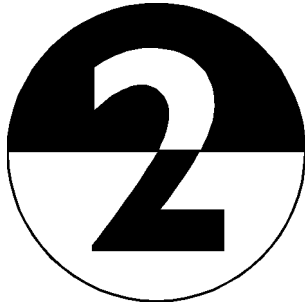


*Certificate in*  
**Marketing**



*Level 2*

*Series 2 2003*

*(Code 2025)*

**Model Answers**

(UK Accreditation No: 100/1602/8)

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# **Certificate in Marketing Level 2**

## **Series 2 2003**

### **How to use this booklet**

Model Answers have been developed by LCCIEB to offer additional information and guidance to Centres, teachers and candidates as they prepare for LCCIEB examinations. The contents of this booklet are divided into 3 elements:

- (1) Questions – reproduced from the printed examination paper
- (2) Model Answers – summary of the main points that the Chief Examiner expected to see in the answers to each question in the examination paper, plus a fully worked example or sample answer (where applicable)
- (3) Helpful Hints – where appropriate, additional guidance relating to individual questions or to examination technique

Teachers and candidates should find this booklet an invaluable teaching tool and an aid to success.

The London Chamber of Commerce and Industry Examinations Board provides Model Answers to help candidates gain a general understanding of the standard required. The Board accepts that candidates may offer other answers that could be equally valid.

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## QUESTION 1

- (a) Define the Marketing Mix. (3 marks)
- (b) Why should the mix be unique for each market segment? (2 marks)
- (Total 5 marks)**

### Model Answer to Question 1

- (a) The **Marketing Mix** is the set of marketing tools that the organisation uses to pursue its marketing objectives.
- (b) It needs to be unique to optimise on sales to the identified targets. Each segment may require different benefits to be promoted to them, or may need different pricing, packaging, etc to cover the variety of different wants, needs.

## QUESTION 2

- (a) Why are promotional budgets more difficult to forecast than other budgets? (2 marks)
- (b) Identify **3** ways of establishing a promotional budget. (3 marks)
- (Total 5 marks)**

### Model Answer to Question 2

- (a) **Promotional budgets** are more difficult to forecast because they are based on the amount of effort required to communicate with customers and consumers, rather than how much funding will be necessary to achieve the production. The objectives can be met with very little spend in some cases, but in others, launching a product will require greater input of cash.
- (b) Candidates may choose 3 ways from:
- setting objectives and tasks
  - percentage of predicted sales
  - spending same as competitors

An additional acceptable answer could be:

- all funding affordable.

### QUESTION 3

(a) Give **2 benefits** and **2 disadvantages** of using questionnaires to gain data from prospective customers. (4 marks)

(b) Why should a questionnaire carried out by post or email be more highly structured than one carried out face-to-face or on the telephone? (1 mark)

**(Total 5 marks)**

### Model Answer to Question 3

(a)

#### **Benefits**

- High response rates if conducted personally
- Population defined at outset

Additional acceptable answers could be:

- Can use visual aids to assist understanding
- Open-ended questions
- Control over who completes if conducting personally
- Postal survey can be presented to many respondents as less time-consuming than personal interviews
- Ability to probe in personal surveys into answers if conducted personally

#### **Disadvantages**

- Poor response rates
- Cost of production

Additional acceptable answers could be:

- Cost of collection
- Cost of collation
- Population may be too narrow
- Lack of interviewer objectivity
- Shallow questions
- Low level of control over who completes the questionnaire

(b) Mail surveys do not have the advantage of having an interviewer on hand to advise or inform, and therefore questions have to be more lucid and structured.

### QUESTION 4

(a) Explain the relationship between price, quality and the demand for a product or service. (3 marks)

(b) What factors would allow you to give an article a high price? (2 marks)

**(Total 5 marks)**

### Model Answer to Question 4

(a) Value for money and price, as seen by the consumer, is based on quality, fitness for purpose, and whether the product is a need.

(b) If the article has luxury value, and indicates a particular high level of lifestyle, or if the material is in short supply, but much needed, high pricing might be acceptable to the customer.

