

CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge Career Awards

MARK SCHEME FOR the October 2002 question paper

CAREER AWARD IN BUSINESS

STANDARD LEVEL

5164 Marketing

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which Examiners were initially instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

The mark scheme must be read in conjunction with the question paper.

- CIE will not enter into discussions or correspondence in connection with this mark scheme.



Marking Scheme

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)*

1

Stevens has developed a marketing culture within its company.

- a) Explain what is meant by a 'marketing culture' *(5 marks)*
- b) List and explain **five** benefits of meeting customer needs and keeping customers satisfied. *(15 marks)*

(Total 20 marks)

Marks

- a) A marketing culture puts the needs of the customer at the centre of the whole business. Everyone in the company works towards satisfying those customer needs. *(5 marks)*
- b) A satisfied customer –
Buys more and stays loyal longer
Buys additional products or services
Talks positively about the company – word of mouth
Is less sensitive
Pays less attention to competing brands
Gives feedback to the company about products, services and new ideas
Costs less – less promotion is necessary

(3 marks for each of any five of the above points – total 15)

(Total 20 marks)

2

- a) Explain the term 'marketing research' (5 marks)
- b) Stevens carry out primary research with customers and non-customers. They do this using questionnaires. Explain **three** advantages and **two** disadvantages of:
- i) Face to face interviews (5 marks)
 - ii) Telephone surveys (5 marks)
 - iii) Postal surveys (5 marks)

(Total 20 marks)

Marks

- a) Marketing research is the process of gathering, interpreting and reporting information to help marketers solve specific marketing problems or take up marketing opportunities. It can consist of product research, promotional research, pricing research, distribution research, customer research, competitor research, and market research. (5 marks)

b)

- i) Face to face interviews
- | | |
|---|-------------------------------|
| <i>Advantages</i> | <i>Disadvantages</i> |
| Flexible | May be prone to personal bias |
| In-depth probes possible | Need to train interviewers |
| May get better response through personal approach | Most expensive |
- (5 marks)

- ii) Telephone surveys
- | | |
|----------------------------------|-------------------------------|
| <i>Advantages</i> | <i>Disadvantages</i> |
| Flexible | May be prone to personal bias |
| Avoids travel costs | Need to train interviewers |
| Harder to develop rapport | Limited to people with phones |
| Less expensive than face to face | |
- (5 marks)

- iii) Postal surveys
- | | |
|--------------------------|----------------------|
| <i>Advantages</i> | <i>Disadvantages</i> |
| No bias | Inflexible |
| Lowest cost per response | No probing questions |
- (5 marks)
- (Total 20 marks)**

3

Stevens collect information from their customers every year to check that they are satisfied with the level of customer service they receive. Explain the following steps for the collection of this specific information:

- a) Setting of research objectives (4 marks)
- b) Selection of different research methods/sources of information (4 marks)
- c) Data collection and sampling decisions (4 marks)
- d) Analysis of data (4 marks)
- e) Conclusions to be drawn from the findings (4 marks)

Marks

4 marks for each stage, suitably explained in the context of the case –

- a) Setting of research objectives (4 marks)
- b) Selection of different research methods/sources of information (4 marks)
- c) Data collection and sampling decisions (4 marks)
- d) Analysis of data (4 marks)
- e) Conclusions to be drawn from the findings (4 marks)

(Total 20 marks)

4.

- a) Referring to PEST analysis, explain how an understanding of the external issues that impact on Stevens' operations will help them develop their marketing plan. Also include two examples relevant to the Case material under each of the four PEST headings (16 marks)

- b) List the elements of the marketing mix. (4 marks)

(Total 20 marks)

Marks

- a) Any suitable examples are acceptable -
External factors in the company's environment cannot be changed, but can be responded to through marketing – examples include
Political – government may introduce tax on product, or free machines for certain customer groups
Economic – recession may limit spending on non-essential items such as PCs
Sociological – there may be a change in population age distribution – e.g. less in 14 – 25 age group, more in 55 – 70. Less likely to buy PCs
Technological – other companies may develop new technology that enables production of quality components more cheaply
(4 x 4 marks – total 16 marks)

- b) Product
Price
Promotion

Place
(4 x 1 mark – total 4 marks)

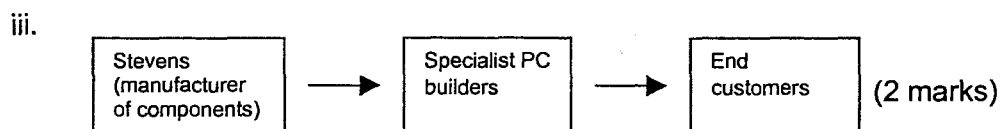
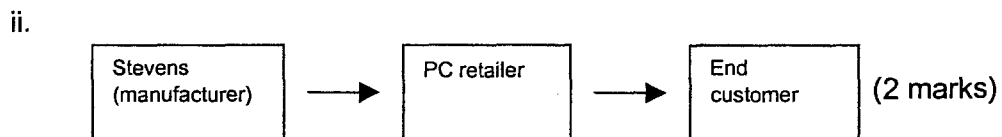
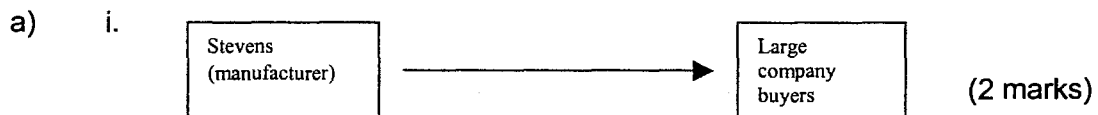
(Total 20 marks)

5

- a) Draw three individual diagrams showing the channel to market for each of Stevens' target groups of customers, i.e. PC retailers, specialist PC builders and large companies. (6 marks)
- b) Explain Stevens' pricing strategy (6 marks)
- c) From the Case material, identify and explain **two** means of promotion used by Stevens. (8 marks)

(Total 20 marks)

Marks



- b) Stevens use a 'value-added' premium pricing strategy, based on the quality of the products they offer. (6 marks)

- c) The case mentions -
Advertising – this might be through their website, in trade journals, jointly with suppliers or PC retailers in the press or on TV. (4 marks)

Personal selling – Stevens uses key account personnel to sell to large companies, and also to the PC retailers. (4 marks)

(Total 20 marks)