

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma Advanced Level

MARK SCHEME for the October 2011 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.

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

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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)

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1 Holidays Inc put the customer at the centre of all their activities.

(a) Explain why this is important in marketing. [5]

The marketing concept is used to meet and anticipate the needs of the customer, it facilitates exchanges and identifies that the customer is important to all organisations. It is the marketing concept that suggests the customer should be at the heart of everything an organisation does if it is to be successful. (5 marks)

(b) Identify three examples of marketing activity from the Case Study and explain how each contributes to the company's objectives. [3 × 5 = 15]

Answers to this question will vary. However, candidates should identify three of the following explaining clearly how it contributes to the company's objectives:

- They segment the market (more cost-effective targeting meaning more profit)
- They analyse the external environment
- They have a corporate social responsibility policy
- They promote all year round (if advertising, sales promotion and direct marketing are selected as three examples, they should be marked as one example, but with additional marks if different contributions to objectives are identified – three marketing examples asked for, not three marketing communications examples)
- They carry out internal marketing and look after employees
- They have a strong brand
- They take customer feedback seriously and care about the customer experience

(Any three examples, fully explained 3 × 5 = 15 marks)

[Total: 20]

2 Holidays Inc take customer feedback very seriously.

(a) Explain two ways that customer feedback can be gathered and the advantages and disadvantages of each method. [2 × 6 = 12]

Answers to this will vary. Marks should be awarded for any of the following, suitably explained in terms of the advantages and disadvantages and linked to the holiday sector:

- Postal, telephone or email survey
- Face to face survey in a hotel or on a flight or cruise
- Survey on website
- Facebook or other digital method (e.g. Blog)
- Focus groups

(2 × 6 marks for each; 2 for method, 2 for advantages and 2 for disadvantages)

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(b) Sport Holidays Inc organise holidays linked to sporting events. Identify four sources of secondary data that could help them identify new destinations and events for this brand. [4 × 2 = 8]

- Market research reports such as Mintel or Keynote
- Syndicated research about tourism and sports events
- Press and publications (specialist) about forthcoming sports events
- Internet search engines (Google or Yahoo)
- Sports associations – e.g. FIFA, World Tennis Association

(2 marks for each relevant source identified – 4 × 2 = 8)

[Total: 20]

3 Holidays Inc use demographic and psychographic segmentation methods.

(a) Explain one way they use demographic segmentation in the case study. [5]

Answers to this may vary – 3 marks for generic description of demographic segmentation + 2 marks for family holidays or any other relevant example.

(b) Explain one way they use psychographic segmentation in the case study. [5]

Answers to this may vary – 3 marks for generic description of psychographic segmentation + 2 marks for sports holidays, cruise holidays or any other relevant example.

(c) Describe the five stages of the consumer buying decision process for a family holiday. [10]

Stages are:

Example:

Problem recognition	Family decides to book a holiday
Information search	Search online, in brochures at travel agents, ask friends and other family members
Evaluation of alternatives	Use personal choice criteria to arrive at a short list
Purchase	Holiday booked
Post-purchase evaluation	During and after the holiday the family decide whether it meets their expectations and whether they will use Holidays Inc in the future or recommend them to others
(5 marks)	(5 marks)

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4 Holidays Inc use effective marketing planning.

- (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]**

Candidates gain 4 marks for identifying:

P = Political

E = Economic

S = Sociological

T = Technological and describing these in generic terms.

A further 4 marks are available for identifying from the case study:

Political – environmental tax put on fuel for air travel

Economic – global economic crisis

Social – growing trend towards cruise holidays

Technological – online bookings for holidays now available

- (b) Explain the four growth strategies described by Ansoff and link each to the holiday sector. [4 × 3 = 12]**

Market penetration – existing products to existing markets – improving marketing effectiveness and penetrating existing market or taking customers from competitors e.g. online booking.

Market development – existing products to new markets – finding new segments to offer existing products to – e.g. over 50s holidays.

Product development – new products to existing markets – e.g. eco-travel

Diversification – new products to new markets – e.g. travel insurance

(3 marks for each growth strategy – 1 for strategy, 1 for generic description, 1 for travel example)

[Total: 20]

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5 Sport Holidays Inc will be offering a holiday package to the football World Cup in Brazil in 2014.

(a) Explain the elements of an extended marketing mix (7Ps) with examples of how each would apply to Sport Holidays Inc World Cup package holiday. [7 × 2 = 14]

The seven Ps of the expanded marketing mix are:

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical Evidence

(3 marks for identifying each element and 4 marks for generic examples) (7 marks)

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

- Product – holiday – multi-destination linked to where their football team is playing
- Price – premium pricing strategies for consumer market
- Promotion – use of the promotional mix to communicate with customers – provision of information on own website and adverts on relevant football sites, advertising through national press, at football matches and in programmes
- Place – through website and travel agents
- People – training employees who interact with customers about the new product and destinations
- Process – ease in which customers have queries answered, complaints resolved, Customer Relationship Management (CRM) system etc.
- Physical evidence – customer testimonials, photos on website

(Up to seven marks can be awarded) (7 marks)

(b) For a product/service of your choice, explain how the elements of the marketing mix are coordinated and what has made the product successful or unsuccessful. [6]

This task allows candidates to be creative with their choice of product/service and whether it is a successful or unsuccessful campaign/mix.

2 marks for description

3 marks for recognising the need for a coordinated or integrated approach to support the positioning of the product.

1 mark for stating whether it was successful or unsuccessful (6 marks)

[Total: 20]