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 2016 series for most Cambridge IGCSE®, Cambridge International A and AS Level components and some Cambridge O Level components.
1 (a) (i) Identify from Fig.1 (Insert): two target markets of Sarandsail. [2]

Award one mark for each of two valid examples:

- Nature lovers
- People interested in sport (learning to sail)
- People interested in sea food
- Families
- Groups
- Individuals
- Adventure tourists

Do not accept leisure

(ii) two products offered by Sarandsail. [2]

Award one mark for each of two relevant products identified:

- sailing courses
- seafood restaurant/carefully prepared meals
- accommodation
- day trip/boat trip

(b) Explain how each of the following factors might influence an activity holiday provider in its choice of location for an activity holiday centre: [6]

Award up to 2 marks for explanation of each factor.

Correct ideas include:

- **character and features of the area** – suitable natural environment needed to provide activity (1) e.g. coastal area for sailing, mountains for climbing (1)
- **adjacent facilities** – nearby shops, restaurants to satisfy tourists’ needs (1) nearby hotels for accommodation (1) away from competitors (1)
- **local and transient population** – potential customer base (1) workforce for both skilled and unskilled roles (1)

Credit all valid reasoning in context.
(c) **Explain how the following methods of promotion might be suitable for an activity holiday provider, such as Sarandsail:** [6]

Award up to three marks for the explanation of the suitability of each method of promotion.

**Correct ideas include:**

- **Publicity/print materials** – means the use of printed material such as brochures, leaflets or flyers (1) brochures, leaflets and flyers attract attention by means of colour pictures of the activities (1) and give details of the activities on offer (1) including contact details of the provider (1) can be given out at TIC or hotels or by travel agents and flyers can be distributed by direct mail to potential customers (1)

- **Internet** – means the use of a website (1) can provide colour and video clips of the activities to attract customers (1) useful as it can provide links for direct contact/booking with the provider (1) easy to update (1) 24/7 (1) expensive if professionally produced (1)

Only credit ‘cheap’ and ‘full of information’ once.

Credit all valid reasoning in context.

(d) **Evaluate the ways in which Sarandsail might develop its marketing mix to attract more of its target customers.** [9]

**Indicative content:**

- **Product** – increase the range of boat trips and activities on offer. This would attract more customers interested in nature and sport. Offer serviced accommodation for those not wishing to self-cater.

- **Place** – add a new distribution channel – wholesalers to widen customer base, or add additional locations to offer choice of sailing experiences – transport links etc.

- **Price** – offer variable pricing to groups/off-peak or offer discounts for early booking. Offer price-bundling for multi-activity package.

- **Promotion** – special offers for advertising in sailing magazines for example.

**Use level of response criteria:**

**Level 1 (1–3 marks)** At this level candidates will identify 1, 2 or more elements of the 4P’s (listed above).

**Level 2 (4–6 marks)** At this level candidates will explain 1, 2 or more elements of the 4P’s or give specific applied examples.

**Level 3 (7–9 marks)** At this level candidates will evaluate at least one element of the 4P’s. Award 8/9 for one element evaluated fully or some evaluation of 2 or 3 elements of the 4Ps.

Credit all valid reasoning in context.
2 (a) (i) Identify from Fig. 2 (Insert): two features of Semkong Beach Resort which might appeal to ecotourists. [2]

Award one mark for each of two valid features:

- Unspoilt coast/sandy beaches
- Local craft market/locally made souvenirs
- Trip to nature reserve
- Tropical gardens

(ii) the two services provided by Semkong Beach Resort. [2]

Award one mark for each of two valid services:

- Resort with housekeeping services
- Local guides
- All-day buffet
- Day trips

(b) Semkong Beach Resort is at the growth stage of the product life cycle. Describe three characteristics of this stage. [6]

Award up to two marks for a description of each of three characteristics.

