CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the May/June 2013 series

0471 TRAVEL AND TOURISM

0471/02 Paper 2 (Alternative to Coursework), maximum raw mark 100

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

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2013 series for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level components and some Ordinary Level components.

1 (a) (i) State <u>two</u> target markets for the Giants' Waterfall Cav

Award one mark for each valid target market identified.

Correct answers are:
- Cultural tourists
- Families / Families with Children
- Special interest (interested in history, walking, nat **but need a statement that implies people here**)
- Overseas tourists / foreign visitors

DO NOT ACCEPT: children, adults, leisure, adventure, youth, elderly, the blind, painters, newlyweds, young couples, demographic, lifestyle, geographic etc..

(ii) Identify two ways in which the Giants' Waterfall Cave has developed services in order to attract overseas tourists. [2]

Award one mark for each valid service identified– (must be appropriate to overseas visitors).

Correct answers are:
- Shuttle bus from airport
- Audio tours
- Multi-lingual guides

DO NOT ACCEPT: car park, playground etc. answer MUST relate to OVERSEAS visitors, not visitors in general.

(b) Explain reasons why marketing and promotion may be important to the owners of the Giants' Waterfall Cave attraction. [6]

Award **one** mark for each of **two** valid reasons and up to an additional **two** marks for exemplification.

Correct answers include:
- To create loyalty (1) enhance brand image (1) enhance reputation (1) use of logos, slogans (1) repeat business (1)
- To generate increased sales (1) customer satisfaction (1) new customers (1) higher market share (1)
- To gain competitive advantage (1) establish customer base (1) which is better than competition in the area (1)
- Raise awareness (1) to let customers know that the product/service is available (1) to generate an interest in visiting (1)

DO NOT ACCEPT: generic answers about the importance of owners carrying out market research.

(c) Explain two pricing policies that would be suitable f Waterfall Cave attraction.

Award one mark for the identification of each of two valid additional marks for explanation of each policy.

Correct answers include:

- Market penetration (1) suitable for a new attraction (1) t area (1) will be successful if it leads to high volume (1)
- Promotional pricing/ discount / special offer (**do not cred** suitable to entice customers (1) two for one (1) coupons (1) encourage brand and repeat business (1)
- Variable / seasonal pricing (1) different price for different customers (1) can encourage perception of value for money (1) gain customers from the competition (1)
- Competitive pricing (1) going rate (1) set price to that of competitors (1)
- Psychological pricing (1) charging $99 rather than $100 (1) customers 'feel' the price is cheaper (1)

DO NOT ACCEPT: **market skimming or loss leader pricing or prestige pricing or price bundling** as these are less relevant in the given context.

(d) The Giants' Waterfall Cave attraction is situated in an area of Brazil with good transport links. Evaluate the <u>other</u> factors which may have influenced the owners of Giants' Waterfall Cave to develop a visitor attraction in this location. [9]

Indicative content:

- Character of the area; the natural caves and historic paintings are likely to attract many tourists from around the world.
- Costs; the costs are important as taxes/subsidies may affect the start-up costs. The land cost is also important as the cost must be affordable in relation to likely customer numbers.
- Availability of staff; this is important as the caves will need a number of staff to act as guides and to provide the specialist language services, for example.
- Adjacent facilities; this can include nearby food/fuel, accommodation and other facilities which tourists will need if they are to visit the caves.
- Level of competition.
- Government permission / Heritage link.

DO NOT ACCEPT: <u>Climate</u>, as this is not relevant to this destination.

Use Level of Response criteria:

Level 1 (1–3 marks)
At this level, candidates will identify the factors.

Level 2 (4–6 marks)
At this level, candidates will explain the factors, probably generically with little reference to this case study.

Level 3 (7–9 marks)
At this level, candidates will analyse the factors. At the top of the level (8/9 marks) candidates are expected to offer some judgement or prioritising – probably identifying character of the area/natural features of the caves as the primary reason for the choice of the location.

2 (a) (i) State <u>two</u> reasons to support the view that Europea Maturity stage of the product life-cycle.

Award **one** mark for each of **two** valid reasons identified.

Correct answers include:
- Low-cost airlines have existed for some time (1)
- Low-cost airlines are facing competition (1)
- Low-cost airlines are planning new products to overc
- Already started extension strategies (1)
- Passengers have declined by 5% since 2010 (1)

Other statements from stimulus should only be accepted if clearly in context.

