

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Advanced Level

MARK SCHEME for the May 2008 question paper

CAMBRIDGE INTERNATIONAL DIPLOMA IN BUSINESS

5174 Marketing, Maximum mark 100

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the May/June 2008 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

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Across the whole Paper, examiners should accept any examples given which are suitably justified.

Generally: (marks shown relate to a task of 10 marks)

Level 1 answers will leave the examiner to 'fill the gaps'. The answer will show little evidence of understanding of theory, simply listing terms and failing to explain them in a marketing context. (1–3 marks)

Level 2 answers will be adequate answers that attempt to bring together theory and practice. Evidence of understanding is limited and the use of the context restricted. (4–5 marks)

Level 3 answers will combine theory and practice in an effective manner. It is not a Level 4 answer because it fails to apply the theory as effectively and/or is not as realistic/relevant as it might be. (6–8 marks)

Level 4 answers will be rare, and will be exceptional, bringing together theory and practice in a professional manner. The answer will demonstrate an understanding of theory used effectively in the context of marketing and the circumstances described. (9–10 marks)

1 (a) **EndiCo are product oriented. Explain the difference between product orientation and market orientation.** [5]

Product oriented – business focused on what products can be made and who to sell them to.
Market-oriented – business focused around the customer. Customer needs are at the centre of the business and all staff are focused on the customer.

(b) **The Managing Director has authorised the recruitment of five new people to form a new Marketing Department. Recommend job titles for these five individuals and explain briefly what each would do.** [5 x 3 = 15]

Answers to this question will vary. However, candidates should identify that a marketing department should have a –

Marketing manager – heading up the team and writing the marketing plan. Overseeing all activities.

Marketing executive – implementing the plan.

Plus 3 specialist roles which may include –

Marketing research manager/assistant:

Gathers, collates and disseminates information for marketing decisions.

Works with external agencies to design marketing research.

PR or communications manager/assistant:

Advises senior management on PR opportunities.

Reports on PR activities and maintains a library of press cuttings and photographs.

Represents the company when a spokesperson is required.

Co-ordinates corporate public affairs.

Co-ordinates the production of all internal and external corporate communications.

Advises on media selection, including assessing the benefits of new technologies.

Advertising manager/assistant:

Plans and co-ordinates advertising campaigns.

Works with external advertising and media specialists.

Evaluates and advises on new media opportunities such as Internet.

Direct marketing manager/assistant:

Generates direct mailings and marketing activities.

Maintains customer databases.

Advises on customer loyalty programmes.

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Events manager/assistant:

Plans and co-ordinates marketing events such as exhibitions, product launches and meetings.

Organises corporate hospitality.

Recruits and trains staff required to work at special events.

Product manager/assistant:

Controls all activities, such as sales promotions, relating to a specific product range to maximise sales.

Monitors product trends.

May report to the Product Director if the company structure is organised around Product Divisions.

Research and development manager (product development manager)/assistant:

Heads up R&D team.

Responsible for new product development.

Brand manager/assistant:

Controls and protects brand image.

Advises on branding activities.

Assesses impact of rival brands.

Customer service manager/assistant

Sales Manager/assistant

[Any five roles, briefly explained 5 x 3 = 15 marks]

[Total: 20]

- 2 (a) **List the *five* stages involved in a marketing research project, explaining briefly what happens at each stage.** [10]

The five stages of the planning process for the collection of information are:

- Setting objectives
- Select sources of information
- Collection of the data
- Analysis of the data
- Drawing conclusions (5 marks)

Candidates are also asked to explain, briefly, what happens at each stage:

- Reasons for research – what does the organisation need to know
- Should primary or secondary research be used, suitability and cost
- Sample size
- Analyse data to obtain useful information
- Use information to inform marketing decisions (5 marks)

- (b) **From the information given in the case study, explain one reason EndiCo might carry out a ‘one-off’ research project and how the information would be used.** [10]

Answers to this will vary but marks can be awarded to any relevant project described.

Examples include:

Customer satisfaction survey

Primary research to identify current and future customer needs

Research to identify what marketing the company could do

4 marks to be awarded to relevant project and 6 marks to ways in which the information will be used.