### QUESTION 5

(a) When launching a product, what is the value of an environmental audit? (1 mark)

(b) Identify 4 areas that you might cover in an environmental audit. (4 marks)

**(Total 5 marks)**

### Model Answer to Question 5

- (a) An environmental audit are one of the tools of testing for appropriate market availability.
- (b) Candidates can list STEP (or PEST) or STEEPLE factors, not necessarily in any order. Note that candidates often confuse environmental audits with those surrounding 'green issues'. It should be made clear to students that an environmental audit in marketing might include those issues surrounding ecology, but it has a definite meaning of its own.

### QUESTION 6

Explain what is meant by the **promotional mix** and identify 3 elements of it. (5 marks)

### Model Answer to Question 6

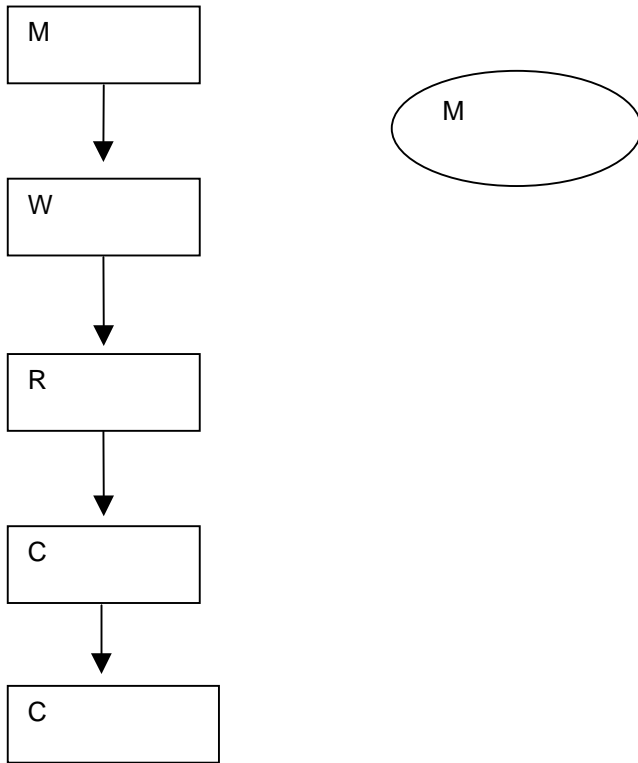
The **promotional mix** is the range of promotional tools that are used to communicate with customers and consumers.

Three elements:

- 1 PR
- 2 Advertising
- 3 Personal selling

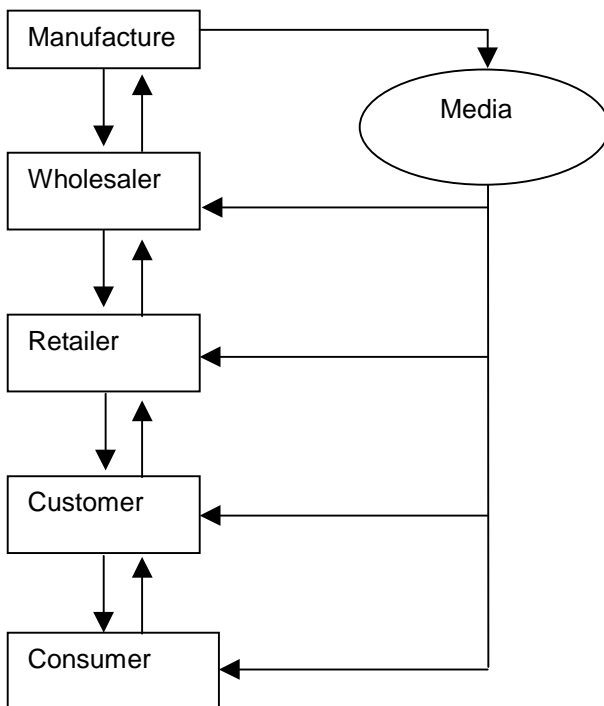
**QUESTION 7**

Complete the following diagram with words and arrows to show the Pull Model of communicating.



**(5 marks)**

**Model Answer to Question 7**



## QUESTION 8

Press releases are usually productive, but do have their drawbacks. Identify 5 benefits and/or disadvantages.

(5 marks)

### Model Answer to Question 8

Benefits and/or disadvantages of press releases:

- No guarantees of publication
- No control over timing of release
- No control over presentation of release
- Cheap
- Loss of impact when re-written by the media editor

An additional acceptable answer could be:

- High credibility

## QUESTION 9

Local and global travel is becoming easier and faster. Identify 3 **advantages** and 2 **disadvantages** that this presents for marketing.

