

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

**EFFECTIVE BUSINESS COMMUNICATIONS**

**5172/01**

Core Module

May 2006

**2 hours 15 minutes**

Additional Materials: Answer Booklet/Paper  
Graph 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.  
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.**

[The following case study is based on a real company but some information is fictitious.]

### **Energy Power Systems Launches a New Battery Range**

Energy Power Systems (EPS) is a division of the Ecco Battery Company and manufactures rechargeable batteries. Ecco is the world's largest producer of battery and flashlight products, supplying over 500 products to 165 countries world-wide. The key corporate objectives are to increase profitability by 5% within the next two years, and for the battery division to be positioned as the number one supplier of state-of-the-art technology in batteries. 5

EPS produces a particular range of rechargeable batteries, most of which are used in either cordless power tools, emergency lighting or mobile communications. However, the relatively inexpensive technology employed in current manufacture is being replaced by a new technology. A European directive has been issued to ban all old batteries by the year 2008 due to the negative impact that the electrodes within the battery have on the environment when consumers dispose of them. 10

EPS employs a differentiated segmentation strategy, changing the marketing mix for each of its targeted segments. This allows the company to concentrate on markets that offer high returns and opportunities for growth, which is in line with the corporate objectives of its parent company, Ecco.

EPS segments the market into industrial and consumer markets, and further segments each of these as follows: 15

#### **Industrial Markets**

	<b>Total sales</b>	
• Mobile communications manufacturers	20%	
• Cordless power tool manufacturers	20%	
• Computer manufacturers	10%	20

#### **Consumer Markets**

	<b>Total sales</b>	
• Audio-visual equipment e.g. personal stereo	5%	
• Personal care e.g. cordless toothbrush	5%	
• Photo e.g. camera batteries	25%	
• Toys and novelties	15%	25

The company is about to launch a new range of 'smart' batteries, using a relatively new type of technology. These batteries have the ability to control their own charging when fitted into a compatible charger. They also have the ability to report back information to the user of the battery, such as the amount of remaining battery charge left, the manufacturer's name and age of the battery.

EPS is one of only a few battery manufacturers that offer in-house design and manufacture of these smart batteries. For the core industrial markets, a completely 'customer-smart' battery can go from idea to production in as little as five months. 30

The brand name 'Energy' is the name used for all batteries produced by the company. Recently commissioned marketing research has shown that within the consumer segments the brand is known world-wide. However, this is less important to industrial users, who usually prefer to display their own logo on the batteries. This research has also highlighted the fact that consumers are mainly interested in the length of the battery life and reliability. The company is aiming to secure the market by being the first entrant with this 'smart' technology. 35

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

- 1 You work as the Marketing Manager for EPS and you manage a team of staff responsible for the marketing of the new 'smart' batteries.
- (a) Explain to your staff the role of external communications to all stakeholders for the marketing of this new product. [6]
- (b) Explain **one** characteristic of **both** verbal (oral) **and** non-verbal communications which will be important for the sales representatives to consider when visiting the industrial companies to sell the new batteries. [6]
- (c) Identify **four** potential key problems which EPS could face because of poor communication with **both** industrial customers and individual consumers. [8]
- [Total: 20]**
- 2 It is important that the communications for the launch of the new batteries are effective.
- (a) Evaluate the following types of communication for the launch of the new batteries:
- (i) promotional videos; [4]
- (ii) press releases. [4]
- (b) Write a letter to send to **either** industrial **or** individual consumers regarding the new batteries. The letter is intended to promote the benefits of the new 'smart' batteries and to encourage the reader to seek further information. You can 'create' any details that you think are necessary. [12]
- [Total: 20]**
- 3 There is a large number of new staff joining the workforce at EPS due to an increase in work for the new batteries, and this is creating problems with the existing staff.
- (a) Identify and briefly explain **three** factors which could be influencing the current group effectiveness. [6]
- (b) You want to run an effective team meeting with the old and new staff. Explain **four** characteristics of successful meetings. [8]
- (c) Explain the importance of **both** verbal (oral) **and** non-verbal communication in a group meeting. [6]
- [Total: 20]**
- 4 You have been asked to conduct the induction interviews with the new members of staff.
- (a) Give **three** points explaining how you will prepare for these induction interviews. [3x4=12]
- (b) Suggest **four** different types of questions. Give an example of **each** type which could be used within these induction interviews. [8]
- [Total: 20]**

- 5 You are required to consider the industrial and individual consumer markets for the new products.
- (a) Present the data on lines 17 to 25 (total sales for **Industrial** and **Consumer** markets) as graphical forms of communication:
- (i) Pie chart for the **industrial** market; [6]
  - (ii) Line graph for the **consumer** market. [6]
- (b) Explain **two** advantages and **two** disadvantages of **both** pie charts and line graphs. [8]
- [Total: 20]**

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