# **CAMBRIDGE INTERNATIONAL EXAMINATIONS GCE Ordinary Level**

# MARK SCHEME for the October/November 2012 series

# 7096 TRAVEL AND TOURISM

7096/02 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.

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 (a) (i) Identify the market research technique used by the Maldives Ministry of Arts and Culture in its destination audit.

> Award one mark for a correct identification. Survey (1) Audit (1)

Do not accept 'Primary research' or any other answers e.g. 'questionnaires', interviews etc.

(ii) Explain <u>two</u> advantages to travel and tourism organisations of using this research technique.  $[2 \times 2 = 4]$ 

Award one mark for each of two correct identifications of the advantages.

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

e.g. Primary research method (face to face/direct) (1) you can target the questions (1)

Up to date (1) Information will be valid (1)

Specific (detailed) information (1) information will be relevant to your research (1)

Cheaper (1) than secondary research (1)

Accept any valid explanation.

(iii) State at which stage of the product life cycle you would place the Maldives as a tourist destination. Give  $\underline{two}$  reasons for your answer. [3 × 1 = 3]

Award one mark for correct identification of the stage and up to two marks for the reasons given. Credit can be given for the reasons, even if the stage is incorrect. Maturity (1)

Many tourists have now visited (1) and are choosing different types of destinations (1) Competition from other destinations is high (1) visitor numbers are decreasing (1)

Accept any valid reasons.

(b) Complete the table below to show the appeal of  $\underline{\text{two}}$  different natural features to different market segments, giving a reason for your choice. [1 + 1 + 1  $\times$  2 = 6]

Award one mark for each of two correct identifications in each section of the table. **NB** If no 'natural' features are identified, it is not possible to gain marks for the segment or the reason for the appeal.

e.g.

Climate (1) people from colder parts of the world (1) to experience hot destinations (1) Tropical island (1) honeymooners (1) Romantic/wedding ceremony on the beach (1) White sandy beaches (1) Leisure tourists (1) For relaxation and fun (1) Underwater beauty (1) Divers (1) To see marine life (1) Mountains (1) Adventure tourists (1) Hiking/climbing (1).

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# (c) (i) Other than using a brand slogan, give <u>two</u> examples of how a destination create a brand image.

Award one mark for each correct identification up to two identifications e.g.

Destination/product features/USP/quality of the product (1)

Logo/name (1)

Colours associated with the brand (1)

Uniform (1)

Mascot (1)

Price (1)

Accept any reasonable suggestions.

### (ii) Analyse the importance of brand image for a destination such as the Maldives. [9]

#### Levels of Response:

<u>Level 1</u> (1–3 marks)

Candidates at this level will **identify** up to three reasons why brand image is important.

### Level 2 (4–6 marks)

At this level, candidates will **explain** up to three reasons why brand image is important.

## <u>Level 3</u> (7–9 marks)

Responses at this level will **analyse** at least one reason for the importance of brand image.

### e.g.

- Competitive advantage island resorts are in strong competition with one another/to overcome the competition from newly emerging destinations
- To appeal to a wider customer base/selling more
- To benefit from repeat visits
- To create a unique product image
- To create awareness.

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# 2 (a) (i) Using the statement numbers from Fig. 2 above, complete the PEST takes choosing only one statement under each heading.

Award one mark for each valid identification.

Political	Economic
4	2
Social	Technological
3	1

#### (ii) What do the letters SWOT stand for?

 $[4 \times 1 = 4]$ 

Award one mark for each correct identification. Strength/s (1) Weakness/es (1) Opportunity/ies (1) Threat/s (1)

# (b) (i) Explain <u>four</u> methods of promotion that could be used as part of this campaign.

 $[4 \times 2 = 8]$ 

Award one mark for the identification of each of four promotional methods and a second mark for exemplification/explanation of each method.

- Advertising (1) international websites (1) international TV campaign (1)
- Publicity (1) leaflets and brochures distributed via embassies overseas (1)
- PR (1) incentives/familiarisation trips to travel trade (1)
- Press conference (1) for media exposure (1)
- Internet (1) own tourist board website (1)
- Road show/Trade show/Travel fair/Exhibitions (1) to showcase to industry partners
   (1)
- Sales promotion (1) Free gifts/free sports activities/coupons/BOGOFs (1)
- Sponsorship of events (1) to raise awareness of the organisation (1).

Accept any valid promotional methods.

**NB** Promotional/discount pricing are NOT promotional methods so DO NOT ALLOW.

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# (ii) Discuss why travel and tourism organisations, such as the Nepal Touriscarry out marketing and promotion.

### Levels of Response:

### Level 1 (1–3 marks)

Candidates at this level will **identify** up to three reasons why organisations use marketing and promotion.

### Level 2 (4–6 marks)

At this level, candidates will **explain** up to three reasons why organisations use marketing and promotion.

### Level 3 (7–9 marks)

Responses at this level will **analyse/evaluate** at least one reason why organisations use marketing and promotion.

To score 9 marks, the candidate must attempt to draw a conclusion about the relative importance of the reasons cited.

#### e.g.

- Raise awareness of the destination
- Competitive advantage
- Increases potential customer base
- Increase sales/profitability
- Create positive image for the destination/organisation
- Achieve customer satisfaction
- Improve foreign exchange
- Attract more investors
- NTB use marketing/promotion on behalf of small tourism providers.

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## 3 (a) (i) Identify the main market segment targeted by this resort.

Award one mark for correct identification. Families (1) or demographics (1).

# (ii) Identify and explain three ways in which the products or services at this resort may meet the needs of this target market. $[2 \times 3 = 6]$

Award one mark for the correct identification of each of three products/services and a second mark for explaining how each of these meet the needs of customers.

e.g.

