

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

MARKETING

5174/01

Optional Module

May 2004

2 hours 15 minutes

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

The time allocated for this examination includes 15 minutes reading time.
Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen on both sides of the paper.
You may use a soft pencil for any diagrams, graphs, music 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 **3** printed pages and **1** blank page.



You must read the case study below and attempt all the tasks which follow.

[The following case study is fictitious]

MOBILES4U AND 'MUSICMAIL'

The market for mobile phones is reaching saturation point in certain countries. That is to say, most people now own a mobile phone. The market is very competitive, and mobile phone manufacturers have two main ways of growing their market share –

- By developing new services to offer their users, and attract customers from their competitors.
- By developing new versions of their phone handsets, with the aim of both attracting customers from their competitors and encouraging their current customers to upgrade, and stay with them.

It is therefore very important that Mobiles4u are able to sustain a competitive advantage.

This year, a company with a new service, 'Musicmail', has approached Mobiles4u. They are looking to work in partnership with Mobiles4u, and to offer their new development to Mobiles4u's customers. They have developed a service which gives customers an opportunity to send and share music via their mobile phones with a 30 second audio clip. Any piece of pre-recorded music that a customer selects by dialing in to the service can be sent. The customer dials into the service, selects the music, adds a personalised message, and then sends it to whoever they choose. There is a cost involved to buy the service from Musicmail, but Mobiles4u will want to keep this to a minimum, as they will use it to add value to their service, and make their package more attractive than that of their competitors.

The person to whom the message is being sent receives a text message on their own phone telling them that a message has been received, and how to access it. The company says that its service allows customers to share their feelings instantly. It also uses the popularity of text messaging amongst young people. It could be popular for celebrating occasions such as birthdays, anniversaries, religious festivals and sending best wishes. It could also be used to send an apology, or a 'thank you' to friends and relatives, making the message more interesting and 'special'.

Mobiles4u are interested in this new service. However, they are cautious about working in partnership with another company. They will need to do some marketing research in order to take some of the risk out of their investment. The developers of 'Musicmail' are a very new company who have assured them that they understand the target market of 15 – 30 year olds, as all of their staff team fall within this age group. They say that the service offering a choice of 'ringtones', which has already proved very popular, demonstrates how successful their service will be.

Discussions about the possible partnership have been going on for some time, and the current situation is that Mobiles4u have asked the developers of 'Musicmail' to produce a marketing plan for the service, showing how it could be marketed to the target market identified above.

You must attempt ALL of the following tasks

- 1 Mobiles4u are conscious of the need to develop customer loyalty, and have decided to implement a customer care programme within their organisation.

Explain **five** key aspects of customer care that should be included in a training programme for Mobiles4u's staff.

[5 x 4]

[Total: 20]

- 2 The developers of 'Musicmail' predict that their new service will be a success. Their prediction is based on their experience of launching an existing service.

(a) Explain and discuss **three** benefits of using marketing research for making marketing decisions, rather than simply basing decisions on previous experience. [3 x 5]

(b) List the **five** stages of the process for planning a marketing research project. [5]

[Total: 20]

- 3 Mobiles4u sell their phones to corporate clients, as well as to individual consumers.

(a) Suggest the most appropriate way for them to segment their **business** customer market. [5]

(b) Explain the **five** stages of the **consumer** buying decision process, identifying marketing activities for each stage. [5 x 3]

[Total: 20]

- 4 (a) Explain the term competitive advantage, and say why it is important to Mobiles4u. [6]

(b) Identify the **seven** stages of the marketing planning process. Explain how each stage can help the management of 'Musicmail' to develop a plan. [14]

[Total: 20]

- 5 (a) Suggest a marketing mix to Mobiles4u, for their phones. [4 x 2]

(b) In contrast, 'Musicmail' is a service. Using 'Musicmail' as an example, explain the additional 3Ps that apply to the marketing mix for a service, and why these are important. [3 x 4]

[Total: 20]

