

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Advanced Level

MARK SCHEME for the October 2008 question paper

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.

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.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the October/November 2008 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.



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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)

1 One of Kanta’s concerns is that they may be wasting money on all the marketing they are doing.

(a) Define the term ‘marketing’. [5]

Marks

Marketing is defined as ‘the management process of identifying, anticipating and satisfying customer needs profitably’. The key words to be rewarded with one mark each should be –

- Customer
- Needs
- Current
- Future
- Exchange with the seller – to meet seller objectives – this may be profit

(b) Explain *three* benefits that marketing could offer the Holiday Village. [15]

Marks

Answers to this question will vary. However, candidates should identify that marketing has three of the following benefits, explaining each one clearly:

- Helps to focus on the customer
- Helps to be cost effective by focusing activities
- Provides a plan for everyone to work to
- Helps meet objectives
- Gives something measurable to assess progress against
- Increases awareness of the business and its services

[Any three benefits, fully explained 3 x 5 = 15 marks]

[Total: 20]

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2 Arjuna has recognised the need to carry out market research.

- (a) List the *five* stages of the process used in the collection of marketing information and explain briefly what happens at each stage. [10]**

Marks

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)

- (b) Recommend two research projects that could be used to inform and help them write their marketing plan. [10]**

Marks

Answers to this will vary, but marks should be awarded for any two suitable reasons for market research:

Examples include:

- Identifying target market
- Identifying customer needs
- Identifying ways to improve services to differentiate from competition
- Find out what competitors are doing
- Find out what prices to charge
- Find out what potential customers read, or where they look to find holiday accommodation

(5 marks for each of two appropriate projects, suitably explained)

[Total: 20]

3 One of Arjuna's concerns is defining a target market.

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

Marks

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

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- (b) Describe *two* segmentation methods that the Holiday Village could use. [10]**

Marks

The Holiday Village would use consumer segmentation bases and so may introduce any two from:

- Demographic
- Geographic
- Psychographic
- Behavioural

- (c) Explain *one* source of information that the Holiday Village already has that could help profile a potential target segment. [6]**

Marks

Candidates should identify that records of previous holidaymakers should be available and these can be profiled in terms of family lifestage, where they live, what they like to do, did they eat at the restaurant or not. They may suggest a similar exercise with those that have already booked this year. Up to 6 marks are available for identifying this internal source of data and some of the things it will tell them.

Other sources such as the Tourist Information Office and data from their website may also be accepted if it is suitable for the purpose stated in the question – i.e. profiling a potential target segment.

(6 marks)

[Total: 20]

- 4 Arjuna wants to identify a way of making his business competitive by being different.**

- (a) Explain Porter's 3 generic strategies, identifying the strategy most suited to what Arjuna wants to achieve. [8]**

Marks

2 marks for each of Porter's 3 generic strategies, correctly explained, plus 2 marks for identifying that Arjuna is looking to differentiate.

Cost leadership
Differentiation
Focus

- (b) Kanta is writing a marketing plan.**

- (i) Explain how a SWOT analysis is used in preparing the marketing plan. [4]**

Marks

Candidates are asked how SWOT is used and not what it is. Up to 4 marks are available for identifying that the summary of all the analysis is used to help shape objectives and strategy for achieving them.

Candidates can gain a maximum of 2 marks for identifying:

S = Strength
W = Weakness
O = Opportunity
T = Threat

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- (ii) Using examples explain why it is important to achieve the right balance across the elements of the marketing mix. [8]

Marks

Candidates can use their own examples here to demonstrate what the wrong balance will do to the positioning of a product. For example, they may say that too high a price on a value item will lessen demand, or that too low a price on a premium item will make customers suspicious and change their perceptions. Advertising in inappropriate magazines for the product will result in waste. Not having products available where people want to buy them will result in lost sales.

(Up to 2 marks for mention of each of the 4 elements of the marketing mix in suitable examples)

[Total: 20]

- 5 (a) Recommend ways that the *five* elements of the *promotional* mix can be used to target local residents to fill the restaurant at the Holiday Village in the evenings. [15]

Marks

Candidates are expected to recommend how the five tools of the promotional mix might be used to target local residents.

Direct marketing	Leaflets with local papers or letterbox drop.
Advertising	Advertising in local papers
Sales Promotion	Offers for least busy evenings for parties of a certain size or free bottle of wine with every meal for 2
Personal Selling	Not relevant – although approach of staff will be important and good service may result in positive word of mouth
Public Relations	Press release to local papers Special opening event to which the press are invited

(3 marks for each tool, suitably linked to the Case situation)

- (b) Using the information in the case study, suggest how the product element of the marketing mix might be adapted to differentiate the Holiday Village from other places to stay locally. [5]

Marks

Responses will vary, but they should focus on the following:

- The riverside location – canoeing, boat trips, fishing
- Cycle hire for exploring locality

Candidates can be creative here and any suitable suggestions that could differentiate should be rewarded.

(5 marks for a suitable combination of the above points)

[Total: 20]