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Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

TRAVEL AND TOURISM **0471/21**

Paper 2 Alternative to Coursework **October/November 2016**

MARK SCHEME

Maximum Mark: 100

Published

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1 (a) ***Using the statement numbers in Fig. 1 (Insert), complete the SWOT Analysis table below, choosing only <u>one</u> statement under each heading.*** **[4]**

Award one mark for each valid response. Accept only the first answer under each heading, where more than one answer is given.

Strength 1,5,7	Weakness 3,4
Opportunity 2,6	Threat 8

(b) ***Describe <u>three</u> characteristics of this stage.*** **[6]**

Award up to two marks for each of three characteristics explained.

Correct ideas include:
- Limited awareness with potential customers (1) and within the travel and tourism trade (1)
- Intensive marketing needed (1) to raise awareness (1) and to create brand image (1)
- Limited sales (1) and customer base (1)
- There may be competition already in existence (1) need to find ways to overcome the competition (1)

Award all valid reasoning in context.

(c) ***Explain <u>two</u> reasons why travel and tourism organisations might carry out a situation analysis.*** **[6]**

Award up to three marks for the development of two valid reasons.

Do **NOT** accept simple identification of strengths, weaknesses, opportunities, threats.

Correct ideas include:
- SWOT enables assessment of position in the market (1) positive and negative influences are identified (1) and the organisation can decide which are external (SW) and which internal (OT) (1). This helps them to decide which products and services to expand (1)
- PEST is Political, Social, Economic, Technological (1) These are external influences (1) helps to understand influences on existing or potential product (1)
- To identify the competition (1) and to find ways to overcome the competition (1)

Credit all valid reasoning in context.

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(d) ***Discuss the advantages and disadvantages to travel and tourism organisations within Nigeria of a branding campaign, such as 'Fascinating Nigeria'.*** **[9]**

Indicative content:

- Brand image can be developed by means of: slogan, brand name, product features, price, colour, promotion.
- Brand image can be enhanced by the use of marketing and promotion.
- Brand image encourages new business by showing the potential customer what the product is; for example the use of colour can suggest quality or a slogan can be catchy (Fascinating Nigeria') and intriguing.
- The customer can be encouraged to be loyal to the product by means of the brand image as it reminds the customer of the product.
- This can help the organisation to gain competitive advantage as the customer returns to the product and resists promotion from other companies.
- Branding highlights the USP of the product. Nigeria is not well known as a destination, so branding may help to put this right.
- Branding is very important which is why tourism organisations focus on it.
- Disadvantages could be that it is difficult to find an effective USP in the brand – it may restrict development of the product.
- If there is poor association with the brand name it is harder to re-establish positive image.

Use level of response criteria:

Level 1 (1–3 marks)
At this level candidates will identify 1, 2 or more advantages and/or disadvantages of brand image.

Level 2 (4–6 marks)
At this level candidates will explain 1, 2 or more advantages and/or disadvantages of brand image.

Level 3 (7–9 marks)
At this level candidates will evaluate 1, 2 or more advantages and/or disadvantages. For top of level, there should be a conclusion.

2 (a) ***Define, using an example, each of the following:*** **[4]**

Award one mark for the correct definition of each segment and an additional mark for a valid example of each segment.

Valid answers include:

- **geographic market segment** – classified according to the country, or region, of the potential customer
  Example French, English, Japanese

- **lifestyle market segment** – classified according to interests
  Example – people who like the outdoors

Accept other valid examples, not from the case materials

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(b) ***Explain <u>three</u> factors which a tour operator might consider when producing effective promotional materials.*** **[6]**

Award one mark for the explanation of each of three factors and an additional mark for exemplification.

- Costs (1) the cost of producing the materials must not be more than the allocated budget (1)
- Target market segments (1) the material must use appropriate media and methods for the target market intended if it is to work (1)
- Stages of the promotional campaign (1) the material should be produced in relation the six stages of the promotional campaign (1)
- Timing (1) The material should be used not too much in advance of the launch of the product or potential customers may forget it (1)
- Brand image (1) the material should match and reinforce the existing brand image by use of the same logo, colours, name (1)
- AIDA (1) the material should fulfil attention, interest, desire action (1)

Accept all valid reasoning in context.

(c) ***Explain <u>two</u> advantages to the <u>provider</u> of offering a package holiday.*** **[6]**

Award up to three marks for the explanation of each of two advantages.

Correct ideas include:

- Package tours attract customers (1) Transport and accommodation are sold together and there may be other services and components. Customers may prefer this as it is easier (1) and may offer more protection through licensing schemes and bonds (1) families, groups may prefer this if they do not have time to organise separate components (1) the customer base becomes larger (1)
- Package offers more potential for profit (1) the provider can buy in bulk (1) the provider can increase his margin (1) the provider can sell additional services which may have greater profit (1)

NB Answer must relate to the provider

Credit all valid reasoning in context.

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(d) ***Evaluate the benefits to tour operators, such as New Maple Holidays, of using retailers to sell their holidays.*** **[9]**

Indicative content:
- The retailer (travel agent) sells the product to customers.
- The retailer advertises the product and will place any brochures on display.
- The retailer talks to/phones customers and makes bookings/gives advice/further information.
- The retailer is expert at this role whereas the tour operator may not have the staff/expertise/facilities to sell their product and introduce it to the market.
- The retailer is still the traditional 'middle man' and many potential customers prefer the personal touch and local facility.

Use levels of response criteria:

Level 1 (1–3 marks)
At this level candidates will identify 1, 2 or more benefits of using a retailer.

Level 2 (4–6 marks)
At this level candidates will explain 1, 2 or more benefits of using a retailer.