(5 marks)

### Model Answer to Question 9

**Advantages could be:**

- Ability to attract a wider target local and global audience
- Out of town shopping with car parking makes people visit shops more often
- Ability to get imported goods more quickly

An additional acceptable answer could be:

- Ability to attract overseas visitors

**Disadvantages are:**

- Increased pollution
- Traffic jams at major 'bottleneck' points

Additional acceptable answers could be:

- Opportunities for your customers to go elsewhere
- Opportunities for customers to buy cheaper goods abroad

### QUESTION 10

Using Maslow's Hierarchy of Needs, show the level of need of a potential customer, for **each** of the following statements.

Statement	Level of Need
I need to buy some rice or bread, because I am hungry	
I need to buy a work of art	
I need to look for a shelter for my family	
I need to buy a McDonald's to share with my friends	
I need to buy a training course that will increase my knowledge	

(5 marks)

### Model Answer to Question 10

Statement	Level of Need
I need to buy some rice or bread, because I am hungry	Basic
I need to buy a work of art	Self-esteem
I need to look for a shelter for my family	Security
I need to buy a McDonald's to share with my friends	Social
I need to buy a training course that will increase my knowledge	Fulfil potential

### QUESTION 11

Explain the difference between the marketing focus and the production focus.

(5 marks)

### Model Answer to Question 11

The **marketing focus** is based on identifying and satisfying customers' needs profitably. The **production focus** is based on raw materials and what can be made from them at optimal cost.

## QUESTION 12

From the following list, **underline** those items which are **data** and not information.

- 21
- \$500
- Telephone directory
- Mr John Smith, teacher
- Product number 6
- Atlas
- Customer number
- Date of birth

(5 marks)

### Model Answer to Question 12

The items from the list which are data are:

- 21
- \$500
- Telephone directory
- Mr John Smith, teacher
- Product number 6
- Atlas
- Customer number
- Date of birth

All of the others are information that has been translated from pieces of data.

## QUESTION 13

Define database marketing.

(5 marks)

### Model Answer to Question 13

**Database marketing** is the use of computers and information technology to create and maintain records of members of target audiences to provide management information to the marketing department about the potential and actual markets. This will enable the organisation to carry out direct marketing activities to targeted customers.

#### **QUESTION 14**

(a) Why is it essential to target audiences for **each** of the segments where you are launching a new product? (3 marks)

(b) How does profiling help in targeting the audiences? (2 marks)

**(Total 5 marks)**

#### **Model Answer to Question 14**

(a) It is essential to identify each of the target audiences from chosen segments in order to identify exactly which marketing mix will work with each part of the targeted segment. For example, chocolate manufacturers might target a segment that is marked off as being of higher social class, but they will then target the younger part of that audience with perhaps different packaging from that used for the older members of the target group.

(b) Profiling assists in identifying each target audience more closely. The more information that is known about the target audience, the more precisely the marketing mix can be used.

### QUESTION 15

(a) Underline the items which represent good process management in the marketing mix.

- The assistant can give a refund when the customer is dissatisfied
- The customer has to complete 3 different forms to get a mail-order product
- The customer has to go to the transport office to get a timetable for the buses
- The customer uses only an account number when re-hiring a car
- The customer can ring a parcel carrier to collect a package that is prepaid

(3 marks)

(b) What would you recommend as a better way of handling the Process where the customer can see a table lamp on display but has to wait for the ordered item to arrive?

(2 marks)

**(Total 5 marks)**

### Model Answer to Question 15

(a)

- The assistant can give a refund when the customer is dissatisfied
- The customer has to complete 3 different forms to get a mail-order product
- The customer has to go to the transport office to get a timetable for the buses
- The customer uses only an account number when re-hiring a car
- The customer can ring a parcel carrier to collect a package that is prepaid

The above indicate Processes that put the customer first, making administration as simple as possible.

(b) When it comes to the purchase of small items, customers are naturally very upset when there is a delay in receiving the goods they wish to purchase, especially when they can see the item(s) they want on open display. If the organisation does not wish the customer to remove the displayed item there should be an adequate supply of boxed table lamps either underneath the display, or very close to the display, that the customer can pick up and take to a suitable pay point.