Correct ideas include:

- Demand is rising (1) and numbers of customers increases steadily (1)
- Profitability increases (1) benefits from economy of scale (1)
- Competitors plan substitute products (1) company invests profits in promotion (1)
- Successful product (1) attracting new and existing customers (1)
- Pricing strategy changes (1) more competitively priced (1)
- Promotion changes from informative to persuasive (1)

Credit all valid reasoning in context.

(c) Explain two reasons why marketing and promotion might be important to tourism organisations, such as Semkong Beach Resort. [6]

Award one mark for the identification of each of two reasons and up to two additional marks for further explanation or amplification of each reason.

- Increased sales (1) leads to profitability (1) and a greater customer base of new and repeat customers (1)
- Competitive advantage (1) marketing attracts customers away from competitors (1) increases market share (1)
- Positive organisational and product image (1) marketing and promotion enhances brand image (1) gains recognition from customers (1) customer base built (1)
- Customer satisfaction (1) customers are pleased with promotional offers (1) stay loyal to the product (1)
- Identify target market (1) bring in new customers (1)

Credit all valid reasoning in context.
(d) Using the AIDA principle, evaluate the effectiveness of the advertisement shown in Fig. 2 (Insert).

Indicative content:

- Attention – bold headlines or fonts to gain attention
- Interest – photos of tropical landscape; offers
- Desire – language ‘you’ll never forget it’
- Action – contact details.

Use levels of response criteria:

Level 1 (1–3 marks) At this level candidates will identify 1, 2 or more aspects of AIDA.

Level 2 (4–6 marks) At this level candidates will explain 1, 2 or more aspects of AIDA or give applied examples.

Level 3 (7–9 marks) At this level candidates will evaluate 1, 2 or more aspects of the effectiveness of AIDA in this advert. For top of the level, there should be a conclusion.

3  (a) Using the statement numbers in Fig 3 (Insert), complete the SWOT Analysis table below. Choose only one statement under each heading.

<table>
<thead>
<tr>
<th>One Strength of tourism in Norway</th>
<th>One Weakness of tourism in Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 4, 5, 7</td>
<td>3, 6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One Opportunity for tourism in Norway</th>
<th>One Threat to tourism in Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 5</td>
<td>1, 6</td>
</tr>
</tbody>
</table>

Award one mark for each valid response.

Accept only the first answer under each heading, where more than one answer is given.

Numbers/statements must only be used once.

(b) Innovation Norway, the national organisation responsible for tourism, aims to develop a brand image for adventure tourism.

Explain how each of the following might be used to develop a brand image for adventure tourism.

Award up to two marks for exemplification of each of the three given ways.

Correct ideas include:

- **Promotion** – use of advertising (1) billboards (1) brochures (1) to help customers recognise/become familiar with and remember brand identity (1)
- **Brand loyalty** – loyalty cards – repeat business (1) word of mouth (1) increases customer base and associates brand with popularity (1)
- **Price** – association of destination (1) with value for money/quality (1)

Accept all valid reasoning in context.
(c) Explain two ways in which tourism providers in Norway might adapt their products to cater for the adventure tourist. [6]

Award one mark for each of two product modifications and up to two additional marks for the explanation of each modification.

Correct ideas include:

- Product features (1) ensure product is accessible (1) i.e. access to water, coastal and countryside sites (1)
- Services (1) ensure that there is sufficient equipment to hire and tuition (1) available to satisfy the needs of adventure tourists who may be beginners or experienced (1)
- Product range (1) mountaineering (1) biking (1) climbing (1) to suit different interests and ages (1)

Credit all valid reasoning in context.

(d) Evaluate the factors that might influence tourism providers in Norway in their choice of pricing policies for adventure tourism products. [9]

Indicative content:

- Fixed and variable costs – costs of providing accommodation and hiring expertise for each activity.
- Profitability – need to make a profit for future investment and to pay for start-up costs.
- Subsidies – there may be subsidies from the Norwegian government which would reduce overheads.
- Competitors – prices set will probably not exceed those of competitors or sales will fall.
- Customers’ expectations – prices should be set in line with what customers are willing to pay. Numbers of customers may result in economies of scale.
- Seasonality – usually providers may reduce prices during off peak season to retain some business.
- Economic factors – taxes (government) affect prices as do exchange rates.

