

MARK SCHEME for the May/June 2008 question paper

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.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

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

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

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- 1 (a) (i) **Give two examples of the product offered by the Royal Sunset Beach club.**
Product features include: Studio, 1 bedroom or 2 bedroom apartments;
Fully equipped kitchen area;
Restaurant;
Poolside bar;
Gymnasium, squash courts and sauna;
Laundry – BoD
Accept any two. (2 × 1) [2] [AO 3.0]
- (ii) **Explain how the *timeshare* product differs from a *package holiday*.**
Timeshare is where visitor has part ownership of the holiday accommodation, usually for 1/52 weeks. The timeshare cost includes full use of the facilities at the resort during the designated week of ownership each year but does not include transport, transfers, or catering. A package holiday is made up of several components – transport, accommodation and catering, for a one-off payment. There is no ownership of any of the actual products that make up a package holiday.
Allow one mark each for basic definition of timeshare and package holiday and a second development mark for further exemplification. (2 × 2) [4] [AO 3.0]
- (b) **State at which stage of the product life cycle you would place the timeshare product. Give one reason for your answer.**
Timeshare product is in maturity phase – accept growth or saturation. (1 mark)
Reason should reflect high number of current timeshare owners and the high number of timeshare companies. Accept other valid reasons. (1 mark) [2] [AO 3.0]
- (c) (i) **Identify two characteristics used in order to segment the market for this resort.**
Geographic – from European countries;
Demographic – household type – families. (1 +1) [2] [AO 2.0]
- (ii) **Explain how the Royal Sunset Beach Club resort might develop a product portfolio which would appeal to a range of different customer types.**
Level of Response: Candidates have the opportunity within this question to demonstrate their understanding of how organisations can develop their main product to attract a different range of customer types.
Level 1: (0–2 marks) Candidates use basic information from the list of products to describe how the existing facilities appeal to families. (e.g. swimming pool will appeal to children; live entertainment and child care means that parents can stay within the resort in an evening whilst small children are cared for)
Level 2: (3–4 marks) At this level candidates are able to go beyond information from the scenario to suggest how different types of customer may be attracted to this resort. (e.g. special needs – disabled access using ramps, or hearing loop equipment; singles targeted through promotion of studio apartments – smaller living space at a cheaper price etc). There may be some less appropriate suggestions of special events in the resort at this level.
Level 3: (5–6 marks) Responses at this level demonstrate an understanding that the different types of customers have to be targeted through the sale of the timeshare, (thus by emphasising different aspects of the main product features) rather than by organising special events throughout the year. [6] [AO 3.0]

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(d) Assess the importance of marketing and promotion for tourism providers in this resort.

Level of Response: Candidates should use the information from the question paper to identify the fact that there is a high number of repeat visitors to the resort. This will impact on the way in which tourism providers market the products and services on offer – phrases such as ‘once in a lifetime’ ‘unique’ etc will have to be avoided from marketing literature. Organisations will need to consolidate their high levels of customer service to continue to attract customers in such a highly competitive environment.

Level 1: (0–3 marks) Candidates at this level will merely list why marketing and promotion is important in generic terms from the assessment objectives and are unable to apply these to the nature of tourism in Tenerife.

Level 2: (4–6 marks) At this level candidates will begin to select reasons why marketing is important for specific providers in Playa de las Americas – e.g. to gain a competitive advantage over all the other providers in such a well developed resort. There will be some understanding that marketing efforts may promote specific features such as high levels of customer service to lure custom back.

Level 3: (7–9 marks) Responses at this level will demonstrate a full understanding of the need for tourism providers to vie for business within the competitive arena. Candidates may suggest specific promotional methods that might be used to attract repeat customers as well as suggesting the likely consequences of poor marketing for specific types of providers. (e.g. small boat trip business may be put out of business if the marketing activities of larger companies steals away their custom.) [9] [AO 1.0, 6.0]

2 (a) (i) Give two examples of primary techniques that CTC may have used in this research exercise.

Techniques include: Questionnaires sent out to large scale businesses with connections in Canada; face to face interviews; telephone surveys etc

Accept any two. [2] [AO 2.0]

(ii) Identify two problems that may occur if CTC use secondary sources of information in their research.