**QUESTION 16**

For the following situations, identify from the Boston Matrix approach, if it is likely that the growth and share of the market is a **dog**, a **cow**, a **star** or a **question mark**:

- A new product being launched is likely to be a .....
- A product that continues to sell well over a long time is a .....
- A product is beginning to fail in its markets and it is a .....
- A product is beginning to show good growth is a .....

**(5 marks)**

**Model Answer to Question 16**

- A new product being launched is likely to be a QUESTION MARK
- A product that continues to sell well over a long time is a COW
- A product is beginning to fail in its markets and it is a DOG
- A product is beginning to show good growth is a STAR

**QUESTION 17**

Four different ways are possible in deciding on the promotional budget. List these **4** ways.

**(5 marks)**

**Model Answer to Question 17**

The ways of setting a promotional budget are:

- A percentage of projected or past sales
- All that is affordable
- An amount that is similar to a competitor
- By setting objectives and fixing the associated cost

### **QUESTION 18**

(a) List 3 types of promotional agencies.

(3 marks)

(b) Why can it be considered good practice to brief agencies only on a 'need to know' basis?

(2 marks)

**(Total 5 marks)**

### **Model Answer to Question 18**

(a) To achieve full marks, candidates need to give at least 3 from the following list:

- Full service
- Media Independent
- Public relations consultancies

Additional acceptable answers could be:

- Marketing consultancies
- Management consultancies
- A la carte

(b) Agencies work for a number of clients, and may inadvertently give information about the product to another client. Confidentiality and sometimes secrecy are necessary to protect the launch of a product.

### **QUESTION 19**

List the 5 roles of packaging.

**(5 marks)**

### **Model Answer to Question 19**

The list must contain:

- Protect
- Act as a Media
- Identify
- Add Value
- Be Disposable

**QUESTION 20**

- (a) Using the **graph paper in your answer book**, create a bar chart to show the following sales forecast:

Sales Forecast for 2004 of new disinfectant product

January	2,000 packs
February	2,500
March	3,500
April	4,000
May	4,500

- (b) What is the overall total of predicted sales for the 5 months?

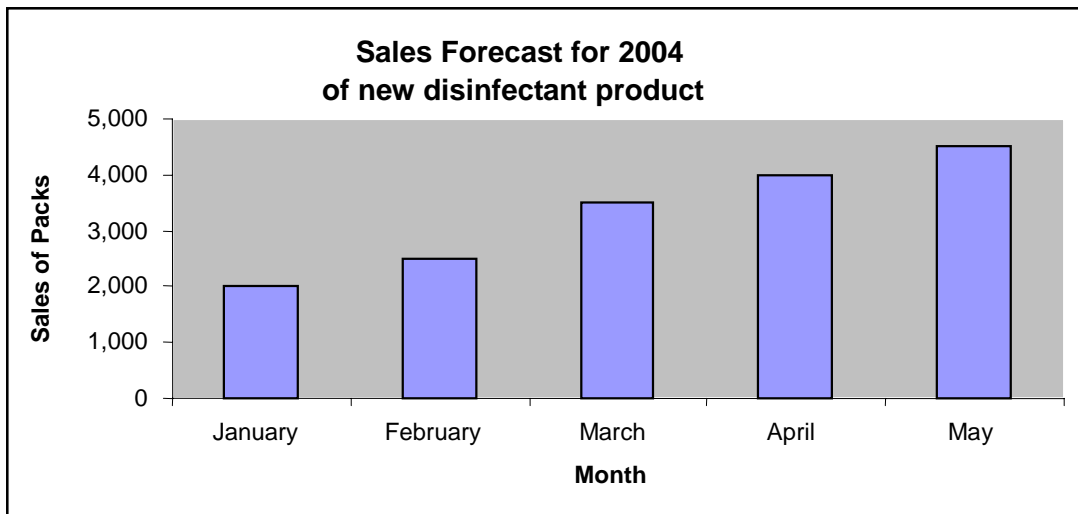
(4 marks)

(1 mark)

**(Total 5 marks)**

**Model Answer to Question 20**

- (a)



Graph paper should be used, and lines should be ruled. Colour is not essential. It is the case that candidates do not use the graph paper enclosed with the answer book. Please advise that it is there for their use for this question in particular.

- (b) Total forecasted sales of packs is 16,500





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