(ii) New airline routes are examples of products at the introduction stage of the product life-cycle. Give <u>two</u> market characteristics of the introduction stage. [2]

Award **one** mark for each of **two** valid characteristics.

Correct ideas include:
- The product is made available on a wider scale (1)
- Promotion is used extensively and costs may outweigh profit (1)
- There is considerable competition from competing providers (1)
- Low sales (1)
- Could have a high price IF a unique destination (1)
- No/low awareness of the product (1)
- Low price to enter the market (1)

(b) Identify and explain <u>two</u> methods of promotion that low-cost airlines could use to promote their new routes. [6]

Award **one** mark for the identification of a valid promotional method and up to **two** additional marks for exemplification of each **two** methods.

Correct answers include:
- Advertising (1) using publicity materials (1) attract target audience (1)
- Public relations (1) press releases are free publicity (1) to highlight the new routes (1) attract attention (1)
- Direct marketing (1) use a data base to send materials(1) inform potential customers of new product (1)
- Promotion (1) using the media (1) special offers / free gift / competition (1) attract attention to the product (1)
- Trade promotions (1) familiarisation which travel agents will then sell on (1) such as Trade fairs (1)
- Internet / Social Media (1)

DO NOT ACCEPT: reference to pricing such as discounts.

(c) Low-cost airlines use direct selling as a distribution cha to the airline of using this distribution channel.

Award **one** mark for each identified advantage and up explanation of each advantage.

NO credit for benefits to customers

Correct ideas include:

- The provider is responsible for making products availabl (1) increased profit (1)
- The provider can offer lower prices (1) saves the cost of an intermediary (1) attracts more customers (1)
- Can utilise advances in technology (1) e.g. Mobile apps, internet marketing etc. (1) Large target market as most people use the internet (1)
- Direct feedback – can solve issues (1)
- Better service leads to customer loyalty (1)
- Saves time, easy access to customers (1)

(d) Discuss how low-cost airlines might use the marketing mix to remain competitive. [9]

Indicative content:

- The 4 P's – Product, Price, Place, Promotion.
- Product could be the development of new routes which are not offered by other companies, with a schedule of flights which gives convenience. Departure airports to attract customers. The low – cost airline may offer convenient on-line booking and check in.
- Price could be the development of prices which are lower than the competition or promotional prices which offer special rates for advance booking.
- Place could be the choice of destinations or range of departure points e.g. more regional airports.
- Promotion could be advertising and marketing to highlight the company above competitors. Promotion can raise the brand image of this low-cost airline.

Use Levels of Response criteria:

Level 1 (1–3 marks)
At this level candidates will identify one, two or more of the 4P's.

Level 2 (4–6 marks)
At this level candidates will explain one, two or more of the 4P's, probably generically, with some reference to low-cost airlines.

Level 3 (7–9 marks)
At this level candidates will cover **ALL 4P's** providing clear explanation of at least one P, using examples relevant to this type of airline and must prioritise or make a judgement for top of level (8/9 marks).

3 (a) State and explain <u>two</u> benefits <u>to the customer</u> of bookin

Award **one** mark for the identification of each **two** benefits an exemplification.

Correct answers include:
- Convenience (1) customer can book whenever they hav be done at home (1) no need to travel (1) suits different (1) easier to bargain on the price if speaking (1)
- Price (1) customer saves cost as freephone number has discuss needs fully without worrying about cost of call (1)

(b) Other than the AIDA principle, state and explain <u>two</u> factors that Vacation Water Sports will consider when producing promotional material such as the advert in Fig.3. [6]

Award **one** mark for each of **two** factors identified and up to **two** additional marks for exemplification.

Valid answers include:
- Cost (1) the cost must be within the available budget (1) cost must not detract from the profit of the organisation (1)
- Timing (1) materials must be introduced to the market when the products are available (1) materials must fit in with other aspects of the marketing campaign for Vacation Watersports (1)
- Brand Image (1) the materials must fit in with the established brand image (1) to attract existing and new customers (1) logos, slogans (1)
- Target market (1) the materials must attract the right segments (1) by being promoted in the right places (1) increase market share (1)
- Stage of the promotional campaign (1) initial stage/ reinforcement of product (1) effective use of budget to increase profitability (1)

(c) Analyse <u>two</u> ways in which the factor of seasonality may influence the pricing policy for Vacation Water Sports for this holiday. [6]

Award **one** mark for each of **two** named pricing policies and up to a further **two** marks for the explanation of how **each** pricing policy is linked to the factor of seasonality.

