| Cambridge Internation  | OGE INTERNATIONAL EXAMINATIONS<br>nal Diploma in Travel and Tourism<br>tandard Level<br><b>5252/01</b><br>October 2004   |
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| Marketing and Promotion<br>Candidates answer on the Question Pa  |  |
| Candidates answer on the Question Pa   | October 2004   |
|  | October 2004   |
|  |  |
|  | aper. 2 hours and 30 minutes   |
| <b>READ THESE INSTRUCTIONS FIRST</b><br>Write your Centre number, candidate number a<br>Write in dark blue or black pen in the spaces p<br>You may use a soft pencil for any diagrams, gr<br>Do not use staples, paper clips, highlighters, g<br>Answer <b>all</b> questions.<br>At the end of the examination, fasten all your w<br>The number of marks is given in brackets [] a | provided on the Question Paper.<br>raphs, music or rough working<br>glue or correction fluid.<br>work securely together. |
| The number of marks is given in brackets [ ] a   |  |
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|  | For Examiner's Use   |
| If you have been given a label, look at the  | For Examiner's Use   |
| details. If any details are incorrect or<br>missing, please fill in your correct details<br>in the space given at the top of this page.  | To use as needed   |
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[Turn over

#### **Question 1**

The following statements summarise a full situation analysis of tourism provision reported by the Estonian Tourism Board.

- **A** The State neither prioritises the tourism industry nor supports it enough financially.
- **B** Competition from other Baltic States attracts a large number of the Finnish target market.
- **C** Transport links to Western Europe are poor.
- **D** Estonia boasts excellent natural resources and a good cultural heritage.
- **E** There is limited private investment within the tourism industry in Estonia.
- **F** Current expansion of Tourism Information provision and booking systems is taking place.
- **G** The excess number of day visitors increases the need for greater environmental protection and safety.
- **H** Estonia is relatively unknown as a destination country within Western Europe and the USA.
- (a) (i) Complete the SWOT box below, placing **one** letter for the most appropriate statement under each heading.

| Strengths     | Weaknesses |
|---------------|------------|
| Opportunities | Threats    |

(ii) Complete the PEST box below, placing **one** letter for the most appropriate statement under each heading.

| Political | Economic      |
|-----------|---------------|
| Social    | Technological |

[4]

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(b) Using information from the situation analysis, identify the **three** priorities you would suggest to the Estonian Tourism Board, explaining how these will improve tourism marketing of the country.

| Priority 1:  |     |
|--------------|-----|
|              |     |
| Explanation: |     |
|              |     |
|              |     |
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| Priority 2:  |     |
|              |     |
| Explanation: |     |
|              |     |
|              |     |
|              |     |
| Priority 3:  |     |
|              |     |
| Explanation: |     |
|              |     |
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|              | [6] |

(c) The Estonian Tourism Board wishes to conduct market research into the appeal of Bicycle Tourism. Which type of research method is used to obtain qualitative data responses? (i) [1] (ii) Suggest the two main disadvantages of using qualitative data. Disadvantage 1: Disadvantage 2: ..... [2] (iii) Give two examples of secondary information sources, which may benefit the Tourism Board's research into Bicycle Tourism. Example 1: ..... Example 2: [2] (d) Explain how the Estonian Tourism Board can develop an effective marketing mix to promote Bicycle Tourism.

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#### **Question 2**

The Western Cape province in South Africa has clearly identified several market segments to target within their 2010 Tourism Marketing Strategy.

(a) (i) Define the term 'market segment'.

|     |       | [1]  |
|-----|-------|--|
|     | (ii)  | The province has set tourism targets for the numbers of domestic trips and overseas visitors for the year 2010. Identify the form of segmentation used in setting these targets.   |
|     |       | [1]  |
|     | (iii) | The strategy refers to Activity Segments, including power breaks, beach holidays, Meetings, Incentive Travel, Conventions and Exhibitions (MICE), VFR, and special interest groups. To which market segment do these characteristics belong? |
|     |       | [1]  |
| (b) | (i)   | Identify the <b>two</b> most appropriate promotional methods that Travel and Tourism providers in the Western Cape province could use to promote special interest packages to overseas visitors.   |
|     |       | Method 1:  |
|     |       | Method 2: [2]  |
|     | (ii)  | Describe how each of these promotional methods could be used to encourage overseas tourism in the province.  |
|     |       | Method 1:  |
|     |       |  |
|     |       |  |
|     |       |  |
|     |       | Method 2:  |
|     |       |  |
|     |       |  |
|     |       | [4]  |

(c) Explain the range of factors that tourism providers must consider when producing effective publicity materials to promote a specific destination.

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(d) Choose one activity segment from the following list:

- power breaks
- beach holidays
- MICE
- VFR
- special interest groups.

Explain how travel and tourism providers in the Western Cape province might cater for the specific needs of your chosen market segment.

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**Question 3** (a) (i) Identify the main product of a bureau de change. [1] \_\_\_\_\_ (ii) Give one reason why this, like many other travel and tourism products, may be difficult to distinguish from a service. [1] (b) There are six stages to the product life cycle. (i) Name the first and the last stages in the cycle. First stage: ..... Last stage: [2] (ii) Describe the market characteristics of these two stages. First stage: Last stage: ..... [4]

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| (c) | (i)   | Identify where on the product life cycle you would place travellers cheques.  |
|-----|-------|---|
|     |       | [1]   |
|     |       |   |
|     | (ii)  | Give <b>one</b> reason for your choice.   |
|     |       |   |
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|     |       |   |
|     |       | [2]   |
|     | (iii) | Suggest <b>two</b> reasons why alternative methods of payment (other than travellers cheques) have become more popular with tourists. |
|     |       | Reason 1:   |
|     |       |   |
|     |       |   |
|     |       | Reason 2:   |
|     |       |   |
|     |       |   |
|     |       | [2]   |
| (d) |       | lain why more providers are now involved in the development of financial products for ists.   |
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(e) Evaluate which factors are most important when selecting a suitable location for a new bureau de change facility.

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| Question 4 |      |  |
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| (a)        | (i)  | Identify which pricing strategy is also known as 'price-taking' (that is, the acceptance of prices set by competitors for similar products). |
|            |      | [1]  |
|            |      |  |
|            | (11) | Give <b>one</b> example of how 'price discrimination' is practised by travel and tourism providers.  |
|            |      |  |
|            |      |  |
|            |      |  |
|            |      | [2]  |
| (b)        |      | cribe the relationship between 'market skimming' and the position of a product on the life e model.  |
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|            |      | [6]  |

- (c) There are internal and external influences on the final price a customer pays for a travel or tourism product.
  - (i) Suggest **two** examples of internal influences that can affect the price charged.

|      | Example 1:   |
|------|--|
|      |  |
|      |  |
|      |  |
|      | Example 2:   |
|      |  |
|      | [2]  |
| (ii) | Discuss the range of external influences on price, giving specific examples relating to travel and tourism products. |
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(d) Describe the relationship between brand image and price within a travel and tourism context.

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