



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

MARKETING

5174/01

Optional Module

May 2007

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 sides 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.)

CONFIDENCE INDUSTRIES

The Indian industrial giant Confidence Industries has announced plans to set up a chain of highway diners (restaurants) for truck drivers and family travellers alike. Until last week, Confidence Industries was the most important company of the now divided giant Confidence Group.

It will start the diners, known locally as 'dhabas', on roads across India. The dhabas are generally run by village entrepreneurs, and provide home-made food for long distance truck and bus drivers and passengers. They are famous for home-style cooking and are open on a 24 hours/7 days a week basis. Confidence Industries says it will set up 150 food and accommodation outlets across the country. 5

The company says it will have two types of dhaba. The 'Number 1 Plazas' will be the dhabas catering to the truck drivers. The other type of dhaba, known as 'Revive Plazas', will be aimed at upmarket travellers. According to a Confidence Industries spokesman, these outlets will be set up on the premises of Confidence Industries fuel outlets on India's national highways. 10

Confidence Industries will be the first large private organisation to enter the roadside food and accommodation business. Highway hospitality in India is currently an unorganised business with outlets run by local business people. 15

Though some government-run oil companies have air-conditioned food courts on the highways, they are not spread across the country. Business experts say the entry of Confidence Industries into this market may provide opportunities for other large companies to join a business whose potential has not been exploited. 20

Also, new six-lane expressways and highways being built in many parts of the country will further enhance the opportunities for roadside food and accommodation.

You have recently been appointed as the new Marketing Executive for Confidence Industries, specifically for the new dhabas – 'Number 1 Plazas' and 'Revive Plazas'.

You must attempt ALL of the following tasks.

- 1 The management appointed to launch the new 'dhabas' in India have limited marketing knowledge.
- (a) Explain, using **five** examples, how marketing can help Confidence Industries when launching its new 'dhabas'. [10]
- (b) Explain how the adoption of a customer-oriented approach will benefit Confidence Industries and its new 'dhabas'. [10]
[Total: 20]
- 2 Confidence Industries is planning to conduct market research in order to understand the behaviour of its potential customers for the 'Revive Plazas'. You have been asked to draft a brief report on marketing research for the Senior Management. You need to:
- (a) list the stages involved in planning a marketing research project; [5]
- (b) identify and justify **two** suitable secondary research sources for this marketing research project; [6]
- (c) identify and justify **three** suitable primary research methods for this marketing research project. [9]
[Total: 20]
- 3 Confidence Industries already has some information about potential customers for the new 'dhabas'.
- (a) Identify the bases that Confidence Industries will use to segment the potential market for customers who will use the 'Number 1 Plazas' and the 'Revive Plazas'. [10]
- (b) Identify and explain **five** reasons for market segmentation. [10]
[Total: 20]
- 4 The Senior Management have limited knowledge of the marketing concept. You have been asked to prepare a memo on the marketing concept. In the memo you should:
- (a) identify and explain the seven stages of the marketing planning process; [14]
- (b) list **three** strategic implications related to effective marketing planning. [6]
[Total: 20]
- 5 (a) Explain, using appropriate examples, how the additional **3Ps** of the extended marketing mix are important to Confidence Industries and its 'dhabas'. [6]
- (b) Suggest an appropriate marketing mix for the 'Revive Plazas'. These 'dhabas' are currently in the introduction stage of their Product Life Cycle. [14]
[Total: 20]

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