

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge International Diploma Standard Level

MARK SCHEME for the May 2006 question paper

CAMBRIDGE INTERNATIONAL DIPLOMA IN TRAVEL AND TOURISM

5252

Marketing and Promotion, maximum mark 100

These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

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.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

- CIE will not enter into discussion or correspondence in connection with these mark schemes.

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QUESTION NUMBER	EXPECTED RESPONSE	MARK ALLOCATION	ASSESSMENT OBJECTIVE
1 (a)	(i) Strength = 8	1	2.0
	(ii) Weakness = 2, 3, 5, or 6 – accept any one answer.	1	2.0
	(iii) Opportunity = 2, 3 or 5 accept any one answer.	1	2.0
	(iv) Threat = 5	1	2.0
(b)	Positive political = 7 positive economic = 1 positive social = 7 positive technological = 4 or 6 negative social = 5 or 2 negative technological = 3 (Accept any 2 + 2)	4	2.0
(c)	Components of a cruise holiday: accommodation, meals, transportation, sightseeing excursions, mother tongue speaking guides. (Accept any three)	3	3.0
(d)	<u>Level of Response:</u> Candidates are invited to explore the reasons why travel and tourism providers extend their product portfolio. The main reason being that the more diverse the range of products the greater the appeal to a wide range of different market segments and customers – thus increasing sales volume and value and consequently profit levels. <u>Level 1: (0-2 marks)</u> Candidates at this level are either unable to suggest reasons for organisations extending their product range or limit their answer to the concept of offering more choice to customers, without being able to explain the financial implications of more choice from the provider’s perspective. <u>Level 2: (3-4 marks)</u> Candidates have better understanding of the impact that greater appeal to wider markets will have on an organisation and its profits, but might not use vocationally specific terminology competently in explaining this. <u>Level 3: (5-6 marks)</u> Candidates at this level demonstrate clear understanding of the way in which organisations use their product portfolio to appeal to the greatest number of clients to improve market share, increase sales and make profit.	6	3.0

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(e)	(i)	Merchandising is the use of point of sale material to enhance a brand image, in this context using mascots, logos etc, to create souvenirs. (1+1)	2	6.0
	(ii)	<p><u>Level of Response:</u> Candidates are asked to explain the importance of marketing and promotion of an event such as the Olympics to the host nation. China stands to gain significantly through increased levels of domestic and overseas tourism; the infrastructure will be improved and tourism receipts will help pay off the enormous cost of staging the Games.</p> <p><u>Level 1: (0-2 marks)</u> Candidates at this level make generalised comments about marketing and promotion being important to increase sales and gain competitive advantage – the response is made based on the skills and knowledge criteria from the assessment grid.</p> <p><u>Level 2: (3-4 marks)</u> Candidates at this level are able to understand that marketing and promotion plays an important role in creating an interest and stimulating demand for the Olympic product – and that visitors to the Games will require tourism services whilst in the area.</p> <p><u>Level 3: (5-6 marks)</u> Candidates at this level will appreciate the significant role played by marketing and promotion in attracting both domestic and foreign visitors to the Games and the associated financial gain from increased tourism receipts. There may be some intimation of the need to re-coup initial investments in staging the Games.</p>	6	1.0

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2 (a)	(i)	Perishable service – is something that cannot be stored or saved to use at a different time; something with an expiry date; – a seat on a flight is worthless to the airline company if it is empty on take off.	1	3.0					
	(ii)	<table border="1"> <thead> <tr> <th>Tangible products</th> <th>Perishable services</th> </tr> </thead> <tbody> <tr> <td>McDonalds “Happy meal”</td> <td>Hotel room occupancy</td> </tr> <tr> <td>Traveller’s cheques</td> <td>Theme park ride</td> </tr> </tbody> </table>	Tangible products	Perishable services	McDonalds “Happy meal”	Hotel room occupancy	Traveller’s cheques	Theme park ride	4
Tangible products	Perishable services								
McDonalds “Happy meal”	Hotel room occupancy								
Traveller’s cheques	Theme park ride								
(b)		<p><u>Level of Response:</u> Candidates need to explore the range of internal and external influences on price. Factors may include late availability discounts, profit margins, airport taxes, cost of fuel, etc.</p> <p><u>Level 1: (0-3 marks)</u> Candidates respond at a basic level making reference to the different class of air fares and do not appreciate the wider implications of external influences on cost.</p> <p><u>Level 2: (4-6 marks)</u> Candidates show some understanding of influences on cost including operating profit, taxes etc. and make reference to different pricing policies used by different airline companies.</p> <p><u>Level 3 (7-8 marks)</u> Full explanation of internal and external influences on price determination, including fluctuations in demand and invisible costs of personnel, service and maintenance etc. and are able to intimate the impact such influences have on the specific pricing policies used by individual airline companies.</p>	8	4.0					
(c)	(i)	<p>Advantages = savings on overheads, do not need as many staff or premises, do not have to pay commission to agents for sales;</p> <p>Disadvantages = need for excellent marketing and promotion to ensure customers choose them over other providers; need to ensure website link to search engines is good; could cause misunderstanding if customers do not read small print for themselves – there is no-one to explain the conditions of the sale to them. (1+1)</p>	2	5.0					
	(ii)	Electronic ticketing – email information arrives instantly; cannot get lost in the post, no chance of leaving ticket at home, quicker processing at check in desk. (Any 2)	2	5.0					
	(iii)	Airline company → Customer	2	5.0					
(d)		<p>Factors of location – list format acceptable</p> <p>Availability of suitable land or premises</p> <p>Cost</p> <p>Character of area</p> <p>Local and transient population – staff and customers</p> <p>Access and transport links</p> <p>Available facilities nearby e.g. bureaux de change, hotel and motel accommodation</p> <p>Away from possible competition</p> <p>(Any 6)</p>	6	5.0					