First mark to be awarded for specific pricing policy. Exemplification marks cannot be awarded without reference to a specific pricing policy.

Correct ideas include:
- Vacation Water Sports could use special offers (1) this would encourage customers during the low season (1) two for one or offers such as free sport (1) could attract trade when customer numbers are lower (1)
- Vacation Watersports could use discount pricing in low season (1) to encourage sales when occupancy rates are lower (1) to gain some revenue (1)
- Price discrimination or variable pricing – Vacation Water Sports could use this (1) higher prices would be charged during peak seasons (1) prices would be decreased in low seasons (1)

Do not accept: market penetration or market skimming or loss leader as these are not relevant to seasonality.

(d) Evaluate the suitability of the product/service mix provi Vacation Water Sports.

Indicative content:

- Vacation Water Sports has a range of sports on offer wh of different ages (family).
- Lessons are offered at an inclusive price which would attr
- Buffet meals may be assumed to attract families as they children may prefer.
- The entertainment for adults is targeted at families as pa if there are children.
- A family rate is offered which is suitably attractive for families.
- Equipment is provided which saves time / money.
- Easy for busy families to book.

Use Levels of Response criteria.

Level 1 (1–3 marks)
At this level candidates will identify some examples of products and services which may not be specific to families or this organisation.

Level 2 (4–6 marks)
At this level candidates will explain why the products and services are suitable for families.

Level 3 (7–9 marks)
At this level candidates will evaluate the suitability of the products and services offered by Vacation Water Sports, and may make a judgement that the family target market has suitable products and services with a reason or that the products and services are not sufficient e.g. no babysitting service or children's entertainments.

4 (a) Using the statement numbers from Fig.4, complete the choosing only <u>one</u> statement under each heading.

Award **one** mark for **each** statement correctly identified.

Political: 4, 7
Economic: 2, 3, 7
Social: 5
Technological: 1,6

Mark only the first response under each heading.

(b) Using the results of the situation analysis, identify and explain <u>three</u> ways in which SWOT is likely to influence the SCB's new marketing campaign. [6]

Award **one** mark for each of **three** ways identified and an additional mark for explanation of each.

Statement from fig. 4 must clearly be identified as a Strength, Weakness, Opportunity or Threat. Second mark is for how this will influence the campaign.

Correct answers include:

- Seoul is a World Top 5 Conference City destination (1) this <u>strength</u> can be used to include in promotion of brand image (1)
- There has been limited global tourism marketing since SK co-hosted the FIFA 2002 World Cup (1) this <u>weakness</u> indicates that the SCB needs to promote Seoul globally as a venue for international events (1)
- SK wishes to expand its business links with Vietnam and China (1) this <u>opportunity</u> means that the SCB can send promotional materials to China and Vietnam (1)
- The Chinese cities of Beijing and Shanghai are gaining popularity as Conference City destinations (1) this <u>threat</u> means that the SCB should offer incentives or new pricing policies to overcome the competition (1)

(c) Explain <u>two</u> ways in which the Seoul Convention Bureau might create a brand image within this new marketing campaign. [6]

Award up to **three** marks for explanation of each of **two** ways.

Correct ideas include:

- product features (1) quality business venues (1) good internet links (1) well trained staff (1) high quality transport links including Incheon (1)
- price (1) attractive price for business (1) good value for money (1)
- packaging (1) use of logos, slogans, uniforms, colours (1) brand name to gain repeat business (1)
- target market (1) brand associated with business (1) specialist business facilities (1)

DO NOT ACCEPT: ADVERTISING/ PROMOTION as it is not part of the syllabus under brand image.

(d) Discuss how the Seoul Convention Bureau might use pu business tourism visits to Seoul.

Indicative content.

- Press releases.
- Interviews with well-known customers, sponsorship.
- Sponsorship could be related to sport which brings wides

Use Levels of Response criteria:

Level 1 (1–3 marks)
At this level candidates will identify (list) examples of public relations.

Level 2 (4–6 marks)
At this level candidates will explain the importance of public relations.

Level 3 (7–9 marks)
At this level candidates will clearly link public relations to business tourism e.g. press releases could show how successfully Seoul has already been in hosting business events and this will encourage future bookings.

For questions 1(a)(i), 1(a)(ii), 2(a)(i), 2(a)(ii), where candidates have offered more than one answer/identification on a single line, accept the FIRST answer/identification only.