

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**  
Cambridge International Diploma Advanced Level

## **MARK SCHEME for the October 2013 series**

### **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 should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the October 2013 series for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level components and some Ordinary Level components.

Page 2	Mark Scheme	Syllabus
	Cambridge International Diploma – October 2013	5174

1 Yaacob 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 'market orientation'. [5]

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 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 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]

2 Yaacob needs to carry out marketing 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]

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)

Page 3	Mark Scheme	Syllabus
	Cambridge International Diploma – October 2013	5174

- (b) (i) Identify how sources of secondary research which could be used to investigate one of the issues identified in 2(a) above. [4]

Candidates should identify two sources of secondary research which 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) Identify how two types of primary research which could be used to investigate one of the issues identified in 2(a) above. [2 × 2 = 4]

Candidates should identify two types of primary research which could be used to investigate one of the issues identified – e.g. Questionnaires, surveys or focus groups to find out customer needs and attitudes (4 marks)

[Total: 20]

3 Amir's Office Supplies operates in business-to-business (organisational) markets and not with personal consumers.

- (a) Explain three different categories of buying that are relevant to organisational markets. [3 × 2 = 6]

Three different categories of organisational buyer behaviour are –

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

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

- Problem recognition 2 marks
- Develop product specification 2 marks
- Search for suppliers 2 marks
- Evaluate supplier and product against specifications 2 marks
- Select and order 2 marks
- Evaluate performance post-purchase 2 marks

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

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]

Page 4	Mark Scheme	Syllabus
	Cambridge International Diploma – October 2013	5174

4 Yaacob 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]

PEST factor	General description	Factor from Case
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 Yaacob 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]

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

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

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

- (ii) to establish a presence in the office supplies market in Singapore by the end of 2014. [2]

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

(No marks are awarded for just explaining SMART)

- (c) Explain two control mechanisms that might be used to measure progress against the marketing plan. [2 × 3 = 6]

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]

Page 5	Mark Scheme	Syllabus
	Cambridge International Diploma – October 2013	5174

- 5 (a) Explain the elements of an extended marketing mix (7Ps), and give an example of how each element would apply to Amir's Office Supplies. [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 – 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

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

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

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

Price – competitors may make products available online at cheaper prices – Amir may have to reduce their prices to compete

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

[Total: 20]