

CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Advanced Level

MARK SCHEME for the May 2013 series

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 should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the May 2013 series for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level components and some Ordinary Level components.

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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 (a) **Northeast is a product-oriented company. 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.
Marketing-oriented – business focused around the customer. Customer needs at the centre of the business and all staff focused on the customer.

- (b) **The Managing Director has authorised the setting up of a new Marketing Department. Explain three activities that the marketing team will be responsible for.** [3 × 5 = 15]

Answers to this question will vary. However, candidates should identify that an industrial marketing department will be involved in –

Marketing planning

Research

Competitor analysis

Growing market share

Segmenting the market

Entering new markets

Developing new products and setting prices

Supporting sales and key account management

Promotional campaigns

Customer service

(Any three activities, suitably explained 3 × 5 = 15 marks)

[Total: 20]

- 2 (a) **List the five stages involved in a marketing research project, explaining briefly what Northeast might do 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)

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- (b) From the information given in the case study, explain one reason why Northeast might carry out an ad-hoc research project, and describe how the findings of this project 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 Northeast sells its goods to other organisations. In other words, it operates in a business-to-business environment.

- (a) List the five roles in an organisation's buying decision making unit (DMU). [5 × 1 = 5]

The decision making unit is made up of –

- Gatekeeper
- Influencer
- Buyer
- Decider
- User

(5 marks)

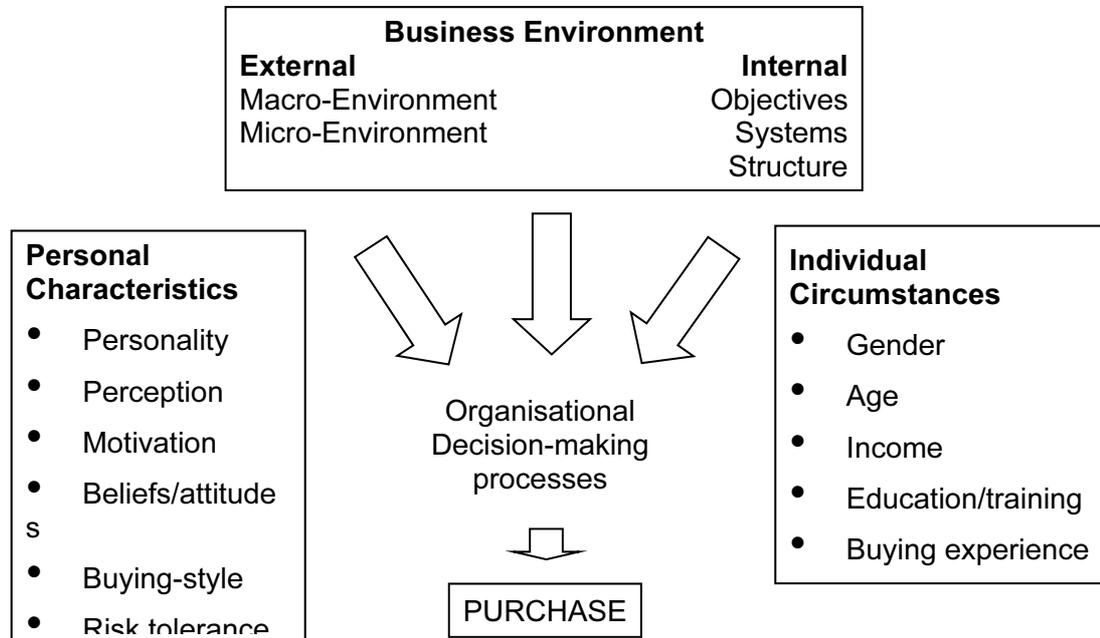
- (b) (i) From the case study, identify who in PENTOS (the major client of Northeast) plays each of the five roles in the decision making unit (DMU). [5]

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

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- (ii) Explain the key influences on each of these individuals when making buying decisions, and explain how these influences might be dealt with through marketing. [5 × 2 = 10]

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



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
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 – Aakar	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)

