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 must be read in conjunction with the question papers and the report on the examination.

- Cambridge will not enter into discussions or correspondence in connection with these mark schemes.

Cambridge is publishing the mark schemes for the May/June 2012 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.
1 (a) (i) In the table below, circle the three main forms of market segmentation used by travel and tourism providers. [3]

<table>
<thead>
<tr>
<th>Geographical (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic (1)</td>
</tr>
<tr>
<td>Lifestyle (1)</td>
</tr>
</tbody>
</table>

Award one mark for each correct identification. [3 × 1]

(ii) With reference to Fig. 1, explain, using examples, how the KTO has targeted each of these main market segments within its marketing plan. [6]

E.g.
Tourists from Japan (1) – geographic segment – origin of the tourist (1)

Women (1) – demographic segment – products targeted to the beauty market appealing to the feminine side (1)

Korean Food, Leisure and Beauty (1) – psychographic segmentation – interests of the tourists – food, beauty etc. (1)

Award one mark for each named example and a second mark for an explanation of the link to the market segment or customer type. [(1 + 1) × 3]

(b) Give three reasons why tourism organisations, such as the KTO, carry out market research. [3]

E.g.
• To identify who their customers are (1)
• To identify the needs and wants of their customers (1)
• To identify who their competitors are (1)
• To make marketing decisions e.g. linked to the marketing mix (1) or e.g. how to allocate budget (1)

Accept any reasonable suggestion.

Award one mark for each valid identification, up to three identifications. [3 × 1]

(c) Explain two benefits to tourism providers of using primary market research. [4]

E.g.
• Provides first hand evidence/opinions
• More up to date
• More ‘targeted’ to the providers’ needs
• Less costly
• More reliable.

Accept any valid benefits.

Award one mark for the identification of each of two benefits and a second mark for the explanation of each benefit. [2 × 2]
(d) Evaluate the benefits to travel and tourism providers of such a joint marketing campaign. 

E.g. 
- Shared costs of promotion 
- Competitive advantage removed from neighbouring countries 
- Increases potential customer base 
- Increased awareness/image 
- Can benefit from expertise of marketing partners.

Accept any valid suggestions of benefits.

[Levels of Response]

Level 1 (1–3 marks) Candidates at this level will identify up to three benefits to the provider/s.

Level 2 (4–6 marks) At this level, candidates will explain up to three benefits to the provider/s.

Level 3 (7–9 marks) Responses at this level will analyse (for 7 marks) or evaluate (for 8 or 9 marks) at least one benefit to the provider/s. To score 9 marks, the candidate must attempt to draw a conclusion about the relative importance of the benefit/s cited.
2 (a) Using the statement numbers from Fig. 2, complete the SWOT Analysis table below, choosing only one statement under each heading. [4]

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 or 6</td>
<td>2 or 5 or 7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2 or 5 or 8</td>
<td>3 or 5</td>
</tr>
</tbody>
</table>

Award one mark for a correct identification under each heading.

Accept only the first statement given in each box, if candidate provides more than one answer. [4 × 1]

(b) Using the results from the SWOT analysis, explain two ways in which the Marketing Mix may be used to gain competitive advantage. [4]

E.g.
Increase promotion (1) with overseas embassies to raise awareness with international visitors (1)

Develop additional tourism products (1) and services to attract more customers in off peak times (1)

Use special offer prices (1) to attract more price sensitive customers (1)

Use a range of different distribution channels (1) including international tour operators to ensure product reaches wider target audience (1)

Award one mark for the correct identification of how the marketing mix might be used, up to two identifications.

Award a second mark for an explanation of each identification, up to two explanations. [2 × 2]

(c) (i) What do the letters PEST stand for? [4]

Political (1)
Economic (1) not economical
Social (1) not socially
Technological (1)

Award one mark for each correct identification. [4 × 1]
(ii) Using PEST Analysis, explain two impacts of seasonality, [4]

E.g.
Economic impacts (1) foreign currency only being earned for some months of the year (1) businesses close down for the ‘winter’ season (1)

Social impacts (1) locals have seasonal employment opportunities (1) can only work during the peak season (1) unemployment rates increase in the winter months (1)

Award one mark for each of two links to the PEST model and a second mark for each explanation of these links. [2 × 2]

(d) Evaluate the benefits to international tour operators of offering ‘all-inclusive’ packages to seaside resorts such as the Black Sea resorts in Romania [9]

Benefits are likely to include:
• Stimulating demand to increase the number of visitors
• Increasing sales so the operator makes more money
• Gaining competitive advantage and become more popular compared with other tour operators in other destinations
• Creating positive image of the operator so that more people choose the organisation for their holiday
• Prevents leakage from the resort into the local economy as customers do not need to leave the resort for activities or meals
• Creates brand loyalty leading to repeat business.

[Levels of Response]

Level 1 (1–3 marks) Candidates at this level will identify up to three benefits to the tour operator.

Level 2 (4–6 marks) At this level, candidates will explain up to three benefits to the tour operator.

Level 3 (7–9 marks) Responses at this level will analyse (for 7 marks) or evaluate (for 8 or 9 marks) at least one benefit to the tour operator. To score 9 marks, the candidate must attempt to draw a conclusion about the relative importance of the benefit/s cited.
3 (a) (i) At which stage of the product life cycle would you place Paradise Park? Give one reason for your answer.

