA – OCT 2005	5164

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 marks]

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 marks]

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 marks]

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 marks]

1 One of your jobs as marketing assistant is to attract and build relationships with customers by creating customer value and satisfaction. However, success will depend on how customers view your service.

(a) Identify from the case study four benefits that Biospace's location offers to potential customers (that is, companies wanting to rent the premises). [4x2]

- Innovative nature of development – encourages companies to be entrepreneurial.
- Overhead costs low – saving money to invest in innovation.
- Bio-diverse area – suitable for research in their business.
- Singapore has strong track record in Asia – economically the company will have a good base.

[2 marks for each benefit identified from the case study. Note that only 1 mark should be given to each unless it is expressed in terms of a benefit to a customer]

Page 2	Mark Scheme	Syllabus
	CAMBRIDGE INTERNATIONAL DIPLOMA – OCT 2005	5164

- (b) Using four suitable examples, explain how the external environment affects the marketing plan of a company. [4x3]

Candidates should give any four suitable examples of how PEST factors might impact on a marketing plan. Level 4 marks should be awarded to candidates who illustrate one example of each factor and illustrate how it might impact on Biospace's plan.

Examples include:

- Political – Biospace might use political stability in Singapore to attract Bioscience companies from other less stable countries.
- Economic – exchange rates may affect pricing policy adopted.
- Societal – Biospace are taking advantage of a trend in attitudes to target bioscience companies.
- Technological – competitors may take advantage of more advanced technology to attract companies to their sites. Biospace can use their marketing plan to target companies using other benefits, or to target a niche segment.

[3 marks for each of the four examples used]

[Total 20]

- 2 Your Marketing Manager has to deliver a presentation to the Senior Management on 'The Benefits of Market Research' and has asked you to help prepare this.

- (a) Explain two key reasons why Biospace might carry out marketing research. [2x4]

Answers to this section of the question will vary.

These may include -

- Benefits sought by bioscience companies – so that they can design communications and facilities needed.
- Prices acceptable for the facilities offered – adapt marketing mix.
- Size of companies in this marketplace – who to target.
- Trends in different countries – who to target, and how.

[2 marks for each of two reasons identified, with a further 2 marks for expansion of these reasons showing how findings might influence decisions in the context of the Case Study]

- (b) Compare the advantages and disadvantages of using postal questionnaires and telephone questionnaires in measuring customer satisfaction. [12]

Postal Questionnaires	Telephone Questionnaires
Advantages – Relatively cheap Can send out large numbers	Advantages – Cheaper than field surveys Good response rate
Disadvantages – Can be poor response rate Not sure whether it is the intended target that has responded	Disadvantages – More expensive May need foreign language speakers to carry out research

[Up to 6 marks for advantages and disadvantages of each type of research]
Candidates should be rewarded if they can use examples from Biospace.

[Total 20]

Page 3	Mark Scheme	Syllabus
	CAMBRIDGE INTERNATIONAL DIPLOMA – OCT 2005	5164

3 Biospace wish to attract companies involved in biotechnology to the research park but the senior management are unsure of which companies to approach.

(a) Explain the term ‘market segmentation’.

[6]

Market segmentation involves dividing the market into groups of individuals (or companies) with similar needs. This means that a company can design a marketing mix for that group in particular, so specialising. They may be able to achieve competitive advantage by targeting a niche.

[3 marks for definition of segmentation and 3 marks for how it might be used]

(b) Biospace aims to attract a specific business sector to its facilities.

(i) Explain three business-to-business segmentation methods that are available to companies.

[3x3]

Candidates may explain three of the following:

Geographic – country, region, city, town.

Business demographic – size, number of employees, type of business.

Purchasing approach – centralised, decentralised.

Situational factors – urgency, size of order.

[3 marks for any three of the above expanded generally]

(ii) Recommend a suitable basis for segmentation to Biospace, explaining your answer.

[5]

Biospace have already segmented by type of business/industry sector, as they only want to attract Bioscience companies. However, they may also choose to segment by size of company, number of employees, age of company, or financial stability.

[5 marks for any suggestion, suitably justified]

[Total 20]

4 Biospace would like to attract and retain multi-national companies as their customers. The quality of the service which Biospace provides is seen as very important to its success.

(a) The marketing of services presents challenges to the service provider. Describe the four characteristics of services that pose these challenges.

[2x4]

Intangibility

Heterogeneity

Inseparability

Perishability

[2 marks for each of the above, suitably explained]

Page 4	Mark Scheme	Syllabus
	CAMBRIDGE INTERNATIONAL DIPLOMA – OCT 2005	5164

(b) Write a memo to the senior managers proposing a programme that will ensure the quality of service provided by Biospace. This programme should use the 'People', 'Process' and 'Physical Evidence' elements of the marketing mix. [3x4]

- People – suitable staff recruited, training programme in place, reward systems reflect good practice in quality service.
- Process – standards set, processes work in favour of the customer, complaints monitored, analysed and responded to.
- Physical evidence – strong corporate image, suitable offices and facilities for companies using the building in Biospace.

[4 marks for each of the above three elements of the marketing mix, suitably expanded]

[Total 20]

5 The marketing manager has asked you to prepare a presentation on the appropriate promotional mix for Biospace to use at this stage.

(a) Identify the five key promotional tools used in the promotional mix. [5]

Advertising
Sales promotion
Public relations
Direct marketing
Personal selling

[1 mark for each element identified]

(b) Prepare notes for the presentation of an appropriate promotional mix that Biospace could employ at this stage. Give examples for each promotional tool used. [3x5]

Advertising – trade journals, business press.
Sales promotions – first 6 months rental for the price of 5 months.
Personal Selling – to big biotechnology companies.
PR – press releases, website, bioscience publications.
Direct marketing – email, letters, brochures.

[3 marks for suitable suggestions for each of the five elements of the promotional mix]

[Total 20]