Problems include the following: Data may be out of date; data may be difficult to interpret, if not presented clearly; information may reflect author’s bias; sources may not be reliable; information may not be exactly what CTC is looking for; accessing data may be expensive;

Accept any two problems that may occur when using secondary sources of information. [2] [AO 2.0]

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- (b) (i) **Identify two aspects of place that will affect the likely success of this programme.**
Features of place and distribution channels are most appropriate but can also accept general locational factors. (Any two) [2] [AO 5.0]
- (ii) **Choose one aspect of place from your answer to (b) (i). Explain, using examples, how CTC can develop this element of the marketing mix in order to attract business customers from the United States.**
Level of Response: Candidates can choose to discuss **either** how CTC will use the features of place for Canada's Conference Market **or** how CTC will use distribution channels to get the product to the US business market. No additional credit will be awarded for discussing both aspects.
Level 1: (0–3 marks) At this level, candidates may find it difficult to go beyond a simple list of specific features of place that CTC might use in targeting the US business market – e.g. access and transport links; or beyond listing which distribution channels will be most effective.
Level 2: (4–6 marks) Responses at this level will begin to apply these features or channels specifically to the example of Canada in attracting US businesses (e.g. close proximity for states bordering Canadian provinces in comparison with travelling interstate; using the Internet to send emails to potential clients as a means of direct marketing). However, responses may be limited to the examination of one feature or channel only.
Level 3: (7–8 marks) Candidates at this level will be able to demonstrate full understanding of the importance of place for the CTC in attracting the US business market and use more than one example to explain how the place element of the marketing mix can be used effectively. [8] [AO 5.0]
- (c) (i) **Using examples with which you are familiar, define the following promotional methods:**
Trade show: an event at which goods and services in the travel and tourism industry are exhibited and demonstrated.
1 mark for definition, second mark for exemplification [2] [AO 6.0]
- (ii) **Familiarisation tour:** tour commonly arranged by tourist boards for journalists, business representatives, operators and agents to visit a specific area/destination and to become acquainted with the facilities, attractions and services.
1 mark for definition, second mark for exemplification [2] [AO 6.0]
- (iii) **Direct response advertising:** where the advertiser uses a variety of techniques to establish number of users e.g. promotional offer codes to be quoted on booking, number of website visitors, cut out coupons and vouchers etc.
1 mark for definition, second mark for exemplification [2] [AO 6.0]
- (iv) **Sponsored event:** sporting, cultural or other event, through which an organisation promotes its name and image as a public relations exercise, in exchange for meeting the costs of the event in part or in full.
1 mark for definition, second mark for exemplification [2] [AO 6.0]
- (d) **Give three ways in which CTC can promote the corporate image of its MC&IT programme.**
Use of design, logos, images, colour and slogans on all corporate communications; staff wearing corporate uniform at trade events; consistent, high profile, professional image created. Any 3 (3 × 1) [3] [AO 6.0]

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- 3 (a) **Name the two marketing analysis tools commonly used in order to carry out a full situation analysis.**
 SWOT analysis and PEST analysis [2] [AO 2.0]
- (b) (i) **Identify two positive external influences on tourism in Kerala.**
 Positive external influences are: Availability of high quality human resources; well-developed communication and transportation system; (could also accept untapped potential for health and pilgrimage tourism). [2] [AO 2.0]
- (ii) **Explain how these positive influences can be used to promote tourism in the state.**
Level of Response: Candidates should use their knowledge of SWOT and PEST in order to demonstrate ways in which external factors can be used to benefit tourism promotion.
Level 1: (0–2 marks) Responses at this level may be vague and generalised and may not make specific reference to the positive influences identified in the previous answer.
Level 2: (3–4 marks) Candidates will make some attempt to apply their responses at this level to the positive influences from their previous answer, but may only refer to one example.
Level 3: (5–6 marks) Responses here will be fully developed to examine ways in which these factors will be beneficial. Ideas may include: Availability of high quality human resources allows tourism providers to emphasise their excellent customer services, which may appeal to a wide number of customers within this customer-focussed industry; well developed infrastructure may be used to appeal to customer types with a desire for speed and efficiency of service provision; untapped potential for health and pilgrimage tourism will be used to run special promotional campaigns targeting specific sections of the customer base. [6] [AO 2.0]
- (c) **Identify one priority for tourism development in Kerala from the situation analysis results. Explain why marketing and promotion of the tourism industry in this state are important in achieving this priority.**
Priorities could include: Appealing to long haul markets; overcoming competition from similar Indian states; influencing government policy in order to initiate an integrated range of tourism strategies; increase revenue from foreign tourists;
Level of Response: Candidates should demonstrate their understanding of why marketing and promotion is important to the tourism industry within this applied context.
Level 1: (0–2 marks) Candidates may list some reasons for the importance of marketing and promotion as they are given in the syllabus, but some may be omitted. There is no attempt to relate these to Kerala.
Level 2: (3–4 marks) Responses at this level go beyond the simple list of reasons why marketing is important; candidates make some attempt to explain reasons for the importance of marketing although these may not always relate to Kerala.
Level 3: (5–6 marks) Candidates are able to offer a more detailed explanation of the reasons for marketing and/or are able to relate these specifically to the example of Kerala.
 Reasons include: to stimulate demand for tourism products and services; to increase sales in hotels, visitor attractions etc; to gain competitive advantage over other popular destinations in India and elsewhere; providing customer satisfaction – to encourage word of mouth recommendations and repeat business; to create a positive image of the area – to encourage more visitors and more spending. [6] [AO 1.0]

