

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Standard Level

MARK SCHEME for the October 2009 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 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 Mei-Li has worked in marketing for some time:

(a) Define the term 'marketing'. [4]

Marks

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. (4 marks)

(b) Explain *four* differences between business-to-business marketing and business-to-consumer marketing. [4 × 2 = 8]

Marks

Answers to this question will vary. However, candidates should identify four of the following differences explaining each one clearly:

- Often fewer, but higher value purchases in B 2 B
- Mass communication less useful as needs to be more targeted
- Decisions often made based on reasons that are more rational than emotional benefits (or something similar)
- More complex decision making processes – DMU involved
- Personal selling used more with B 2 B

[Any four differences, fully explained 4 × 2 = 8 marks]

(c) Explain *two* ways that marketing cakes will be different from marketing computers to businesses. [2 × 4 = 8]

Marks

Answers for this will also vary but should be based on any of the list in (b) and linked to the case study. (2 × examples, explained × 4 = 8)

[Total: 20]

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2 Mei-Li has identified several questions she needs to answer before she puts together her marketing plan.

(a) Define the term 'marketing research'. [3]

Marks

Marketing research is the process of systematic gathering, recording and analyzing of data about customers, competitors and the market. (3 marks)

(b) List the five stages of the process used in the collection of marketing information. [5]

Marks

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

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

(c) (i) Identify two key issues in the case study that will need marketing research. [4]

Marks

Answers to this will vary, and any acceptable answers from the case should be accepted. However, the most likely acceptable answers from the case are:

- What the competition is locally
- What have been the most popular of her cakes and why (2 × 2 = 4 marks)

(ii) Explain how Mei-Li could use primary research and secondary research methods to help her with the two issues identified in (i) above. [8]

Marks

Answers will vary depending on those issues selected for (i) above. The most likely primary methods for customer research would be focus groups or a questionnaire and the most likely secondary method would be a search of her customer records and orders.

(4 marks)

The most likely methods for competitor research would be secondary research on the Internet, trade journals and trade associations. (4 marks)

[Total: 20]

3 Mei-Li has two major decisions to make regarding how she will distribute her products and which customers she will target.

(a) List two choices Mei-Li has for distribution/place decisions from the case study. [4]

Marks

The options mentioned in the case are:

- Direct to customers
- Through an owned retail outlet
- Through other retailers (2 × 2 marks)

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(b) Explain *one* key method that can be used to segment consumer markets. [4]

Marks

Key methods for segmenting consumer markets are:

- Geographic
 - Demographic
 - Psychographic
 - Behavioural
- (4 marks for explaining any one appropriately for cakes)

(c) Explain *one* key method that can be used to segment business markets. [4]

Marks

Key methods for segmenting business markets are:

- Geographic
 - Demographic
 - Product usage
 - Purchase behaviour
- (4 marks for explaining any one appropriately for cakes)

(d) Recommend *one* of the methods in (b) or (c) above for Mei-Li to use, and give reasons for your choice. [8]

Marks

Candidates should select an appropriate method from **(b)** or **(c)** (1 mark)
 Explain the method selected (3 marks)
 Give reasons relevant to speciality cakes (4 marks)

[Total: 20]

4 Mei-Li must prepare a marketing plan for her business.

(a) Explain where the following eight issues from the case study will be dealt with within the marketing plan and why:

(i) packaging [2]

Marks

Part of the product element of the marketing mix (the 4 or 7 Ps). The tactics of the plan.

(ii) premises [2]

Marks

Part of the place element of the marketing mix – will also impact on the price element. (the 4 or 7 Ps). The tactics of the plan.

(iii) who her customers will be [2]

Marks

Segmentation decision under the 'strategy' element of the plan.

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(iv) what her objectives should be, both short-term and long-term [2]

Marks

Objectives in the plan – set based on the findings in the marketing audit and showing what Mei-Li is looking to achieve.

(v) how she will measure and review her progress [2]

Marks

Control element of the plan – important to review and measure progress.

(vi) how she will promote her cakes [2]

Marks

Part of the promotion element of the marketing mix (the 4 or 7 Ps). The tactics of the plan.

(vii) what the competition is locally [2]

Marks

Research as part of the marketing audit – the micro environment – as part of the situation analysis.

(viii) which have been the most popular of her cakes and why. [2]

Marks

Research as part of the marketing audit – the internal environment – as part of the situation analysis.

(b) Explain the term 'SWOT analysis'. [4]

Marks

Candidates gain 1 mark for identifying:

S = Strength

W = Weakness

O = Opportunity

T = Threat

= 1 mark

A further 3 marks are available for identifying:

- Strengths and weaknesses come from internal analysis
- Opportunities and threats come from the external analysis
- SWOT provides a summary of the marketing audit and is used to help set objectives and strategy

[Total: 20]

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- 5 (a) Identify the elements of the marketing mix (7Ps) and describe each element in relation to Mei-Li's speciality cakes when marketed direct to individual consumers. [7 × 2 = 14]

Marks

The seven P's of the expanded marketing mix are:

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical evidence (1 mark for each element identified) (7 marks)

Level 3 and 4 candidates will describe each element in the context of the Case Study:

- Product – cakes – made to order for special occasions
- Price – pricing strategies for consumer and/or business market
- Promotion – use of the promotional mix to communicate with customers – provision of literature to take away, website, advertising through local press. Catalogue for mail order
- Place – direct channel of distribution or through retailers
- People – training employees who interact with customers – via email or telephone
- Process – ease in which customers order goods, make payments etc.
- Physical evidence – shop and new website – logo and brand

1 mark for each description linked to the Case – these marks should not be awarded for generic examples. (7 marks)

- (b) Explain why the development of a name, image and logo will be important to Mei-Li [6]

Marks

When only selling to friends and family Mei-Li sold on her own reputation and the quality of her cakes. As she goes into business the development of a logo, business name and image will add credibility and the quality of the product will become associated with the brand image adopted. This will help Mei-Li to introduce new products and services and/or target new markets.

The image and name should represent her original reputation and will help her build awareness. (6 marks)

[Total: 20]