

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Advanced Level

MARK SCHEME for the October 2009 question paper
for the guidance of teachers

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, which would have considered the acceptability of alternative answers.

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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 Vineet anticipates that there will be some problems with the sales team because of their perception of what marketing should do. He has decided to put together a presentation to explain 'The Role of Marketing in the Organisation'. Provide notes on the following to help him prepare.

(a) Explain what is meant by a market orientation. [5]

Marks

Market orientation puts the market's (the customers') needs and wants at the centre of the organisation and everything that it does. It is the responsibility of all employees in the organisation. (5 marks)

(b) Explain *three* key responsibilities of the marketing department and how *each* contributes to the company's objectives. [3 × 5 = 15]

Marks

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

- to know what their competitors are doing;
- to conduct portfolio analysis;
- to carry out market research;
- to segment their market;
- to develop new products;
- to identify, anticipate, influence and satisfy customer needs;
- to respond to changes in the market;
- to improve/increase market share;
- to develop marketing plans;
- to enter new markets, such as other countries in Asia;
- to increase awareness of products and services;
- to facilitate communications – internally and externally;
- to build relationships with stakeholders.

[Any three responsibilities, fully explained 3 × 5 = 15 marks]

[Total: 20]

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2 Vineet needs to carry out market research before he puts together the marketing plan.

- (a) Explain *three* key issues that he needs to investigate before putting together his marketing plan. [3 × 4 = 12]**

Marks

Answers to this may vary. The key issues in the Case Study are:

- Entering new country markets – need to understand the needs of customers in each country and how they differ and then build appropriate marketing mix.
- Entering new country markets – need to know what competitors are doing in these markets.
- Needs research to undertake situation analysis – PEST factors.
- Need to find out what opportunities are offered for electronic ordering and communications. (4 marks for each of three issues suitably explained)

(b) Identify;

- (i) sources of secondary research which could be used to investigate *one* of the issues identified in (a) above [4]**

Marks

Candidates should explain how secondary research could be used to investigate one of the issues identified. E.g. Government reports on GNP and GDP, trade statistics, company websites. (4 marks)

- (ii) types of primary research which could be used to investigate *one* of the issues identified in (a) above [4]**

Marks

Candidates should explain how primary research could be used to investigate one of the issues identified:

- Questionnaires, surveys or focus groups to find out customer needs and attitudes. (4 marks)

[Total: 20]

3 Sharma's Office Supplies operates in organisational markets and not with personal consumers.

- (a) Explain *three* different categories of buying relevant to organisational markets. [6]**

Marks

Three different categories of organisational buyer behaviour are:

- New buy (2 marks)
- Straight rebuy (2 marks)
- Modified rebuy (2 marks)

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(b) Explain the *six* stages of the organisational buyer decision process. [6 × 2 = 12]

Marks

- (i) Problem recognition (2 marks)
- (ii) Develop product specification (2 marks)
- (iii) Search for suppliers (2 marks)
- (iv) Evaluate supplier and product against specifications (2 marks)
- (v) Select and order (2 marks)
- (vi) Evaluate performance post-purchase (2 marks)

(c) Define the term 'segmentation'. [2]

Marks

Segmentation is – the division of markets into groups of customers with similar needs to enable more effective targeting of marketing activities. (2 marks)

[Total: 20]

4 Vineet must prepare a marketing plan for the new company.

(a) Explain what the PEST factors are in an analysis of the external environment and identify *one* issue from the Case Study for *each* factor. [4 × 2 = 8]

Marks

PEST factor	General description	Factor from Case Study
Political	Action by government of home or target market including legislation	Need to check political stability and legislation that applies in each new country
Economic	Taxes, tariffs, state of the economy	Need to know costs of trading in new markets
Social	Demographic trends	Need to know culture differences in different country markets
Technical	Technological developments presenting opportunities or threats to the business	Systems for online ordering new promotional methods available online, SMS, email campaigns
	4 marks	4 marks

(b) None of the objectives that Vineet has been given are SMART. For each of the following, explain what must be done to make it SMART.

(i) To grow sales volume in the existing markets of Malaysia and India by 1%. [2]

Marks

Not 'specific' in which product areas or segments. Not 'timed'.

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- (ii) To develop a new online distribution channel. [2]

Marks

Not 'timed'. Only 'measurable' by whether it is developed or not.

- (iii) To establish a presence in the office supplies market in Singapore by the end of 2010. [2]

Marks

Not 'specific' in which product areas or segments. Not 'measurable' – better to state % market share to be achieved.

- (c) Explain two control mechanisms that might be used to measure progress against the marketing plan. [6]

Marks

Any relevant control mechanisms may be awarded marks.

1 + 1 mark for identifying 2 suitable measurements – e.g. sales volume, increase in market share, consumer satisfaction.

2 + 2 marks for expanding on each.

[Total: 20]

- 5 (a) Explain the elements of an extended marketing mix (7Ps) with examples of how each would apply to Sharma's Office Supplies. [7 × 2 = 14]

Marks

The seven P's of the expanded marketing mix are:

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical evidence (1 mark for each element.) (7 marks)

Level 3 and 4 candidates will describe each element in the context of the Case Study:

- Product – office supplies – paper, disks, ink cassettes
- Price – pricing strategies for entering new overseas markets
- Promotion – use of the promotional mix to communicate with business customers – website, advertising through appropriate trade journals, catalogues for mail order
- Place – direct channel of distribution through mail order or Internet and personal selling
- People – training employees who interact with customers – via email or telephone or face-to-face. May need to select appropriate members of sales team to move to new country markets
- Process – ease in which customers order goods, make payments etc. on new site and system
- Physical evidence – new website and corporate image

1 mark for each description linked to the Case – these marks should not be awarded for generic examples. (7 marks)

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- (b) Explain how *two* of the elements of the marketing mix for Sharma's might be affected by developments in technology. [2 × 3 = 6]

Marks

- Place – new distribution channel with online ordering
- Promotion – advertising on other sites, email campaigns
- Product – move away from traditional supplies – e.g. paperless office may mean the development of new products

(3 marks for any 2 of the above suitably explained = 6 marks)

[Total: 20]