

UNIVERSITY OF CAMBRIDGE LOCAL EXAMINATIONS SYNDICATE
CAMBRIDGE CAREER AWARD – ADVANCED LEVEL

BUSINESS

5174/1

Marketing
Optional module

OCTOBER 2002

Additional materials:
Answer paper

TIME 2 hours plus 15 minutes reading time

INSTRUCTIONS TO CANDIDATES

Write your name, Centre number and candidate number in the spaces provided on the answer paper/booklet.

Attempt all tasks.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets [] at the end of each task or part task.

You may use a calculator.

This question paper consists of 3 printed pages and 1 blank page.

[Turn over

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

(The following case study is fictitious)

Case study - Springkleen Soap Products

Springkleen was established in 1840 and sells its products in over 50 countries around the world. Its main brands are Dishkleen (washing up liquid), Handskleen (liquid soap), and Lookkleen (washing powder). The company has been able to stand up well against larger competitors because of its high quality image and its well-established customer base. Recently, it added Toothkleen (toothpaste) to its range of products, and has been disappointed with early sales levels. Previously, when it added products to the range, loyal customers adopted the new product very quickly because of the level of trust they had in the company.

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The staff in the marketing department have been called to a meeting to discuss next year's business plan, and, specifically, what action should be taken about Toothkleen. The Senior Management team has come up with a list of ideas to help discussions along:

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1. Target Toothkleen at the children's market, adding a flavour and re-packaging
2. Target Toothkleen at overseas markets
3. Target Toothkleen at existing customers for other brands (but invest heavily in advertising to re-launch the product)
4. Abandon Toothkleen and develop other, related products for existing customers

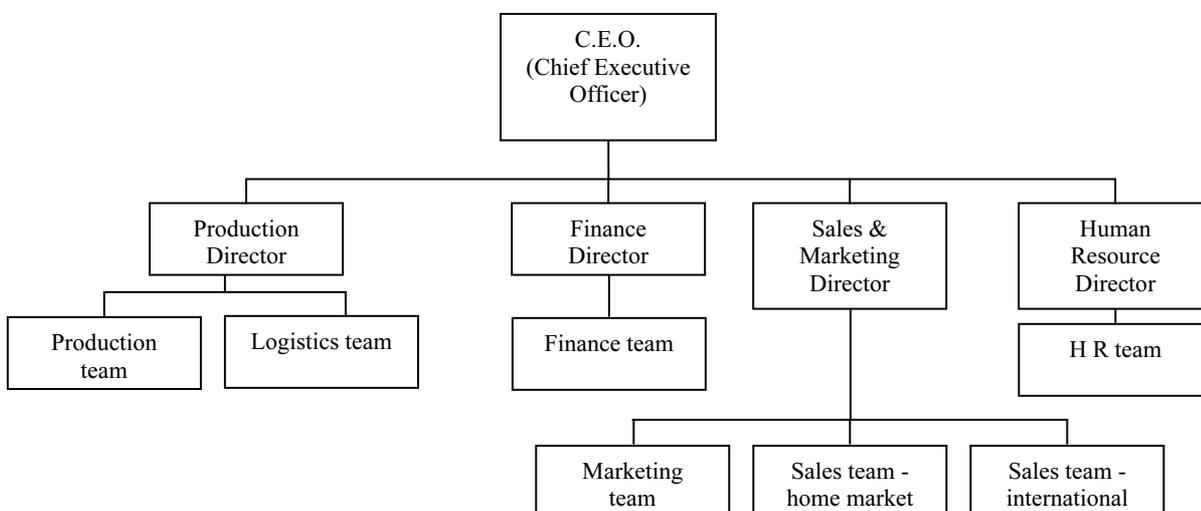
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Springkleen's Board of Directors have been considering taking their products into more countries and expanding their international marketing for some time. As part of their plan they have recently set up a website, and have designed an Extranet (part of an organisation's website designed to provide information to specific external parties – usually password protected) to provide up-to-the-minute information for their agents and distributors. They plan to carry out significant marketing research before deciding whether to extend their operation.

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All their products are produced at a large factory in Denmark, and most are transported over land from a local distribution depot. The directors are conscious that this may have to change if they expand. In total Springkleen employs just over 1500 staff, including a sales and marketing department of 87. Of these staff, there are currently only four international sales staff. There is no Information Technology Department and the setting up of the website has been undertaken by the Marketing Department. The organisational structure is shown below:

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Organisation Structure – Springkleen Soap Products

You must attempt all of the following tasks

- 1 Springkleen appears 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]
- (b) Explain how marketing activities can be effectively co-ordinated to achieve:
- (i) Customer satisfaction [4]
- (ii) Marketing objectives [4]
- (iii) Responses to changes in the environment [4]
- (iv) Cost savings [4]
- [Total: 20]**
- 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]
- 3 Identify and explain **five** factors that need to be considered when evaluating the suitability of data collection methods. [10]
- 4 Identify and explain **two** suitable bases for segmenting the market for toothpaste. [10]
- 5 Explain **five** personal influences on a consumer's decision to purchase toothpaste. [10]
- 6 Explain **three** ways in which the marketing planning process could have helped Springkleen to avoid the mistake they made in launching Toothkleen. [10]
- 7 Using Ansoff's matrix, categorise the opportunities which Springkleen has identified for future growth (lines 11-15 in the Case Study) into market penetration, market development, product development and diversification. [10]
- 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. [4x5 = Total: 20]

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