4 (a) State:

- (i) A SMART strategic objective for Northeast (for example in terms of growth). [5]

Marks to be awarded for an objective that is strategic and fulfils SMART – e.g. to grow worldwide market share of the specialist chemical market to 22% by the end of 2014

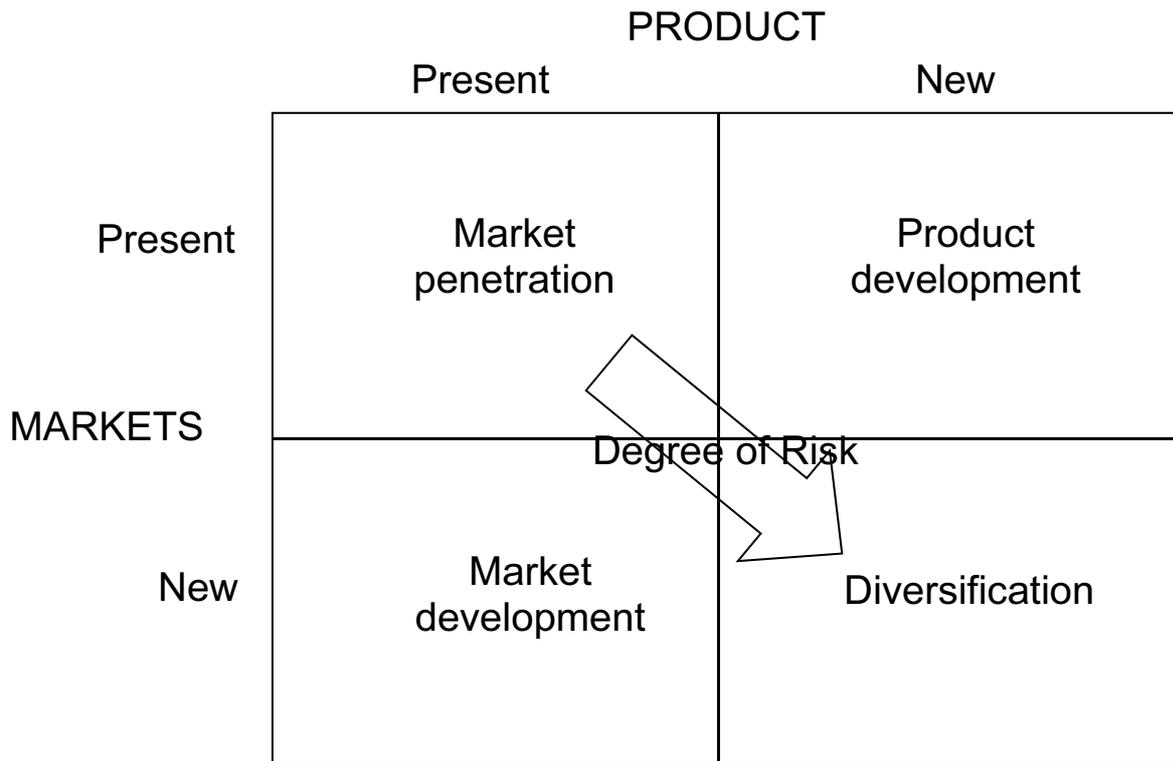
- (ii) A SMART objective for Northeast in respect of PENTOS. [5]

Marks to be awarded for an objective that is customer focused and fulfils SMART – e.g. to develop and provide all new silicone chemicals to PENTOS during 2014

(Note: candidates who spell out SMART rather than stating a concise objective as required, **and** make the first strategic and the second customer focused to be awarded maximum of 3 for each description)

- (b) Use a diagram to explain Ansoff's matrix, and show how it might be useful to Northeast. [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 Northeast in their business = Max 10)

[Total: 20]

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5 Northeast is in a very competitive market place, and the new marketing department has a lot of work to do in order to survive.

(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. [7 × 2 = 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 Northeast. [2 × 3 = 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 × 2 = 6 marks)

[Total: 20]