[Total: 20]

3 Endico sells its goods to other organisations, that is to say it operates in a business-to-business environment.

(a) List the *five* roles in an organisation’s buying decision making unit. [5]

The decision making unit is made up of:

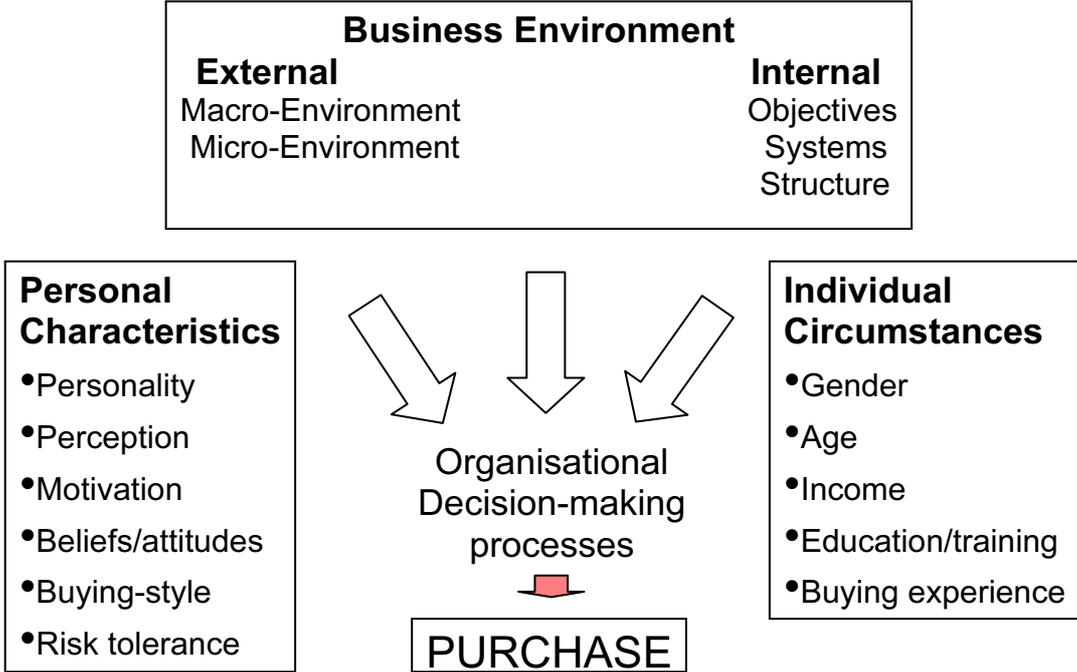
- Gatekeeper
- Influencer
- Buyer
- Decider
- User

(b) (i) From the case study, identify who in MEAS (the major client of EndiCo) plays each of these roles in the decision making unit. [5]

- Gatekeeper Receptionist – Alana
- Influencer R & D – Andreas
- Buyer Finance Dept – Jeni
- Decider Managing Director – Asif
- User Production Manager – Abdul

(ii) Explain what the key influences are on each of these individuals, and how these might be dealt with through marketing. [10]

Generally, influences on individuals in the organisational buying process are as follows –



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Candidates may select any of the above as long as the appropriate marketing activity is explained. Some appropriate responses are as follows :

| | Influence | Marketing activity |
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| Receptionist – Alana | Personality | Better training of sales staff – polite approach |
| R & D – Andreas | Attitude | Professional approach and technical ability Innovative approach to product development |
| Finance Dept – Jeni | Profit objectives | Internal marketing – efficient processing of invoices Well-researched price levels Good customer service |
| Managing Director – Asif | Company objectives | Good understanding of customer and his market |
| Production Manager – Abdul | Micro-environment – competition producing better quality | Quality product Guarantees/refund policies |

(1 mark for each influence identified and 1 mark for each of the suggestions for marketing activities to accommodate these influences on buying behaviour)

