



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

MARKETING

5174/01

Optional Module

May 2012

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.

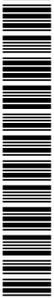
Start each task on a new piece of paper.

Please leave a margin on the right and left hand side 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.

* 5 7 5 5 5 8 5 4 5 2 *



This document consists of **4** printed pages.



You must read the case study below and attempt ALL of the tasks which follow.

(This case study is fictitious.)

Optic2012 Opticians

Andreas Adalberto started work as an optician as soon as he qualified in 2000. He has been offering his service in clinics in his region for the past 12 years. Since he got married 4 years ago he hasn't enjoyed travelling or staying away from home as much, and now that he and his wife have a child, he is rethinking his approach to his business.

Recently, premises have become available in the main street of his local town, and Andreas has decided to set up as an optician offering eye tests, contact lenses and glasses to the local population. Currently everyone has to travel forty kilometres to the next town for these services and so there is no local competition. 5

However, Andreas knows that he will need to carry out some research as there are many things that he has to check. For example, he will have to find out the demographic of the local population, what sort of products he should stock, what prices he should charge and where he should promote his business. 10

His bank manager has said that he will support his business venture, but that he will need a business plan and a marketing plan before he starts.

When the bank manager asked for a marketing plan, Andreas was reminded of the marketing unit he had studied at college many years before. He remembered that marketing focused on customers, and he has decided that he might need to have employees delivering customer service while he is involved with the technical part of the business. 15

Andreas has decided that he will definitely go ahead with this new venture and he has started to make a list of things he needs to prepare: 20

- a marketing audit
- marketing objectives to work towards
- products to stock
- customer profiles
- pricing strategies
- promotional material
- a logo
- ways to measure success
- staff requirements. 25

This now seems to be a big job and he wonders if he should employ someone that can manage the retail store as well as provide customer service. If the right person is employed then they may be able to help with some of the marketing activities as well. 30

You must attempt ALL of the following tasks.

Where appropriate use information from the case study to support your answer.

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]**

(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]**

[Total: 20]

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]**

(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]**

[Total: 20]

3 Andreas does not fully understand what makes up the local market.

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

(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]**

(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]**

[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]
- (b) Explain the following **three** elements of the marketing mix as they will be used in the new business:
- (i) promotion [5]
- (ii) product [5]
- (iii) price [5]
- [Total: 20]
- 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]
- (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]
- [Total: 20]