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3	(a) (i)	Secondary data; or internal source – accept either.	1	2.0
	(ii)	A customer profile provides stereotypical information about buyer behaviour, frequency and duration of use, car type preferences etc. = this is then used to target specific products and offers to a particular client type.	2	2.0
	(b)	<p><u>Level of Response:</u> Candidates can produce a comparison between qualitative and quantitative research = quantitative is generally easier to analyse and present, qualitative provides greater insight into buyer behaviour etc.</p> <p><u>Level 1: (0-2 marks)</u> Candidates appear unsure or confused by the terminology and cannot differentiate between the two types of research.</p> <p><u>Level 2: (3-4 marks)</u> Some understanding of the differences in research data is shown but little comparative language used.</p> <p><u>Level 3: (5-6 marks)</u> Candidates at this level show good understanding of the benefits of each data type and are able to use comparative language effectively.</p>	6	2.0
	(c)	Position on product life cycle model = saturation but also accept maturity or decline. Reason – car rental is expensive, customers like to experience independent travel using public transport etc., fewer people are using car rental firms – accept any reasonable answer. (1 + 2)	3	3.0
	(d)	<p><u>Level of Response:</u> Candidates must apply their understanding of the segmentation process to the car rental market. Industry specific examples must be given.</p> <p><u>Level 1: (0-2 marks)</u> Candidates seem unsure of the term segmentation or are unable to give any explanation for the process. There are no specific industry examples.</p> <p><u>Level 2: (3-4 marks)</u> Candidates can describe how markets are broken down into different groups of customers and cite one example of a market segment for the car rental market. (e.g. budget cars)</p> <p><u>Level 3: (5-6 marks)</u> Explanation of segmentation process is fuller and more than one example of appropriate car rental segments is given. (Luxury cars, budget cars, family cars, 4 wheel drive vehicles for off-roading etc.).</p>	6	2.0
	(e) (i)	Price, product, place, promotion.	4	7.0
		Element = Price or promotion – both are important to this industry – highly competitive market, demand is falling off – special offers are key to success – customers feel they can avoid the cost altogether, hence price being important. Promotion is essential in order to raise awareness and stimulate desire. (1 + 2)	3	7.0

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4	(a) (i)	Publicity materials = brochures; leaflets, flyers, posters, guides, timetables, maps etc. (Any 3)	3	6.0
	(ii)	Purposes = creating awareness, stimulating demand, accessing mechanism – include booking forms, proof of purchase – brochure substitutes for product between purchase and use. (Any 2)	2	6.0
	(b)	Choose from virtual tours, video recordings, broadcast TV. Virtual tour gives client sneak preview of what to expect; video and TV recordings allow chance to get a feel for a destination etc. without actually experiencing it for real – closest form of simulation. Accept any reasoned response. (1 + 2)	3	6.0
	(c)	<u>Level of Response:</u> Candidates need to describe what the AIDA principle is and then explain why it is widely used by T & T providers in producing publicity materials. <u>Level 1: (0-3 marks)</u> Candidates can list what the acronym stands for but are unable to explain why the use of the principle is significant. May not correctly identify all four aspects of the acronym. <u>Level 2: (4-6 marks)</u> Greater levels of understanding are shown, with some exemplification of why AIDA is used – reference is made to providing a checklist for advertisers to ascertain whether promotional materials will serve their purpose. Language level may be stilted and vocationally specific terminology might be lacking. <u>Level 3: (7-8 marks)</u> Full response showing maturity in understanding and competent use of terminology. Exemplification is given of how the principle is implemented.	8	6.0
	(d)	Above the line promotion is that with the objective of raising brand awareness – TV and national press advertisements for example. Below the line promotion uses response devices to generate enquiries and is less obvious than advertising e.g. sales promotion. The terms are often related to the costs involved in promotion – above the line are direct costs e.g. advertising, whereas below the line are indirect costs such as loyalty rewards etc. (2 + 2)	4	6.0
	(e)	Correct sequence 1 = Identify target market 2 = Set aims and objectives 3 = Set budget 4 = Decide on core message and media 5 = Evaluate effectiveness	5	6.0