

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Standard Level

MARK SCHEME for the October 2007 question paper

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.

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.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

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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 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 You have been asked to produce a briefing document for all staff within MusicWay in order to increase the understanding of the marketing concept.

(a) Define the term ‘marketing’. [4]

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.

(b) Explain *four* reasons why marketing is important. [8]

Marks

Purposes of marketing –

- Identify, anticipate, influence and satisfy customer need
- Respond to changes in the market
- Improve/increase market share
- Enter new markets
- Increase product/service awareness
- Achieve organisational goals

Any **four** from the above list, or suitable alternative, each worth two marks. [4 x 2 marks]

(c) Outline *four* benefits to MusicWay of adopting a marketing orientation. [8]

Marks

Benefits of adopting a marketing orientation -

- Customer retention
- Improved customer loyalty
- Build reputation
- Positive word-of-mouth communications from customers
- Increased profits
- Increased market share

Any **four** from the above list, or suitable alternative, each worth two marks. [4 x 2 marks]

[Total: 20]

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2 Your Marketing Director has asked you to prepare a short report outlining the types of marketing research available.

(a) Define the term ‘marketing research’. [4]

Marks

Definition of marketing research – the **collection** and **analysis** of **market** or **customer information**.

(b) Distinguish between ‘primary research’ and ‘secondary research’. [6]

Marks

Primary research –

- First hand information
- Obtained from field research – interviews, focus groups, observation, surveys and questionnaires [3 marks]

Secondary research –

- Second-hand data – data already collected for another purpose
- Also known as desk research
- Obtained from company records, government publications, trade journals, competitors, specialist libraries [3 marks]

(b) Identify *five* sources of data used in ‘secondary research’ and explain what each might be used for. [2 x 5]

Marks

Obtained from company records, government publications, trade journals, competitors, specialist libraries, Internet

2 marks for each of five sources identified and explanation of potential use.

[Total: 20]

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- 3 (a) Using examples suitable for MusicWay, define three bases used to segment the consumer market. [3 x 3]**

Marks

Consumer bases (any three) –

- Geographic – country, location, address
 - Demographic – age, gender, ethnicity, socio-economic class
 - Psychographic – attitude, interests, beliefs
 - Benefit – required from product or service (may be mentioned by level 4 candidates)
- 1 mark for each base identified with a further 2 marks awarded for further explanation and example (up to 9 marks)

- (b) Explain how business to business bases differ from consumer bases in market segmentation. [11]**

Marks

Identification of business to business bases –

- Geographic – location of business
 - Business demographic – size, number of employees, industry type, age of company
 - Purchasing approach – centralised/decentralised, decision making unit
 - Situational factors – size of order, urgency, new, modified or re-buy [2 x 4 marks]
- Explanation of similarities and differences between business to business bases and consumer bases [3 marks]

[Total: 20]

- 4 The Senior Management at MusicWay have asked you to prepare a presentation for the junior members of the marketing department who have not been involved with the marketing planning process. Produce five slides, with brief notes for presenting each slide, on the stages of the marketing planning process. [5 x 4]**

Marks

The stages of the marketing planning process include –

- Environmental analysis (Marketing Audit)
- SWOT analysis
- Setting objectives
- Segmentation
- Implementing the marketing mix [5 marks]

Level 4 candidates will also include the element of control at the end of the marketing planning process. [1 mark]

Explanation of what occurs at each stage –

- Environmental Analysis (Marketing Audit) – External PEST factors (Political, Economic, Social, Technological) – Internal factors (Current plans, sales figures etc.)
- SWOT analysis – Strengths, weaknesses, (internal) opportunities and threats (external). Informed by Environmental Analysis (Marketing Audit)
- Objectives – What do we want to achieve? SMART objectives
- Segmentation – what customer segments to target
- Marketing mix – The 4 P's of the marketing mix, the further 3 P's of the extended marketing mix
- Control – Monitor and review progress.

Candidates to be awarded up to 14 marks for expanding correctly on each element of the marketing plan, especially in presenter notes. [14 marks]

[Total: 20]

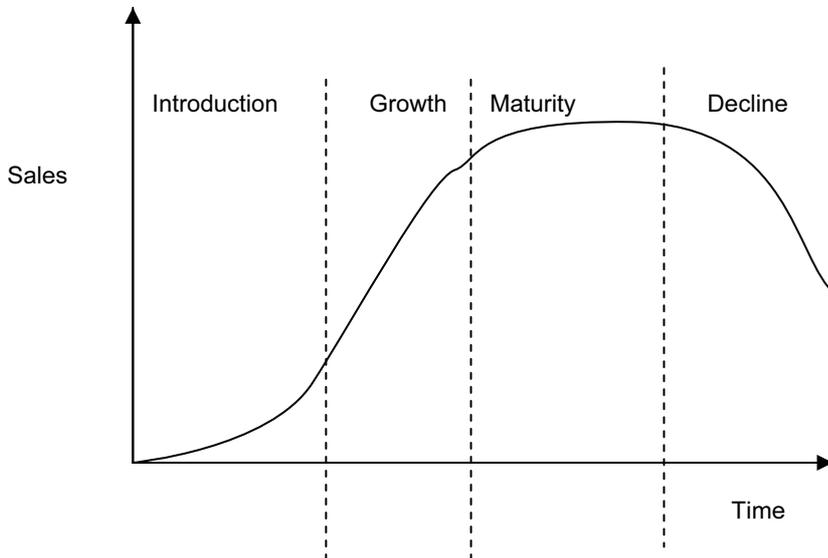
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5 (a) Draw a diagram that details each stage of the product life cycle. [6]

Marks

The Product Life Cycle

4 marks for each stage correctly identified with a further 2 marks for correct axes and curve,



(b) Describe a suitable extended marketing mix (7Ps) for the MusicWay product at the growth stage of the product life cycle. [2 x 7]

Marks

Identification of the seven P's of the expanded marketing mix are –

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical Evidence(7 marks)

Level 3 and 4 candidates will describe each element in the context of the MusicWay in a growth stage of the Product Life Cycle –

- Product – a service – Music for mobile phones
- Price – pricing strategies for market entry (skimming or penetration). Price of registration
- Promotion – Use of the promotion mix to communicate with potential customers
- Place – Direct channel of distribution
- People – Training employees who interact with customers – via email or telephone
- Process – Ease in which customers download music to their mobile phone, make payments etc.
- Physical evidence – MusicWay website, logo

Up to seven marks can be awarded.

[7 marks]

[Total: 20]