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(d) (i) **Define the term *brand slogan*.**

A slogan is a phrase used in all marketing communications to create an awareness of a distinct product or in this case destination. [1] [AO 3.0]

(ii) **Explain how product tools such as logos, illustrations and slogans could be used to strengthen the brand image of a destination such as Kerala.**

Product tools could include: logo, illustrations, colours, slogans etc.

Level of Response: Candidates should demonstrate their understanding of how a brand image can be created through the use of marketing communications.

Level 1: (0–3 marks) Candidates at this level offer a simple description of what a brand image is or may offer an explanation of one tool that could be used to create a brand image.

Level 2: (4–6 marks) Responses at this level examine at least two tools or techniques used to create brand image. These may not necessarily be applied to any specific destinations.

Level 3: (7–8 marks) Candidates at this level provide a detailed explanation of the full range of product tools used in marketing communications to create a brand image. Specific reference will be made to how Kerala or other destinations can link their brand image to their natural landscapes. [8] [AO 3.0]

4 (a) (i) **Complete the table.**

Cost to organisation = high

% completion rate = low

[2] [AO 2.0]

(ii) **Explain why quantitative data is generally easier to interpret than qualitative data.**

Quantitative data is usually numerical and therefore a range of statistical analysis techniques can be used to interpret the data and present the findings. Qualitative data is based on customer preferences and opinions and is therefore more difficult to group and represent. (1 mark for simple description of each type of data, second mark for amplification) (2 × 2) [4] [AO 2.0]

(b) **Explain how market research can be used in the travel and tourism industry to determine price.**

Level of Response: Candidates are invited to consider how market research may influence prices of travel and tourism products.

Level 1: (0–3 marks) Candidates at this level will refer to the more obvious association of market research and price linked specifically to what the customer is willing to pay.

Level 2: (4–5 marks) Responses at this level will be more developed and will consider market segmentation based on demographic information, competition and what competitors are charging for similar or substitute products etc. [5] [AO 2.0, 4.0]

(c) **Identify three pricing policies used for travel and tourism products. Describe how each policy is used in the industry.**

Policies could include: going rate – transport providers price-matching rivals; discount pricing – standby tickets sold at greatly reduced cost; variable pricing – different prices for different class of travel or type of customer e.g. airlines first, business and economy class; loss leader pricing – reduced price travel but extra income earned on other tourism related products; and special offers – children go free.

Accept any reasonable, realistic examples. Award 1 mark for naming policy and second mark for industry specific reference. (1 + 1 × 3) [6] [AO 4.0]

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(d) **Assess the importance of profitability for tourism providers from the public and the private sectors, using relevant examples to support your answer.**

Level of Response: Candidates need to consider the factors that lead to the pricing policies used by private and public sector organisations.

Level 1: (0–3 marks) At this level responses are basic, providing definitions of private and/or public organisations with examples and offering an explanation of profitability. At the top end of this range, candidates demonstrate some understanding that profitability may influence the pricing policies of organisations.

Level 2: (4–6 marks) Candidates at this level have a clearer understanding of how business ownership affects relationship with profitability and shows linkage with pricing strategies adopted.

Level 3: (7–8 marks) Responses at this level demonstrate a high level of understanding that private sector organisations are driven by the need to make profit and thus tend to adopt more aggressive pricing policies, whereas public sector organisations can rely on alternative sources of funding, so to break even becomes the focus of business activity, thus allowing less aggressive pricing policies to be adopted.

[8] [AO 4.0]