

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

**MARK SCHEME for the October 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 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 Chembong Ices have been successful in marketing for some time:**

**(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. (4 marks)

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

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 business-to-business (B2B)
- Mass communication is less useful as it needs to be more targeted
- Decisions are often made based on more rational than emotional benefits
- More complex decision making processes – decision making unit (DMU) involved
- Personal selling used more with B2B

(Any four differences, fully explained 4 × 2 = 8 marks)

**(c) Explain two ways that marketing ice-cream to the catering sector is different to marketing to the take-home sector. [2 × 4 = 8]**

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 Chembong Ices have decided to carry out some research before writing their marketing plan.

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

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]

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

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

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

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 they should name their new ice cream flavours
  - How they should segment the take-home sector for the new range
  - What the competition is doing
  - What new flavours could be added to the new range
- (2 × 2 = 4 marks)

(ii) Explain how Chembong Ices could use primary research *and* secondary research methods to help with the *two* issues identified in (i) above. [8]

Answers will vary depending on those issues selected for (i) above. The most likely primary methods for **customer** research would be a focus group or a questionnaire and the most likely secondary would be a search of his/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)

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**3 Chembong Ices have decided to market the new range to the take-home market first. They therefore have two major decisions to make regarding the promotion of their products and how this market might be segmented.**

**(a) Explain the promotional mix that Chembong Ices might use for their new product range, taking into account consumers *and* the distribution channel to market (place). [12]**

Answers to this will vary, but both end customers and the distribution channel should be considered:

- Consumers – advertising, website, special offers with existing flavours, merchandising (tasting sessions in-store) (6 marks)
- Distribution channel – special offers, personal selling, advertising and public relations (PR) in trade publications (6 marks)

**(b) Explain *one* key method that can be used to segment *consumer* markets for ice-cream, giving *one* reason for your choice. [8]**

Key methods for segmenting consumer markets are:

- Geographic
- Demographic
- Psychographic
- Behavioural

For the new range of ice-cream demographic or psychographic are most likely – particularly those who want to try something new

(4 marks for explaining any one appropriately for ice-cream, and 4 marks for an appropriate reason)

**[Total: 20]**

**4 You have been asked to prepare a marketing plan for the new product range.**

**(a) Explain where the following *five* issues from the case study will be dealt with in the marketing plan, giving your reasons for *each* answer:**

**(i) the certification of the ice-cream by Islamic bodies; [2]**

Part of the product or physical evidence element of the marketing mix (the 4 or 7 Ps). The tactics of the plan. Also accept the link to the target market – Islam.

**(ii) what the marketing objectives should be, both short-term and long-term; [2]**

Objectives in the plan – set based on the findings in the marketing audit and showing what Chembong Ices is looking to achieve.

**(iii) how the plan will be measured and reviewed; [2]**

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

**(iv) how the product range will be distributed; [2]**

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

**(v) what the competition is for the new product range. [2]**

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

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

Candidates gain 2 marks for identifying:

P = Political

E = Economic

S = Sociological

T = Technological

And 2 for explaining that this is the analysis of the external environment.

**(c) Explain why 'SWOT analysis' is used in a marketing plan.** [6]

Candidates gain 2 marks for identifying:

S = Strength

W = Weakness

O = Opportunity

T = Threat

Up to 4 marks are available for identifying:

- Strengths and Weaknesses come from internal analysis and Opportunities and Threats come from the external analysis = max of 2 marks
- SWOT provides a summary of the marketing audit and is used to help set objectives and strategy = max of 4 marks

[Total: 20]

**5 (a) Identify the elements of the marketing mix (7Ps) and describe each element in relation to Chempong's new Spice Range when marketed direct to individual consumers. [7 × 2 = 14]**

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

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical Evidence

3 marks for identifying each element and 4 marks for generic examples. (7 marks)

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

- Product – ice cream – new range of innovative flavours, organic, Halal
- Price – premium pricing strategies for consumer market
- Promotion – use of the promotional mix to communicate with customers – provision of literature to take away, website, advertising through local press
- Place – through retailers
- People – training employees who interact with customers about the new flavours and the ingredients
- Process – ease in which customers have queries answered, complaints resolved, customer relationship management (CRM) system etc.
- Physical evidence – tasting sessions, certification of Halal

Up to seven marks can be awarded. (7 marks)

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- (b) Explain why point-of-sale tasting sessions for the new range will be important in promoting the ice cream. [6]**

Point-of-sale tasting sessions are important because the range of ice-creams has new and unusual flavours. The product is in the introductory stage of the product life cycle. Customers may be reluctant to buy without trying. Encouraging customers to taste may speed up adoption of the product and grow sales earlier. (6 marks)

**[Total: 20]**