



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

MARKETING

5174/01

Optional Module

October 2010

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 below and attempt ALL the tasks which follow.

(This case study is fictitious.)

HEALTHY HAIR PRODUCTS

The management of Healthy Hair Products are conscious of the increasingly competitive nature of their market place. They have supplied products to hair salons for many years, but sales have started to fall because of competition from international and global brands. The senior management team are worried by the disappointing sales figures and have decided to make some changes to their overall marketing strategy in order to stop the downward trend. 5

The first step in this process will be re-branding and repositioning their product range as organic and environmentally friendly. This will involve new packaging and a new promotional campaign.

The next stage will be a complete change of distribution channel. Instead of selling into hair salons, they have decided to position their brand as a luxury range of products available direct to consumers through their website. This may seem to be a major change, but analysis of their sales shows that there has been a lot of interest in their website in the last two years, which has resulted in orders from consumers rather than their traditional target market. 10

Healthy Hair Products recently commissioned some marketing research. They briefed their agency to survey existing customers that had bought from the website and to find out: 15

- how they had found the site
- what had interested them on the site
- what had made them decide to place an order
- what else they would like to see on the site.

They also requested some focus groups to help them decide on an appropriate name and brand image for their repositioning of the product range. 20

Healthy Hair Products have decided that their target segments will be as follows:

Females – aged 20-35, interested in the environment and wanting to look and feel good about their hair. They work in city offices, earn mid to high salaries and are concerned as much about the damage they may do to the environment when washing their hair as they are about the damage that pollution does to their hair. They use a full range of hair products and like them to be co-ordinated. 25

Males – aged 20-30, also working in the city with a good disposable income. They are also very environmentally conscious and want to make a good impression on women who are their partners or girlfriends. The men use not only shampoo, but also use conditioner and styling products such as gel and wax. 30

You work in the marketing team and are looking forward to the new challenge.

You must attempt ALL of the following tasks.

Where appropriate use information from the case study to support your answer.

- 1 Healthy Hair Products are market oriented.
- (a) Explain what is meant by market orientation. [5]
- (b) (i) Explain **three** key benefits of marketing in an increasingly competitive market place. [3 x 2 = 6]
- (ii) Explain how **each** benefit identified in (b)(i) contributes to Healthy Hair Products' objectives. [3 x 3 = 9]
[Total: 20]
- 2 Healthy Hair Products have commissioned some marketing research to help to put together the marketing plan.
- (a) Explain the **two** research methods that are mentioned in the case study. [2 x 6 = 12]
- (b) Identify **two** sources of secondary data that could help Healthy Hair Products. [2 x 4 = 8]
[Total: 20]
- 3 Healthy Hair Products have decided to focus on the personal consumer market.
- (a) Explain the **five** stages of the consumer buying decision process. [5 x 2 = 10]
- (b) Define the term 'segmentation'. [2]
- (c) Healthy Hair Products has defined **two** market segments that they wish to target. Explain the **methods** of consumer segmentation the company has used. [2 x 4 = 8]
[Total: 20]
- 4 Healthy Hair Products will be putting together a marketing plan for their new strategy.
- (a) Explain what the PEST factors are in an analysis of the external environment. [4]
- (b) Explain **two** advantages of marketing planning to Healthy Hair Products. [2 x 5 = 10]
- (c) Explain **two** control mechanisms that might be used in order to measure progress against the marketing plan. [2 x 3 = 6]
[Total: 20]
- 5 (a) Explain the elements of an extended marketing mix (**7Ps**) with examples of how **each** would apply to Healthy Hair Products' new range. [7 x 2 = 14]
- (b) Explain **two** ways in which Healthy Hair Products' marketing mix might be affected by developments in technology. [2 x 3 = 6]
[Total: 20]

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

University of Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.