

CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge Career Awards

MARK SCHEME FOR the October 2002 question paper

CAREER AWARD IN BUSINESS
ADVANCED LEVEL
5174 Marketing

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which Examiners were initially 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.

The mark scheme must be read in conjunction with the question paper.

- CIE will not enter into discussions or correspondence in connection with this mark scheme.



Marking Scheme

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

Springkleen appear to have made a classic mistake of non-customer orientation in introducing a product that their customers did not need.

- a) Explain the meaning of the marketing concept (4 marks)
 - c) Explain how marketing activities can be effectively co-ordinated to achieve:
 - i) Customer satisfaction (4 marks)
 - ii) Marketing objectives (4 marks)
 - iii) Responses to changes in the environment (4 marks)
 - iv) Cost savings (4 marks)
- (Total 20 marks)

Marks

- a) The marketing concept is the philosophy that an organisation should try to provide products that satisfy customer needs through a co-ordinated set of activities that also allows the organisation to meet its goals. (4 marks)
- b) Marketing activities need to be effectively co-ordinated to achieve:

- Customer satisfaction – by using research to find out what customers want in terms of products and services (4 marks)
 - Marketing objectives – which contribute to the achievement of corporate objectives (possibly increased market share, entering new markets, increasing profit, increasing awareness in company, brand or product) (4 marks)
 - Appropriate responses to changes in the marketplace – for example, new competitors, and political, environmental, sociological and technological developments (PEST) (4 marks)
 - Cost effectiveness – a fragmented approach will waste money (4 marks)
- [Total 20 marks]

2

Suggest and explain **two** different primary marketing research methods that the company could use to find out customers usage and attitude towards toothpaste. (10 marks)

Marks

Candidates may choose and explain any two from –

Qualitative Survey – Postal

Questionnaire with 'open' questions exploring how and why consumers choose their brand of toothpaste. Cheap, but difficult to control the rate of response. Some incentive could be offered to encourage return.

Qualitative Survey – Telephone

Questionnaire with 'open' questions exploring how and why consumers choose their brand of toothpaste. More expensive than postal, but cheaper than face to face. More personal than postal. Interviewers need training to try to avoid bias.

Qualitative Survey – Face to face

Questionnaire with 'open' questions exploring how and why consumers choose their brand of toothpaste. Most expensive form of questionnaire based survey. Interviewers need training to try to avoid bias.

Focus Group

A group of consumers from the target segment (usually between 6 and 8 individuals) gathered together to discuss how and why they choose their particular brand of toothpaste. A trained moderator will manage the discussion. Most expensive option potentially.

(5 marks for each of two appropriate methods, suitably expanded)
[Total 10 marks]

3

Identify and explain **five** factors that need to be considered when evaluating the suitability of data collection methods.

(10 marks)

Marks

Reliability

Bias

Cost implications

Time constraints

Use of a specialised marketing research agency

(2 marks for each of the above points, suitably expanded)

[Total 10 marks]

4

Identify and explain **two** suitable bases for segmenting the market for toothpaste.

(10 marks)

Marks

Demographic

Age – flavoured toothpaste for children

(5 marks)

Psychographic

Lifestyle – e.g.

Fresh breath for teenagers and young singles

Healthy teeth and gums for mothers, or health conscious

professionals

(5 marks)

(Candidates may select and describe any 2 suitable segmentation bases x 5 marks)

[Total 10 marks]

5

Explain **five** personal influences on a consumer's decision to purchase toothpaste.

(10 marks)

Marks

Candidates may identify and describe (linked to toothpaste) **any five** of the following for **2 marks** each –

Age
Gender
Social class
Disposable income
Ethnicity
Religion
Situational – going on holiday, travelling to an interview for a new job

[Total 10 marks]

6

Explain **three** ways in which the marketing planning process could have helped Springkleen avoid the mistake they made in launching Toothkleen.

(10 marks)

Marks

Candidates can identify and explain any 3 of the following in the context of the question

Marketing audit – may have identified competitor activity that suggested it was the wrong time to launch toothpaste as a new product

SWOT – may have identified strengths that would have been better used in another way, or identified weaknesses that made it unsuitable time to launch

Marketing Research – would have checked customer attitudes and likelihood of product success

Objectives – looking at corporate objectives would have identified whether new product launch would have been appropriate

Segmentation – would have identified suitable segments to target before launch

Ansoff Matrix – would have identified whether product development was best strategy for growth

Marketing Mix – appropriate mix would follow from above stages

(Any three stages, 3 marks each, plus one for suitable links to toothpaste)

[Total 10 marks]

7

Using Ansoff's matrix, categorise the opportunities which Springkleen have identified for future growth, (lines 11-15 in the Case Study), into market penetration, market development, product development and diversification.

(10 marks)

Marks

Market penetration - 3

Market development – 2

Product development – 1 and 4

Diversification - None

(3 marks for each point, correctly classified, plus one for explaining diversification)

[Total 10 marks]

8

The company has decided to re-launch Toothkleen, adding flavours and re-packaging it for the children's market. Explain the implications of the new product launch for each of the **four** elements of the marketing mix. (4 x 5 = 20 marks)

Marks

Product – Adapt product by adding flavour, adapt packaging, carry out test marketing, costly process and little early return. (5 marks)

Price – select pricing strategy – market penetration to get many customers quickly through cheaper price, market skimming to get 'cream' of target customer group (5 marks)

Promotion – Suitable to attract children (influencers) and mothers (buyers). PR about launch, direct marketing to existing customers for other products, advertising. Costly with little early return. (5 marks)

Place – Extensive targeting of trade and also supermarkets, pharmacists, etc. (5 marks)

[Total 20 marks]