Use levels of response criteria:

Level 1 (1–3 marks) At this level candidates will identify 1, 2 or more factors influencing pricing policies.

Level 2 (4–6 marks) At this level candidates will explain 1, 2 or more factors affecting pricing policies.

Level 3 (7–9 marks) At this level candidates will evaluate the factors affecting pricing policies and may make a judgement as to which is most relevant to adventure tourism.
4 (a) (i) Using Fig. 4 (Insert) identify the following:
the two ways in which rail travel providers in the USA have adapted their product
to cater for cultural tourists. [2]

Award one mark for each of two aspects of the product related to cultural tourists:

- Free guided tours/of museums in New York and Chicago
- Choice of routes to different cultural centres (Washington)
- Grand Canyon railway/Lincoln Memorial/Monument valley

(ii) two competitors of rail travel. [2]

Award one mark for each of two competitors.

- Domestic airlines/flights
- self-drive or car hire

Do not accept driving as this is an activity, not a competitor.

(b) Explain three pricing policies which might be used by rail travel providers to attract
customers. [6]

Award one mark for the identification of a valid pricing policy and one additional mark for a
reason.

Correct ideas include:

- Variable pricing (1) this gives a different rate for off-peak season or to certain groups
  such as the elderly (1) this might attract new customers.
- Promotional pricing (1) special offers or incentives (1) would attract attention of potential
  customers and may result in repeat business (1)
- Discount (1) e.g. 25% off for groups (1)

Do not accept price skimming or prestige pricing or penetration pricing.

Valid pricing policy must be named in order to credit the explanation of the policy.

Credit all valid reasoning in context.

(c) Explain the advantages to the providers of rail travel in the USA of using each of the
following distribution channels. [6]

Award one mark for the explanation of each of two advantages and up to two additional
marks for the amplification of each.

Correct ideas include:

- Direct selling – cheap method (1) no intermediaries used so no commission paid (1)
  can take all decisions about marketing so have more control (1) has direct relationship
  with potential customer (1)
- Wholesalers – wide access to potential customers (1) wholesaler buys product/buys in
  bulk so profit upfront (and distributes it to retailer) (1) does all the marketing and
  promotion needed for the provider (1) this can be easier and save marketing and staff
  costs (1) wider market (1)

Credit all valid reasoning in context.
(d) **Evaluate how the product service mix may be used by providers of rail travel in the USA to overcome the competition from other transport providers on routes across the USA.** [9]

Correct ideas include:

- **Product** – comfortable rail carriages and range of routes with frequent timetable. This will be more attractive to passengers than airlines which are more restrictive in terms of routes, timetables and cabin space.
- **Quality service** on board the train and at stations. Waiter service and porters to help carry bags. Information services on the trains. This quality service can attract customers who may like to enjoy this service for all passengers, not just for business or first class passengers.
- **Range of food and drink** available on the train to cater for different tastes. Attracts people away from competition as there is more available and time to enjoy it on board in the restaurant car and via buffet services.
- **Facilities and on board entertainments**, especially for children. Attractive to families more than aircraft/cars as children are not restricted to sitting down.

**Use levels of response criteria:**

**Level 1 (1–3 marks)** At this level candidates will identify 1, 2 or more examples/features of products and services.

**Level 2 (4–6 marks)** At this level candidates will explain 1, 2 or more examples of products and services which are relevant to rail travel.

**Level 3 (7–9 marks)** At this level candidates will evaluate 1, 2 or more aspects of the product-service mix for rail travel over other transport methods. A candidate who evaluates one aspect well may gain top of level.

Credit all valid reasoning in context.