

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

**MARK SCHEME for the May 2012 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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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)

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1 Andreas had been reminded about marketing and now remembered that it focused on customers.

(a) Explain, using examples from the Case Study, the meaning of the term customer focused. [10]

Customer focused means that the whole of the organisation's activities are focused on the customer. Examples from the Case Study include:

- He recognises the need for marketing research
- He recognises the need for a marketing audit and a plan
- He needs to know about his customers – demographics & profile
- He is considering prices, products and promotion.

(10 marks)

(b) Explain two key responsibilities of marketing in a retail optician's outlet, detailing how each responsibility contributes to marketing objectives. [2 x 5 = 10]

Answers to this question will vary. However, candidates should identify two **key** responsibilities to gain marks –

- Marketing planning
- Identifying, anticipating and satisfying customer needs
- Market research – to identify customers' changing needs
- Looking after customer service
- Handling customer complaints
- Increasing profits
- Increasing awareness of company, products, brands

[Two key responsibilities = 2 marks, with explanations = 2 x 2 marks and links to Optic2010 = 2 x 2 = 10 marks]

[Total: 20]

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**2 Andreas recognises the importance of marketing research.**

- (a) Explain a suitable method of marketing research for obtaining public opinion about the logo Andreas wants to use. [10]**

Answers will vary, but the most likely examples will be focus groups or face-to-face interviews/hall tests. Marks should not be awarded for any form of secondary research as this is not appropriate in this case.

- (b) Explain the five stages of the marketing research process using the example of the identification of a suitable logo for Optic2012. [5 x 2 = 10]**

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

1. Setting objectives
2. Select sources of information
3. Collection of the data
4. Analysis of the data
5. Drawing conclusions and reporting (5 marks)

1. To identify a suitable logo for the new business
2. Primary research – what target audience think of the logo ideas
3. Use agency to run focus groups with groups representative of prospective customers
4. Analyse data gathered for patterns of comments and useful information
5. Decide on which logo to use (5 marks)

**[Total: 20]**

**3 Andreas doesn't fully understand what makes up the local market.**

- (a) Explain the term segmentation. [4]**

Segmentation is – the **division of markets** into **groups of customers** with **similar needs** to enable more **effective targeting of marketing** activities. (4 marks)

- (b) Identify one segmentation method that Andreas might use in his retail business, explaining why it would be a good idea to use this method. [8]**

Optic2012 could use needs-based segmentation for its products, and combine this with demographic segmentation – spectacles will be different for children & adults, males and females.

(4 marks for above + 4 marks for explanation of the method of segmentation chosen)

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- (c) Explain the most likely type of buying behaviour decision that will be used by customers of Optic2012, using an example from the Case Study. [8]

Choices are –  
 Routine response  
 Limited decision-making  
 Extensive decision-making  
 Impulse buying

Most likely would be routine response – if talking about a regular eye-test  
 Limited decision-making – if talking about selecting spectacles  
 Extensive decision-making – if talking about the choice between contact lenses, spectacles or laser eye surgery

(4 marks for explanation and 4 for illustration using example from the Case)

[Total: 20]

**4 Andreas will prepare a marketing plan for the new business.**

- (a) Explain the purpose of the SWOT analysis in the marketing plan. [5]

A SWOT analysis –

- summarises the marketing audit and
- informs objectives and
- informs marketing activities for the next planning cycle.

(5 marks for explanation)

- (b) Explain the following three elements of the marketing mix as they will be used in the new business:

- (i) Promotion [5]

Promotional mix includes advertising, PR, sales promotion, personal selling and direct marketing.  
 New business will need to be promoted in local press, through special opening offers and through leaflet drops to local homes. Also, opening event to encourage people to visit – perhaps half price eye tests. (5 marks)

- (ii) Product [5]

Products will be stocked to suit profile of local population discovered through research. Spectacles and contact lenses, plus other items such as cleaning products, cases, chains, etc. (5 marks)

- (iii) Price [5]

Prices should reflect local market. Should be a range available – e.g. cheap frames and designer frames.

[Total: 20]

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- 5 (a) Explain why the coordination of all elements of the marketing mix for the launch of Andreas's new business is as important as the choice of individual activities in the mix. [10]

The seven P's of the expanded marketing mix are –

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical Evidence (4 marks for identifying all elements)

If elements of the mix are not integrated (working together) then it may cause confusion for customers and stop them purchasing instead of the opposite.

E.g. A quality product will be perceived as low quality if its price is too low and it is promoted in the wrong media and outlets.

All elements need to contribute to the positioning of the product and how it is perceived in customers' minds. (6 marks)

- (b) Explain two factors that Andreas should consider when recruiting a manager for the retail store in order to achieve good customer service. [2 x 5 = 10]

Answers to this may vary.

Recruit for attitude – train for skill might be one important factor. It is better to have someone who can deal diplomatically with customers in this situation. (5 marks)

Should be knowledgeable about eye tests, and all of the products to be offered. (5 marks)

(Any of the SERVQUAL factors would be acceptable as well – responsive, reliable, empathy, accessibility)

[Total: 20]