



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

**MARKETING**

5174/01

Optional Module

October 2008

**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.

This document consists of **3** printed pages and **1** blank page.



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

(The case study is fictitious.)

## **THE HOLIDAY VILLAGE**

The Holiday Village had been empty for several years before Arjuna and Kanta bought it. The property consists of some parkland leading down to a riverbank. There is a large house in which they and their family will live, and 20 log cabins to be let out to holidaymakers. Each log cabin is big enough to take a family of four or five people. Although the property had been neglected there is little work to be done. They plan to redecorate inside all the cabins and modernise the furniture and fittings. It also has a good restaurant on site. 5

Arjuna knows that attracting holidaymakers to the log cabins will be hard work. The location is good, and they will provide canoes for use on the river or cycles for those who want to explore the area around the campsite. He has already set up a website with photos of the Holiday Village and the inside of the cabins. He has developed a full price list with different prices for different times of year, taking into account the climate and peak holiday times. 10

A few people have contacted Arjuna and Kanta to book a cabin because friends had recommended the Holiday Village, even though they haven't stayed there for a few years. Kanta thinks this is a good sign but wonders how she can encourage it to happen even more, as it is cheaper than all the advertising that Arjuna is planning. Marketing may have sounded like a good idea when they decided to buy the business, but it seems to be just one bill to pay after another. 15

Arjuna went on a one-day course at the local Chamber of Commerce called 'Marketing your Business'. It left him with lots of ideas but he still isn't clear how to decide on his 'target market' and how to reach them. He realises he has a lot of work to do and only has a few months before the main holiday season. During the course he learned about research – both secondary and primary – and he has decided that this might be a first step to take. 20

Before they bought the Holiday Village Arjuna and Kanta gathered lots of information from the local Tourist Information Office. This gave them some ideas about who their competition was on the river and in the locality. They knew from staying locally themselves for holidays that it was usually very difficult to find somewhere to stay in the main holiday season as everywhere was booked up very quickly. The marketing course suggested that they needed to find something 'different' about their business – something that made them stand out from the competition. This did not have to be bigger or better, just different. He and Kanta are very enthusiastic and want to succeed. 25

That night, Arjuna and Kanta sit down to make a list of everything they need to do in terms of marketing. There is so much to do. 30

They decided on the following marketing actions:

- Write a marketing plan
  - Decide who to target
  - Find a 'differentiator'
  - Decide how much they have to spend
  - Decide where to advertise and promote the Holiday Village
  - Get publicity for the Holiday Village
  - Carry out research
- 35

**You must attempt ALL of the following tasks.**

- 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]
- (b) Explain **three** benefits that marketing could offer the Holiday Village that will help to address Kanta's concerns. [3 x 5 = 15]  
[Total: 20]
- 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]
- (b) Recommend **two** research projects that could be used to inform and help Arjuna and Kanta write their marketing plan. [10]  
[Total: 20]
- 3 One of Arjuna's concerns is defining a target market.
- (a) Define the term 'segmentation'. [4]
- (b) Describe **two** segmentation **methods** that the Holiday Village could use. [10]
- (c) Explain **one** source of information that the Holiday Village already has that could help profile a potential target segment. [6]  
[Total: 20]
- 4 Arjuna wants to identify a way of making his business competitive by being different.
- (a) Explain Porter's **three** generic strategies, and identify the strategy most suited to what Arjuna wants to achieve. [8]
- (b) Kanta is writing a marketing plan.
- (i) Explain how a SWOT analysis is used in preparing the marketing plan. [4]
- (ii) Using examples, explain why it is important to achieve the right balance across the elements of the marketing mix. [8]  
[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]
- (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]  
[Total: 20]

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