



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

**MARKETING**

5164/01

Optional Module

October 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.



**You must read the case study below and attempt ALL of the tasks which follow.**  
(This case study is fictitious.)

### **TIMBER SUPPLIES COMPANY**

Osman and Aisyah have run their family business providing supplies to local carpenters and craftsmen for the past six years. Aisyah is quite happy continuing in the style of business their father operated. The family business are local suppliers who know most of their customers personally and have developed good relationships over time. Osman, however, has big plans to expand across the border into Singapore and grow the business significantly. 5

Osman has been to Singapore several times on what he refers to as 'research trips'. He thinks that he has found suitable premises and says that they will only need a small bank loan to get the stock they need. Aisyah did a marketing course at college and is very worried that her brother is rushing into decisions that they should both be involved in, and that things are moving much too quickly. Osman and Aisyah haven't done any real research and she is aware that they need to check to see if their potential customers' needs will be the same as their current customers' needs. 10

Osman justifies his wish to expand into Singapore because of the investment the government there is putting into new building over the next ten years. The government recently announced that some of the government owned housing will be replaced and that other buildings will be renovated over the next few years. The economic outlook is also very good in Singapore. 15

However, recently, in their current location they have been selling a portfolio of products at premium prices to carpenters who are involved in the luxury property market. Aisyah hadn't realised at the time but what she and Osman had done was to segment their market and sell proactively to customers in this market place and so increase their profits.

Aisyah has been carrying out some secondary research while Osman has been away. By consulting a number of sources Aisyah has discovered the following facts: 20

- They would face exactly the same competitors in Singapore as in their current market.
- The investment in building in Singapore will go ahead. However, it is to provide low priced housing and so the investment will go to a different segment than the one that they currently target. 25
- One of their larger competitors already has very good relationships with the carpenters and craftsmen that operate in the luxury property market in Singapore.
- There are government grants available to small businesses such as theirs that are moving into Singapore at the current time.

Osman and Aisyah have arranged to meet this evening to talk through all the plans. They will need to recruit more staff and put together a marketing plan. Aisyah knows that there are many marketing decisions to be made, and she needs to convince Osman to carry out some primary research. She also knows that their current business could be put at risk if they expand too far and too fast. 30

**You must attempt ALL of the following tasks.**

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

- 1 One of Aisyah's concerns is that their current customers may be neglected if they expand into Singapore.
- (a) Explain the term 'relationship marketing'. [4]
- (b) Explain **four** benefits that relationship marketing could offer to the Timber Supplies Company. [4 x 4 = 16]
- [Total: 20]**
- 2 The company needs to carry out market research before deciding on the expansion.
- (a) List the **five** stages of the marketing research process. [5 x 1 = 5]
- (b) Explain **three** sources of secondary data that could be used to provide the company with more detailed information before they make their final decision about the expansion. [3 x 5 = 15]
- [Total: 20]**
- 3 (a) Aisyah has suggested that they run some focus groups to find out how potential customers in Singapore will feel about their products. Osman prefers to use questionnaires as they are cheaper.  
Explain the following primary research methods:
- (i) focus group [2]
- (ii) questionnaire [2]
- (iii) list **three** advantages of each method [3 x 2 = 6]
- (b) Define the term 'segmentation'. [4]
- (c) Describe **one** of the segments that Timber Supplies Company can target. [6]
- [Total: 20]**

- 4 (a) Identify **two** economic factors that have driven Osman's decision to expand internationally. [2 x 2 = 4]
- (b) Aisyah is writing a marketing plan. Explain the following stages of the planning process:
- (i) SWOT analysis [4]
  - (ii) objectives [4]
  - (iii) marketing mix [4]
  - (iv) control issues [4]
- [Total: 20]**
- 5 (a) Recommend a **promotional** mix for the target segment for the low priced housing market carpenters and craftsmen that Aisyah and Osman might target in Singapore. [15]
- (b) Suggest **one** way in which the **product** element of the marketing mix might have to be changed as a result of the market research findings. **(Lines 22- 29 in the Case Study)** [5]
- [Total: 20]**