Level 3 (7–9 marks)
At this level candidates will evaluate 1, 2 or more benefits of using a retailer. For top of level, there should be a conclusion on the relative importance of the benefits or a comparison with an alternative distribution channel.

3 (a) (i) ***Using Fig.3 (Insert), state <u>two</u> characteristics of a city break holiday.*** **[2]**

Award one mark for each of two valid advantages:
- Short holiday (1)
- Spent within a city and immediate surroundings (1)
- Often associated with shopping and sightseeing (1)

(ii) ***State <u>two</u> likely advantages to the customer of joining an organised tour.*** **[2]**

Award one mark for each of two valid advantages:
- Easy/convenience (1)
- Cheaper than individual tour (1)
- Services of a trained guide (1)

(b) ***Explain <u>three</u> likely advantages to tourists of using the Lisboa card during a stay in Lisbon.*** **[6]**

Award one mark for the identification of a valid benefit and one additional mark for explanation:
- What it lets the tourist do (1) entrance to museums and sights (1) travel (1)
- Easy to buy (1) from tourist board office (1)
- Saves money (1) promotions and discounts (1)

Credit all valid reasoning in context.

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(c) ***Explain why tourism providers in Lisbon might benefit from the following:*** **[6]**

- **Low-cost airlines adding more routes to Lisbon**
- **A new high-speed rail link with Spain**

Award up to three marks for the explanation of each reason.
Correct ideas include:

- Low-cost airline will bring more visitors (1) as fares are cheaper than scheduled airlines (1) new routes means more potential customers from new markets (1)
- High speed rail link means that visitors could come from Spain for the day (1) More visitors who do not like flying (1) Fast service is a feature to promote/advertise (1) greater profits (1)

Credit all valid reasoning in context.

(d) ***Evaluate the suitability of online <u>virtual tours</u> as a suitable method of promotion for Lisbon's tourist board, Turismo de Lisboa.*** **[9]**

Indicative content:

- The virtual website tour is used on the internet.
- The website can show video clips which give a realistic view of the main sights of Lisbon and can show what the visitor might expect to see.
- The virtual tour encourages potential visitors by making it more 'real' than brochures or leaflets can.
- It can be displayed on the internet for individual customers or in public places such as shopping malls in travel agents, in airports and therefore can reach a wide number of potential visitors.
- People are now used to digital media and may respond more to this than other promotional materials.
- However, it depends on the availability of the internet and some people prefer a brochure or printed materials.

Use levels of response criteria.

Level 1 (1–3 marks)
At this level, candidates will identify 1, 2 or more reasons for the suitability of virtual tours.

Level 2 (4–6 marks)
At this level candidates will explain 1, 2 or more reasons for the suitability of virtual tours.

Level 3 (7–9 marks)
At this level candidates will evaluate 1, 2 or more reasons for the suitability of virtual tours.
For top of level, there should be a conclusion, perhaps comparing a virtual website with other methods of promotion.

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4 (a) (i) ***Suggest <u>two</u> reasons why the Barbados Arts and Crafts Experience campaign was launched.*** **[2]**

Award one mark for each of two reasons:
- Increase visitor numbers (1)
- Enhance visitor experience/make the visit more memorable (1)
- Increase income for local craftworkers (1)

(ii) Suggest <u>two</u> reasons for the likely appeal of the Barbados Arts and Crafts Experience product to customers. **[2]**

Award one mark for each of two valid reasons:
- Can make own craft product (1)
- Meet local artists (1)
- Help local economy/support local community (1)
- Responsible tourism/eco-tourism (1)
- Lunch is included in the price (1)

(b) ***Explain <u>three</u> factors that influence the choice of location for travel and tourism products, such as the Barbados Arts and Crafts Experience.*** **[6]**

Award one mark for the explanation of a valid factor and one additional mark for exemplification.
- Costs (1) the cost of set up in the location must not outweigh the budget (1)
- Availability of premises (1) there must be suitable area of land or premises for the intended product (1)
- Local and transient population (1) important to provide staffing, customer base (1)
- Adjacent facilities (1) nearby shops (1) hotels (1) other tourism providers to attract visitors to the area (1)
- Access/transport links (1) needed so that visitors can reach the facility easily (1)
- Availability of staff (1) necessary to provide services for the visitors such as waiters (1)

Award all valid reasoning in context.

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(c) ***Explain why the following pricing policies might be suitable to attract new customers to the Barbados Arts and Crafts Experience:*** **[6]**

- **Promotional pricing**
- **Variable pricing**

Award up to three marks for explanation of each policy.

Correct ideas include:
Promotional pricing:
- Special offers (1)
- e.g. buy two tickets third person/child goes free (1)
- attracts new customers as seen as value for money (1)
- free gifts (souvenirs)
- new customers may want to try the product (1)

Variable pricing:
- price discrimination (1)
- different prices for different customers or different seasons (1)
- can attract families as it is cheaper (1)

Credit all valid reasoning in context

(d) ***Discuss the impact of competition when determining a pricing policy for a tourism product, such as the Barbados Arts and Crafts Experience.*** **[9]**

Correct ideas include:
- If there are no competitors then the provider can set a higher price with a higher profit margin.
- This is because he/she has a large market share.
- The provider can set the price.
- If there are competitors then the provider may use the going rate i.e. set the price at the same rate or slightly lower than the competitor to attract customers.
- They may use promotional or discount pricing to attract customers away from the competition as the customers will look for value for money.

Use levels of response criteria:

Level 1 (1–3 marks)
At this level candidates will identify 1, 2 or more reasons why competitors are a factor

Level 2 (4–6 marks)
At this level candidates will explain 1, 2 or more reasons why competitors are an important factor.

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

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