

**UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS**  
Cambridge International Diploma Advanced Level

**MARK SCHEME for the May 2010 question paper**  
**for the guidance of teachers**

**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, which would have considered the acceptability of alternative answers.

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

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CIE is publishing the mark schemes for the May/June 2010 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.



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]

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]

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]

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]

**1 Duyi Trade Plumbing has operated in the business-to-business sector for many years and is now looking to enter the business-to-consumer sector.**

**(a) Explain five ways in which marketing can help a company in a business-to-consumer market. [5 × 2 = 10]**

Answers to this may vary. However, five ways in which marketing might help the company include:

- Helping the business identify, anticipate and satisfy customer needs in the new market
- Helping the business to respond to changes in the market place
- Helping the business meet its objectives/grow
- Increase awareness of products and services
- Understand the new market
- Improve perception of the company as strong as it is now in 2 markets

(2 marks for each way, suitably explained)

**(b) Describe both the business-to-business and business-to-consumer buying decision processes. [2 × 5 = 10]**

<b>Business-to-business</b>	<b>Business-to-consumer</b>
Problem/need recognition	Problem/need recognition
Develop product specifications	
Search for suppliers	Information search
Evaluation of products and supplier against specifications	Evaluation of alternatives
Select and order	Purchase
Post-purchase evaluation of product and supplier	Post-purchase evaluation

[Processes, fully explained = 2 × 5 marks]

**[Total: 20]**

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**2 Duyi needs to carry out further market research before the marketing plan is completed.**

- (a) List the *five* stages involved in a marketing research project, and explain what is done at *each* stage. [5 × 2 = 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) Duyi has recognised that some primary research will need to be carried out before deciding on price and promotional aspects of its *business-to-consumer* marketing plan.**

**Recommend *one* primary research method that could be used for this purpose and justify your recommendation. [10]**

Primary research methods obtain first-hand information for a specific purpose and is often referred to as field research.

Candidates should offer **one** example of a primary research method that could be used by Duyi from the following, explain it and justify it in the context of the case. The most suitable method might be focus groups with people from the planned target segment, although any logical suggestion can be accepted.

Primary research methods:

- Interviews
- Focus groups
- Observation
- Surveys

(5 marks for identification of a suitable primary research method and an explanation, 5 marks for justification for the business-to-consumer market)

**[Total: 20]**

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**3 Duyi has decided to enter the business-to-consumer market.**

**(a) Define the term 'segmentation'. [2]**

Segmentation is – the **division of markets into groups of customers with similar needs** to enable more **effective targeting of marketing** activities. (2 marks)

**(b) Explain *three* key methods that can be used to segment *consumer* markets. [3 × 5 = 15]**

Three key bases for segmenting the consumer market:

- Geographic
- Demographic
- Psychographic (3 marks)

The basis of each type of segmentation can include the following:

- Geographic – Location – country, region, city
- Demographic – Age, gender, ethnicity, socio-economic group
- Psychographic – Taste, lifestyle, interests

4 marks for each base. (4 × 3 = 12 marks)

**(c) Recommend *one* of the methods in (b) above for Duyi to use, and state your reason for recommending this method. [3]**

Candidates may choose any segmentation base providing it is justified in terms of the facts in the Case Study. Most likely would be psychographic – interests and lifestyle, because of the interest in DIY. (3 marks)

**[Total: 20]**

4 Mr Long Hui has made a decision about how to grow the business. He considered three options before making his decision.

(a) Draw a diagram showing Ansoff's Growth Matrix and insert the following options on the diagram:

- (i) International marketing
- (ii) Developing products that are not related to plumbing
- (iii) Plumbing products for the do-it-yourself consumer.

[10]

		Products	
		Existing	New
Markets	Existing	Market Penetration	Product Development
	New	International Marketing Plumbing products for consumers Market Development	Unrelated products  Diversification

(7 marks for diagram and labels, 3 marks for correct position of options)

(b) (i) Define branding. [5]

Branding is – a name, sign or symbol used to identify items or services of the seller(s) and to differentiate them from goods of competitors.

(5 marks for definition)

(ii) Explain how branding the product as 'Sealfast' might help Duyi in its new market place. [5]

It is important because:

- It helps differentiate from competitors
- It helps position the product in the mind of the customer
- It helps transfer the reputation from one market to the new one

(5 marks for usefulness to Duyi)

[Total: 20]

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- 5 (a) Explain the *seven* stages involved in setting up a customer care plan for the new consumer market. [7 × 2 = 14]

The seven stages are:

- Establish a process
- Identify customer requirements
- Set targets
- Establish service specifications
- Train staff
- Devise action plan
- Measure results

2 marks for each stage, suitably explained

- (b) Explain the importance of the *promotion* and *physical evidence* elements of the marketing mix, in particular the website, using examples from the case study. [6]

Promotion – New product so needs a strong promotion. Also, need identified for information on how to use products. Information sheets to be produced as well as section on the website. Promotion of website address needed offline. (3 marks)

Physical evidence – Logo, information and image on website to create strong message and to develop brand. (3 marks)

[Total: 20]