E.g.
Stage of Life Cycle: Decline (1) or rejuvenation/relaunch/extension (1)
Reason: Customer numbers remain unaffected by introduction of new thrill ride (1)
Organisation looking for new ways to re-launch the appeal of the park (1)
Award one mark for the stage and a second mark for a valid reason. [2 × 1]

(ii) Explain two ways in which the product life cycle can influence the marketing decisions made by tourism providers such as the owners of Paradise Park. [4]

E.g.
Owners may see decline as a negative stage (1) and choose to close the park (1)
Owners may see stagnation as a turning point (1) and try to rejuvenate the image of the park with new products and services (1)
Accept any reasonable explanations.

Award one mark for the identification of each of two links between the product life cycle and a second mark for explaining a decision that could come from a link to a specific stage. [2 × 2]

(b) Explain two ways in which place may affect the popularity of tourist attractions such as Auckland’s Paradise Park. [4]

E.g.
Physical location (1) – park may be located too far from customer base (1)
Accessibility (1) – park may not be easily accessible to customers (1)
Distribution channel used (1) – may not be effective in targeting potential customers (1)
Accept any valid suggestions.

Take care not to credit two examples of locational factors – must be two different aspects of place.

Award one mark for the identification of two aspects of place and a further mark for each explanation of these factors. [2 × 2]
(c) Name two pricing policies that this theme park might use with its customers and explain why each policy is appropriate. [6]

E.g.
Discount pricing (1) as sales are low, reduce entrance tickets by 20% (1) to encourage more customers (1)

Special offers (1) BOGOF – get free entrance to the park on your next visit (1) to guarantee repeat custom (1)

Variable pricing (1) different prices (1) to attract customers in off peak season (1)

Competitive pricing (1) offer same rate as other providers (1) to maintain share of the market (1)

Accept any reasonable suggestions.

Do not accept skimming or penetration pricing – the theme park is not new to the market.

Award one mark for the identification of each of two appropriate pricing policies and a further two marks for an explanation of why each of these policies might work. [(1 + 2) × 2]

(d) Evaluate the different methods of promotion that this theme park might use to encourage families to visit Dinosaur Dreamland. [9]

E.g.
Advertising – Children’s TV channels, Billboards, Bus stops, Parenting magazines, etc.

Publicity – brochures, leaflets and flyers, circulated by Tourist information providers, hotels etc.

PR – Special Event – launch of the opening of Dinosaur Dreamland, invite underprivileged children and journalists.

Direct marketing – send emails or mailshots to previous customers or membership card holders.

Accept any reasonable suggestions.

[Levels of Response]

Level 1 (1–3 marks) Candidates at this level will identify up to three appropriate methods of promotion.

Level 2 (4–6 marks) At this level, candidates will explain up to three appropriate methods of promotion.

Level 3 (7–9 marks) Responses at this level will analyse (for 7 marks) or evaluate (for 8 or 9 marks) at least one method of promotion. To score 9 marks, the candidate must attempt to draw a conclusion about the relative suitability of this method.
4 (a) (i) Explain what is meant by the term *press release.*

E.g.
Form of promotion (1)
Used to make ‘announcements’ (1) through the media (1)

Award one mark for basic reference to form of promotion and second mark for exemplification. [1 + 1]

(ii) Give two advantages to travel providers, such as Safari Searchers, of using press releases.

E.g.
Quick and easy way to make your name known (1)
Helps build brand image (1)
Free publicity (1)

Accept any reasonable suggestions.

Award only one mark for ‘quick and easy’.

Award one mark for each of two identifications. [2 × 1]

(b) (i) Identify the distribution channel chosen by Safari Searchers.

Correct answer is:
Internet (1) or direct sales (1)

Award one mark for correct identification.

(ii) Explain two disadvantages to travel providers, such as Safari Searchers of using only this distribution channel.

E.g.
Relies on customer finding your website (1) not all customers will have access to the Internet (1) and may not know your name to search (1)
Expensive to have links to your website from popular search engines (1) high cost of making your name appear high enough in the search results for customers to visit your website (1) small businesses may not be able to afford this form of attracting customers (1)
Potential connectivity issues (1) if the Internet goes down, customers can not access your website (1) this will impact on your sales and bookings if this is the only distribution channel you are using (1)

Accept any reasonable response.

Award one mark for the identification of each of two disadvantages plus a further two marks for explaining each of these disadvantages. [(1 + 2) × 2]
(c) **Explain two ways in which the luxury rail safari package offered by Safari Searchers can meet the specific needs of luxury rail travellers.** [6]

E.g.
- 5* accommodation (1) high quality cabins (1) on the train offering comfort and luxury (1)
- 5* service (1) personalised attention (1) from on-board stewards (1)
- Gourmet food (1) experienced chefs (1) preparing fine dining menus (1)

**Accept any reasonable suggestions.**

Award one mark for the identification of each of two ways in which needs can be met and up to two further marks for full exemplification of each of these. [(1 + 2) × 2]

(d) **Using the AIDA model, evaluate the effectiveness of the advertisement in Fig. 5 as a piece of promotional material.** [8]

E.g.
**Attention** – use of bold headlines – font size is too small to grab reader's attention.

**Interest** – Photos of wildlife will stimulate interest but would be more effective in colour and less muddled in presentation.

**Desire** – words like exclusive will provoke desire as will photos but need to be in colour and larger font. Also needs to explain fully the uniqueness of the experience.

**Action** – contact details provided but the website address is too small to be easily recognised. Also limits target customer to only those with immediate computer access.

**Accept any reasonable suggestions.**

Award one mark for correct identification of AIDA acronym and second mark for appropriate comment making judgement of advertisement against each criterion. [2 × 4]