

## Cambridge International Examinations Cambridge Ordinary Level

TRAVEL AND TOURISM 7096/22

Paper 2 Alternative to Coursework

October/November 2016

MARK SCHEME
Maximum Mark: 100

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### 1 (a) (i) Using Fig.1 (Insert) state the following:

### two examples of promotional pricing.

[2]

Award one mark for each of two valid examples:

- 5% discount (voucher) (1)
- Children stay half price (1)
- Free excursion included (1)

#### (ii) two examples of a service

[2]

Award one mark for each of two services identified:

- Free room service (1)
- Tour guide (1)
- Car Hire (1)
- 24 hour Reception (1)

# (b) Explain how the following factors might influence price charged by a tour operator, such as MaltaGold Holidays: [6]

Award **one** mark for an explanation of each factor and up to one additional mark for exemplification for each of three factors.

Correct ideas include:

- fixed and variable costs overheads such as cost of accommodation (1) cost of food, airline ticket for example (1)
- profitability a private sector organisation needs to make a profit to survive and reinvest (1) The profit margin is built into the price to customer (1)
- **subsidies** money given to the organisation to support it (1) means that costs to the customer can be lowered (1)

Award all valid reasoning in context.

Do not accept answers where costs are confused with pricing.

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# (c) Explain how the following factors might influence a tour operator, such as MaltaGold Holidays, when producing effective promotional materials: [6]

Award **one** mark for the explanation of each influence and up to **two** additional marks for exemplification:

Correct ideas include:

#### • stages of the promotional campaign:

If the right stage is not used then the material may not be effective (1) For example the material will not be effective if it is used before the audience is selected (1) the material is more likely to be effective if it is used at the same time as the launch/re-launch of the product (1)

Do **not** accept answers about stages of the product life cycle model.

#### • target market segment:

The material is more likely to work if it is aimed at the target audience (1) this affects the placement and media to be used (1) also might affect timings e.g. family holidays advertised during children's TV programmes (1)

Credit all valid reasoning in context. The answer **must** relate to promotional materials.

### (d) Discuss the importance of brand image for a tour operator, such as MaltaGold. [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 and amusing.
  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.
- Branding is very important which is why tourism organisations focus on it.

Use level of response criteria:

#### Level 1 (1-3 marks)

At this level, candidates will identify 1, 2 or more aspects of brand image.

#### Level 2 (4-6 marks)

At this level, candidates will explain 1, 2 or more aspects of brand image.

#### Level 3 (7-9 marks)

At this level candidates will evaluate aspects of the importance. For top of level, there should be a conclusion.

[2]

[2]

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### 2 (a) (i) Identify <u>two</u> examples of <u>public relations</u> used by Slovakia Park Zoo.

Award one mark for each of two examples:

- Press conference (1) journalists/media (1)
- Familiarisation tour (1)

Do not accept tourism industry partners

#### (ii) Identify two target markets which Slovakia Park Zoo aims to attract.

Award one mark for each of two types:

- Leisure (1)
- Special interest (1)
- Wildlife enthusiasts (1)
- Families (1)
- Photographers (1)
- Students of Photography (1)

## (b) Describe <u>three</u> marketing and promotion techniques which might be used by tourism providers. [6]

Award one mark for identifying each of three techniques and one mark for exemplification.

- Market research (1) Qualitative research data (1) Quantitative research data (1)
- Primary research (1) surveys (1)
- Secondary research (1) government reports (1)
- Situation analysis (1) SWOT (1) PEST (1)
- Marketing Mix (1) 4 P's (1)

# (c) Explain <u>two</u> reasons why <u>billboards</u> may be a suitable method of promotion for a visitor attraction, such as Slovakia Park Zoo. [6]

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

Correct ideas include:

- Billboards are often on the road side (1) so can influence potential visitors/passers-by to make unplanned excursions (1) to visitor attractions, such as a Zoo. (1)
- Can be placed on major tourist routes (1) reaches target audience (1) as they travel from airport to hotel (1)
- Billboards give instant information (1) visual impact as billboards are large (1) use of colour and pictures to highlight attraction e.g. animals (1) can't be lost or thrown away (1)
- Billboards are cost effective/cheaper (1) compared with other promotional materials (1)
- Information easy to update (1) especially for electronic displays (1)

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# (d) Discuss how the product/service mix might be used by a visitor attraction, such as Slovakia Park Zoo, to increase its visitor numbers. [9]

Indicative content:

- Product increase the range of animals at the zoo. Have a range of food outlets so that people can find food they like/different types and prices. Have range of additional activities for children.
- Service have talks by experts about the animals. Animal handling experiences/guided tours. Waiter service in some of the restaurants. Lessons other than photography. Information services. Staff with language skills to target international visitors.

Use levels of response criteria:

### Level 1 (1-3 marks)

At this level, candidates will identify 1, 2 or more aspects of the product/service mix.

#### Level 2 (4–6 marks)

At this level, candidates will explain 1, 2 or more aspects of the product/service mix.

#### Level 3 (7–9 marks)

At this level candidates will evaluate aspects of the product/service mix. For top of level, there should be a conclusion

NB If the answer is about the 4P's, do not credit

### 3 (a) Identify and explain from Fig.3 (Insert) two threats to tourism in Singapore. [4]

One mark for the correct identification of each of two valid threats and an additional mark for explanation in candidate's own words.

- 1 Singapore has to compete with larger destinations such as Malaysia
- 6 Currency fluctuations the cost of holidays in Singapore could rise in comparison with other destinations
- 8 Direct competition from other countries for business tourism Business tourism providers may have to lower prices to gain customers

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### (b) Describe three pricing policies used by hotels to attract customers.

