



Questions 1 to 6 relate to the scenario below

Figure 1

**Scenario - *Manton Coaches***

*Manton Coaches* is a small, but expanding, business based in a town near Nottingham. It has a fleet of eleven coaches which are available for hiring out for different purposes. Nearly all trips are for:

- school outings
- works outings for businesses
- day or evening trips to theatre performances, sporting events and pop-concerts.

Three sizes of luxury modern coaches are available, seating 21, 35 or 53 passengers. *Manton Coaches* has taken advantage of new developments in luxury coaches and all coaches are now fitted with forced air ventilation, double glazed and tinted windows, seats with individual arm rests, video and CD players. There is a toilet and, for longer trips, hot and cold drinks are available. The latest safety features are fitted, both inside and outside, to ensure that customers have a care-free trip.

Customers come mainly from around the Nottingham area. When trips to theatres, sports events or pop-concerts are arranged, customers are picked up from specified locations.

There are a dozen or so other coach hire companies in the Nottingham area and *Manton Coaches* has experienced a loss of bookings because of aggressive pricing from its competitors. Competition has also had an effect on staff with some of the drivers being attracted away by other companies with offers of higher rates of pay and a company pension scheme.

Currently, *Manton Coaches* does not market its services to customers who live outside of the Nottingham area although it does arrange trips for customers to different parts of the United Kingdom (UK). Most trips are day trips. Some include a single or two nights' stay and for these the cost of hiring the coach includes accommodation for the driver.

Recent fluctuations in the cost of diesel fuel have made costing of trips difficult. The price of diesel has mainly changed because of fears of world shortages at times of uncertainty in the oil producing countries. These uncertainties have mainly been due to the effects of military conflict and terrorist threats.

There have been concerns over the rising level of unemployment and how that might affect demand. *Manton Coaches* is, therefore, looking for new ways to expand its business.



1. Before any major marketing decision is made it is wise to carry out a PEST analysis.

(a) (i) Using the information in **Figure 1**, identify **one** external influence on *Manton Coaches* for each of the following headings.

Political .....

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Economic .....

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Social .....

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Technological .....

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**(4)**

(ii) Why is each of your choices in part (i) a political, economic, social or technological external influence for *Manton Coaches*?

Political .....

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Economic .....

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Social .....

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Technological .....

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**(4)**



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(b) Using the information in **Figure 1**, assess if this would be a good time for *Manton Coaches* to expand its business.

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Q1

(Total 13 marks)



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2. Claire Whellan, the Marketing Manager for *Manton Coaches*, has responsibility for carrying out marketing research and launching the business into new markets. She is considering the marketing strategies indicated by the Ansoff matrix.

1. Market penetration
2. Product development
3. Market development
4. Diversification

(i) For each of these strategies, consider the current market as shown in **Figure 1**, and give an example of an appropriate new approach that *Manton Coaches* could sensibly take.

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(4)



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(ii) For each example you have given in (i) explain why it would be an appropriate marketing strategy for *Manton Coaches*.

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(12)

(Total 16 marks)

Q2

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3. Claire is considering expanding the business by setting up branches in Sheffield, Leicester and Birmingham.

(i) Describe **one** method of secondary desk research she could use in order to find details of likely competitors.

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(4)

(ii) Explain why **two** parts of the marketing mix used by competitors would be difficult to identify by this method of research.

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(4)

(Total 8 marks)

Q3



4. As part of her market research Claire conducted primary research in each of the three cities. She did this in a very structured way.

- She found the total number of households (Birmingham - 390,792, Leicester - 111,148 and Sheffield - 217,622).
- She selected a particular area in each city to survey.
- She divided the area into manageable blocks and selected one at random.
- She created a list of all of the roads in the block.
- The research teams went to every 10th house and asked the residents a set of questions about their use of luxury coach services.

The research teams spoke to 400 households in each city.

(a) Explain why the **sampling frame** for Leicester was **not** 111,148.

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**(3)**

(b) Why is Claire's approach to the research cluster sampling?

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(c) Considering the way in which this survey was conducted, evaluate how representative it is likely to be in terms of finding out the views of the people in these cities.

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Q4

(Total 10 marks)

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5. **Table 1** shows some of the results of these surveys.

**Table 1**

Question	Birmingham			Leicester			Sheffield			
Has anyone in your household used coaches in the last year?	Yes	78		Yes	92		Yes	81		
	No	322		No	308		No	319		
What did they use the coaches for?										
School trip	26			24			19			
Works outing	4			3			8			
Travelling to an event	31			16			21			
Travelling on holiday	22			35			31			
General travel private or work	14			14			18			
Other	5			16			4			
On a scale of 1 to 5 how important is: Price (P) Comfort (C) Safety (S) (1 indicates most important)		P	C	S	P	C	S	P	C	S
	1	62	51	70	64	80	90	71	58	81
	2	9	19	8	12	8	2	9	18	–
	3	7	6	–	15	4	–	1	5	1
	4	–	1	–	1	–	–	–	–	–
5	–	1	–	–	–	–	–	–	–	

(a) What is the likely reason why 78 households in Birmingham said that someone in the household had used coaches in the last year but the total for the purpose of the trips was 102?

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**(2)**

(b) On the basis of the services *Manton Coaches* currently provides, assess which city appears to offer the best target market.

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6. As part of a SWOT analysis *Manton Coaches* needs to take into account any weaknesses or threats caused by the type of service that it offers, including effects on the environment.

(a) Outline **one** negative environmental effect that the business is likely to cause because of the coach services it offers.

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(b) How is the planning of *Manton Coaches'* marketing mix likely to be influenced by potential negative environmental effects.

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**(5)**

**(Total 8 marks)**

**Q6**



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**Questions 7 and 8 are based upon your own investigations of marketing campaigns that you have studied during your course.**

7. Give an example of **one real** major UK business that used both above-the-line and below-the-line promotion in one of its marketing campaigns.

Name of business .....

(a) Give details of the campaign in which these two types of promotion were used.

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**(2)**

(b) (i) Identify **one** above-the-line and **one** below-the-line promotion used for this campaign.

Above-the-line .....

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Below-the-line .....

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**(2)**

(ii) For each method of promotion you have identified in part (i) explain why it was suitable for the target population.

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**(6)**

**(Total 10 marks)**

**Q7**

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8. Give an example of **one real** UK business that has a product that is in the cash cow section of the Boston Matrix.

(a) Name of business .....

Description of product in the cash cow section .....

(1)

(b) Explain how the business has used its marketing mix for this product in order to get the product into this cash cow position.

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(c) Justify at which stage of the product life cycle this product is currently operating.

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(3)

Q8

(Total 10 marks)

**TOTAL FOR PAPER: 90 MARKS**

**END**

