

CAMBRIDGE INTERNATIONAL EXAMINATIONS  
Cambridge Career Award in Business  
Standard Level

**MARKETING**

Optional Module

**5164/01**

October 2003

**2 hours 15 minutes**

Additional Materials: Answer Booklet/Paper

**READ THESE INSTRUCTIONS FIRST**

The time allocated for this examination includes 15 minutes reading time.

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.

You may use a calculator.

Attempt **all** tasks.

Write your answers on the separate Answer Booklet/Paper provided.

At the end of the examination, fasten all your work securely together.

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.**

(The following Case Study is fictitious)

**Case Study: 'The Eating Well Company'**

A major manufacturer of ready meals, 'The Eating Well Company', is considering whether to expand the range of products currently made for sale in Japan. At present, most major convenience store chains stock some or all of the products in their ranges and have steadily increased their orders over the past twelve months due to customer demand.

Demand for the products has also increased following an advertising campaign that raised awareness of the speed at which the ready meals can be prepared, highlighting that the time from freezer to table, via a microwave oven, was less than 20 minutes. Until now, most products have been noodle based. However, there has been a good response to some test marketing of new recipes based on pasta, and developed with an Italian flavour. Italian restaurants have increased in popularity in the last two years, and although 'The Eating Well Company' felt that the risk of launching the new recipes was minimal, they are still relieved at the enthusiastic initial response.

They have carried out some research into eating habits and found that the following trends are emerging.

- Many young couples, where both partners are working, prefer not to spend more than 30 minutes preparing and cooking food when they come home from work. 15
- Consumers of convenience foods are interested in the nutritional content and read labels carefully when shopping.
- Many consumers would like to reduce their overall intake of fat in their food.
- The majority of consumers' perception of pasta or noodle vegetarian meals is that they are healthier than meat based alternatives. 20

Sales of snacks, that are high in salt and fat and aimed at children under 12 years of age, have also increased significantly over the past ten years. Research also shows that children prefer convenience food, which may not be as healthy as home cooked meals.

'The Eating Well Company' has decided to launch yet another new product which is targeted at the children's market. The new products will be sold as small pots of noodles that are flavoured as 'hamburger', 'spicy chicken', and 'tomato sauce'. These can be quickly cooked at home, but provide a healthier option than other fast food or convenience food. 25

**You must attempt ALL of the following tasks**

- 1 (a) 'The Eating Well Company' shows several signs of being marketing oriented. From the case study, identify **five** issues that would indicate that the company focuses its business on the customer through a marketing approach. [10]
- (b) Recommend **two** ways in which 'The Eating Well Company' might build and maintain customer loyalty. [10]  
[Total: 20]
- 2 (a) The company has obtained information about consumer preferences through the use of secondary and primary research techniques. Explain the following terms **and** the benefits of using each:
- (i) secondary research [5]
- (ii) primary research [5]
- (b) 'The Eating Well Company' has carried out considerable research. However, they still have little information about their competitors.
- Explain **five** sources of information that the company might find to give it competitor information. [10]  
[Total: 20]
- 3 (a) Define the term 'segmentation', and explain **one** reason why it might be used. [10]
- (b) Explain how 'The Eating Well Company' might use demographic segmentation to target its products at a specific market. [10]  
[Total: 20]
- 4 (a) Explain **four** reasons why marketing plans are produced. [8]
- (b) Explain **two** reasons why marketing objectives are used in marketing plans. [4]
- (c) Write **two** marketing objectives for the 'children under 12 years of age' target market to be used within 'The Eating Well Company's' marketing plan. [8]  
[Total 20]
- 5 (a) Explain the importance of achieving a balance across the elements of the marketing mix, using **two** examples from the case study. [10]
- (b) Explain **two** ways in which 'The Eating Well Company' might use elements of the promotional mix to promote their products. [10]  
[Total: 20]

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