



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

MARKETING

5164/01

Optional Module

October 2011

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 the tasks which follow.

(This case study is fictitious.)

ROYAL SATIN – ‘EXPLODE INTO COLOURS’ SHOWER AND BATH RANGE

Amani Archer is Chief Executive of Royal Satin; one of the largest personal washing and bathing product companies in the world. Their brand values are quality, family friendly and affordable. The company is recognised for their innovative approach and regularly develop new product ranges to add to their extensive portfolio. Last year they launched the ‘Explode into Colours’ range of shower and bath gels – these are one colour in the bottle and turn another colour when they mix with water. 5

The company has been in existence since Amani was a young child and when she joined the company she started in the production department, gaining experience of all departments before she took over leadership ten years ago from her father. She has a reputation for being innovative and pioneering in the industry. There is always a lot of public relations activity around Amani and she continuously looks to energise the interest of the public in the brand in positive ways. 10

Since 2000 Royal Satin has relaunched its whole range with new imagery and branding that is designed to emphasise its positioning. There has been extensive investment in marketing communications around the new brand, and the company has started to sponsor significant sports and arts events in the towns where they have manufacturing plants across the world. For example, they sponsored the Commonwealth Games in Melbourne, Australia in 2006. With television coverage of the event broadcast across many of the countries in which Royal Satin is popular, this gave cost effective mass exposure to the brand. 15

Royal Satin’s current product ranges include:

- Explode into Colours - shower and bath range 20
- Softerskin - shower gels with moisturiser targeting women
- Luxor - shower gels for men
- Kinder - shower gels for children

Royal Satin is well known in Nigeria, China, Australia, UK, Greece and Indonesia. The company’s Board of Directors are currently very keen on ‘green’ issues and climate change. They have implemented a policy that will improve the carbon footprint¹ of their whole supply chain. They feel that caring for the environment fits well with their brand values and want you, as a member of the marketing team, to work closely with the ‘green’ project team and ensure that appropriate actions from the project receive positive press coverage. 25

They have also suggested that there should be a Limited Edition range of ‘Explode into Colours’ offered at an appropriate time where all the gels turn green on contact with water to publicise the importance of climate change. 30

¹ A carbon footprint is a measure of the impact our activities have on the environment, and in particular, climate change.

You must attempt all of the following tasks.

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

- 1 Royal Satin understands the importance of marketing and puts many marketing techniques into practice.
- (a) Define the term marketing. [5]
- (b) Explain the following marketing activities from the case study and how **each** contributes to the company's objectives.
- (i) New product development [5]
- (ii) Public relations [5]
- (iii) Maintaining brand values [5]
- [Total: 20]
- 2 Royal Satin has carried out marketing research into their customers' views on climate change.
- (a) Define the term marketing research. [4]
- (b) Explain **three** research methods that Royal Satin might have used. [3 x 4 = 12]
- (c) Explain **two** differences between primary and secondary research. [2 x 2 = 4]
- [Total: 20]
- 3 Royal Satin sells its products to personal consumers.
- (a) Explain **two** reasons why segmentation is important. [2 x 4 = 8]
- (b) Explain the demographic method of segmenting consumers. [6]
- (c) Identify **three** sources of secondary data that would help Royal Satin segment their market demographically. [3 x 2 = 6]
- [Total: 20]

4 You have been asked to work with the project team looking at 'green' issues. You will be putting together a marketing plan to communicate the team's activities.

(a) Explain which of the PEST factors would include the fact that there is a trend towards caring about the environment and climate change. [4]

(b) **Objective – 'To increase awareness of Royal Satin's 'green' initiative within Europe to 20% by the end of December 2012'**

Explain which parts of the SMART objective stated above make it:

(i) **Specific** [2]

(ii) **Measurable** [2]

(iii) **Achievable** [2]

(iv) **Relevant** [2]

(v) **Time-related** [2]

(c) Explain **two** ways that might be used to measure progress towards this objective. [2 x 3 = 6]
[Total: 20]

5 (a) Explain the elements of the **marketing communications mix** (promotional) with examples of how each would apply to Royal Satin's 'Explode into Colours' range. [5 x 3 = 15]

(b) Explain how the **product** element of the marketing mix for Royal Satin is kept up to date through innovation [5]

[Total: 20]

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