- Family rooms (1) so that parents and children all sleep in the same room for safety
   (1)
- Lots of food choices (1) so that children can choose things they like to eat rather than having a set meal (1)
- Indoor and outdoor swimming pools (1) children enjoy having time in the pool whatever the weather (1)
- Children's clubs (1) so parents can have some time on their own whilst children are looked after by resort staff (1)
- Babysitting (1) so parents can enjoy a meal alone (1)
- All inclusive package (1) so no additional onsite costs (1)
- Free sport activities (1) to cater to leisure needs (1).

Accept any reasonable explanations.

# (b) Explain, using examples, <u>two</u> differences between a tourism <u>product</u> and a tourism <u>service</u>. $[2 \times 2 = 4]$

Award one mark for the identification of each of two differences between a product and a service and a second mark for a specific example.

There may be some obvious overlap - i.e. a product is the opposite of a service - however this is part of the syllabus and has to be allowed.

e.g.

Products are tangible, separable, storable, homogeneous (e.g. things that can be seen or held) (1) e.g. a swimming pool (1)

Services are intangible, inseparable, heterogeneous, perishable (e.g. things that cannot be seen or held, 'an experience') (1) e.g. waiter service in the restaurant (1)

Accept any valid suggestions.

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### (c) State <u>five</u> locational factors that may influence the decision to open a new resort.

Award one mark for the identification of each of five factors of location.

e.g.

- Costs (1)
- Character of local area (Crime rates/safety) (Suitable resources e.g. water supplies etc.) (Beach/views) (1)
- Adjacent facilities (1)
- Location of competition (1)
- Accessibility/transport links (1)
- Availability of staff (1)
- Climate (1).

Accept any valid 'applied' examples – e.g. it is possible to award more than one mark for different exemplifications of 'character of local area' using the brackets above as a guideline.

# (d) Discuss the advantages and disadvantages to the resort owners of using a range of distribution channels in order to sell an all-inclusive package holiday. [9]

### Levels of Response:

Level 1 (1–3 marks)

Candidates at this level will identify advantages and/or disadvantages.

Level 2 (4–6 marks)

At this level, candidates will **explain** advantages and/or disadvantages.

Level 3 (7–9 marks)

Responses at this level will analyse/evaluate at least one advantage and at least one disadvantage.

To score 9 marks, the candidate must attempt to draw a conclusion about the relative suitability of one distribution channel.

e.g.

## Advantages

- Using a retailer/wholesaler allows shared promotion costs
- Widest targeting of customers available
- Direct distribution is most cost-effective.

#### Disadvantages

- Expensive because some of the channels use intermediaries who take their portion of the profits (commission)
- Long chains of distribution take a long time for customers to access products.

Accept any reasonable suggestions.

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## 4 (a) (i) Describe two pricing policies commonly used by budget airlines, su-Gansas.

Award one mark for the correct identification of each of two pricing policies and a seconark for the description of each of these policies.

Variable pricing (1) different prices charged according to seat availability or season of travel (1) (NOT different class of traveller as budget airlines cater only for economy passengers)

Promotional pricing/discount pricing (1) discounts/special offers for early bookings, for standby seats or to ensure all seats are sold (1)

Competitor-based pricing/going rate (1) set prices to match or just below rivals (1).

Accept any reasonable descriptions.

# (ii) Explain two external factors that might influence the prices charged by budget airlines, such as Go Gansas. $[2 \times 2 = 4]$

Award one mark for the identification of each of two external influences on price and a second mark for the explanation of each of these factors.

e.g.

- Fuel surcharges (1) with rising costs of fuel, airlines may increase the surcharges customers have to pay (1)
- Airport taxes (1) airlines have to take these into consideration in the final price they charge (1)
- Competitors' prices (1) airlines will try to undercut their competitor's prices (1)
- Seasonality (1) Off peak charges are lower than peak season (1)
- Level of subsidies (1) help from government at business set-up (1)
- Customer expectations (1) what customers are willing/able to pay based on quality of product/service or economic situation (1).

Accept any reasonable factors as long as they are external, i.e. not within the control of the airline.

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# (b) Explain <u>two</u> advantages and <u>two</u> disadvantages to budget airlines, suc Gansas, of using Internet website advertising.

Award one mark for two identified advantages and two identified disadvantages and a furth mark for each explanation.

e.g.

### Advantages

- Cheaper (1) than other forms of advertising e.g. TV (1)
- Can target international customers (1) internet brings global presence that other forms of advertising cannot (1).

### Disadvantages

- Customer has to know the website address in order to access (1) not all customers will have access to a computer (1)
- Some customers will ignore the advert (1) even if they see it online (1)
- If website crashes (1) potential loss of exposure (1).

Accept any reasonable suggestions.

**NB** Question is about advertising so DO NOT ACCEPT responses about online booking.

# (c) Analyse how a budget airline may use the marketing mix to increase its customer numbers. [9]

#### Levels of Response:

#### <u>Level 1</u> (1–3 marks)

Candidates at this level will **identify** one or more elements of the marketing mix.

#### Level 2 (4–6 marks)

At this level, candidates will **explain** one or more elements of the marketing mix.

#### Level 3 (7–9 marks)

Responses at this level will **analyse/evaluate** one or more elements of the marketing mix. To score 9 marks, the candidate must attempt to draw a conclusion about the relative importance of the elements of the marketing mix.

e.g.

- Price the price will be lowest the earlier you book
- Product low frill service to keep costs down but may offer food and drinks at a supplementary cost
- Place Internet booking only to keep costs low but may use other flight booking websites to help sell seats
- Place use of regional airport where costs are lower than main hubs and gateways
- Promotion lots of special offers, billboard posters, adverts in magazines etc. to increase customer base.

Accept any reasonable response relating to low cost airlines.