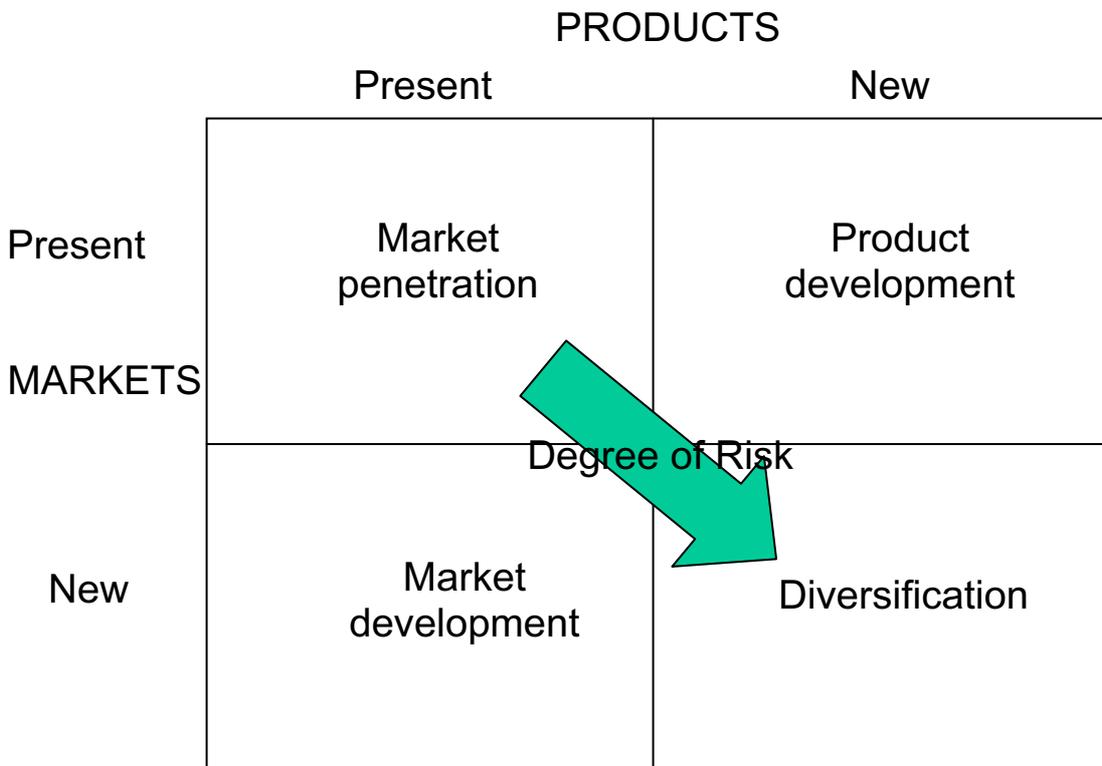
[Total: 20]

4 (a) State:

(i) a SMART strategic objective for EndiCo [5]
 Marks to be awarded for an objective that is strategic and fulfils SMART – e.g. to grow worldwide market share of the technical valve market to 22% by the end of 2007.

(ii) a SMART objective for EndiCo in respect of MEAS [5]
 Marks to be awarded for an objective that is customer focused and fulfils SMART – e.g. to develop and provide all new aircraft engine valves to MEAS during 2007.

(b) Using a diagram, explain Ansoff's matrix and how it might be useful to EndiCo [10]
 Ansoff's matrix helps organisations to identify which growth strategies to follow.



(4 marks for diagram + 2 for labels + up to 4 for how it will help EndiCo assess risk of strategies followed = Max 10)

[Total: 20]

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- 5 (a) The new marketing department will be developing a new product as a result of research carried out with current customers. Explain the stages of the New Product Development process. [14]

The seven stages of the new product development process are:

- Idea generation
- Screening ideas
- Concept testing
- Business analysis
- Product development
- Test marketing
- Commercialisation

(1 mark for each stage identified + 1 mark for the explanation of the stage)

- (b) Explain *two* ways in which the *people* element of the marketing mix could be improved in EndiCo. [6]

Answers to this may again vary, although those who have absorbed the information in the Case Study will select:

Customer service staff – saying one thing about a problem and not following it through.

Sales staff – being rude to Receptionist, late for appointment, etc.

(3 marks for each improvement identified x 2 = 6 marks)

[Total: 20]