[6]

Award one mark for the identification of a valid pricing policy and one additional mark for explanation:

- Market penetration (1) new campaign to new market so lower prices to attract customers
   (1)
- Variable pricing (1) differentiate or discriminate prices to attract customers (1)
- Special offers/promotional pricing (1) attract customers as it is perceived as value for money (1)
- Going rate (1) competitive set prices just below that of the competition (1)
- Discount (1) a % off the usual price (1)
- Psychological (1) e.g. £299.99 seen as value for money (1)
- Bundling (1) putting together products to at a special price (1) accommodation, plus catering in a package (1)
- Premium/Prestige (1) set a high price to attract those with higher income (1)

NB Do not accept price skimming or loss leader

### (c) Explain two ways in which marketing and promotion of Singapore may lead to an increased market share for the destination.

[6]

Award one mark for the identification of each of two ways and a further two marks for explanation.

#### Correct ideas include:

- increased sales/usage/profitability/customer base (1) people will be attracted by fast efficient transport (1) this will lead to greater profitability/revenue/income (1)
- competitive advantage (1) more people will choose Singapore as a destination compared to other places (1) instead of other destinations offering a similar experience (1)
- positive image (1) Singapore will have a better product image (1) people will associate Singapore as a city which is easy to visit or for hosting particular events e.g. expos/events (1)
- customer satisfaction (1) people will be more likely to give repeat business (1) remain loyal if they are informed of the advantages of the destination (1)

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## (d) Evaluate the suitability of advertising as a method of promotion for a tourism authority, such as the Singapore Tourism Board (STB).

[9]

[2]

Indicative content:

- Advertising can be via several media TV, radio, newspapers, cinema, magazines, posters.
- Advertising is expensive, especially on TV but is useful as a way of reaching a wide audience.
- It may be difficult to advertise on TV abroad.
- Magazines and newspapers are useful as they can reach the target audience and can include colour pictures and slogans.
- Singapore may prefer to use other methods such as electronic media including the internet, publicity or print materials for advertising or trade promotions when targeting overseas e.g. The Philippines, such as electronic media or trade promotions.

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 advertising.

#### Level 2 (4-6 marks)

At this level candidates will explain 1, 2 or more reasons for the suitability of advertising.

#### Level 3 (7-9 marks)

At this level candidates will evaluate 1, 2 or more aspects of the suitability of advertising. For top of level, there should be a conclusion, perhaps comparing advertising with other methods of promotion.

The question tests broadcast/print/display media advertising. Reference to other forms of promotion may be made in judging more suitable promotion methods. Do not credit internet advertising as part of the main argument; this can only be accepted as a counter argument as this is a separate syllabus reference point, along with electronic media, trade promotions, sales promotions etc.

#### 4 (a) (i) Identify two reasons for the appeal of the Bright Star Apartment product. [2]

Award one mark for each of two reasons for appeal:

- 22 worldwide destinations (1)
- Flexible, allowing choice of apartments/locations/star rating (1)
- Specialist tour operator (1)
- Serviced Accommodation (1)
- Website available (1)
- Utilities included (1)

#### (ii) Identify two ways in which the advertisement aims to attract couples.

Award one mark for each of two valid ways:

- Free dinner for two voucher with each booking (1)
- Romantic short break for two (1)
- Privacy guaranteed (1)

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# (b) Explain <u>three</u> distribution channels which might be suitable for an accommodation provider. [6]

Award up to three marks for explanation of each channel:

- Direct selling (1) no intermediary used (1) no commission so saves money (1)
- Wholesaler (1) product then distributed to retailer (1) costly but wide potential sales (1)
- Retailers/travel agent (1) retailer must be paid commission (1) retailer does the promotion for the provider (1)
- Internet (1) useful as many people use the internet worldwide (1) cheaper but no personal touch (1)
- Global Distribution Systems (1) uses real time and is worldwide (1) provider may gain large potential customer base (1)
- TIC (1) wide customer base (1) and allows for ad hoc customers to be targeted (1)

Award all valid reasoning in context.

# (c) Explain how an accommodation provider, such as Bright Star Apartments, might use the following aspects of the marketing mix to increase market share: [6]

- promotion
- product

Award up to three marks for explanation of each of two ways. Award up to two marks for how the aspect can be used and one mark for why.

Must be a promotional method not price

Correct ideas include:

#### Promotion:

**How –** Use the right promotional methods (1) use advertising (1) in magazines for couples (1) advertise in newspapers in holiday sections (1)

Why – to target the right market (couples) (1)

#### **Product:**

**How –** Have apartments in more locations/price ranges (1) include quality furnishings to attract couples (1) improve services such as access to local tour guide (1) free information on city sights (1)

Why – to increase customer base by offering a wide choice

[9]

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## (d) Evaluate the importance of <u>character and features of the area</u> as a factor when determining the location of a tourism facility.

The candidates are expected to show knowledge of the importance of the character and features of the area and may also refer to other factors of location in an assessment of the importance – i.e. features/characteristics are not the only important locational factors.

#### Indicative content:

- Natural features scenery, water, mountains, climate likely to attract visitors and provide activities.
- Man-made features –castles, temples, historic monuments attract people who are interested in culture and determine the placement of hotels, museums for example.
- Crime rates social deprivation and political instability would deter the provider from choosing a location as this would mean fewer visitors.
- Living costs/standard of living this will affect the staff needing to live there and perhaps costs of buying local produce so it will mean that the location is less attractive.

Use levels of response criteria:

### Level 1 (1–3 marks)

At this level candidates will identify 1, 2 or more aspects of character of an area

#### Level 2 (4–6 marks)

At this level candidates will explain 1, 2 or more aspects of the character of an area.

#### Level 3 (7-9 marks)

At this level candidates will evaluate 1, 2 or more aspects of the importance of the character of an area. For top of level, there should be a conclusion.