



## EXAMINER'S REPORT

AUGUST 2005

### MARKETING PLANNING & MANAGEMENT

#### Introduction

Some of the general points about the objectives of the Marketing Planning and Management course have already been covered in the May 2005 Examiner's Report. Please read the May report as well as previous Examiner's Reports to get an overview of the issues that arise each year. This report will focus specifically on the questions set for the autumn paper.

#### Question 1 – Case Study: Glenisk

The case study was an interesting case, succinctly written. The various exhibits were well presented and explained and the questions were topical and clear. The performance of the students was generally in line with previous exams. Those that did well did so because they were able to identify, defend, discuss and develop points that were the result of thorough preparation for the exam, good structuring and presentation, clear thinking and good time management. There was also a number of scripts that appeared to provide push-button answers, that is pre-prepared answers were not entirely appropriate to the question asked.

The first part of the case study required the student to assess the key marketing challenges facing Glenisk. This question required the student to evaluate the opportunities and threats facing the organisation as well as Glenisk's own internal competencies. The question also required an examination of the industry structure and the competitive environment as well as customer profiles and the marketing mix. This situation analysis could only be provided in the briefest format possible, given the time allowance. Many students provided the key points in a SWOT analysis, while also given some descriptive detail. The use of a recognised analytical model, coupled with good analysis of the details of the case, was the most effective way to approach this question.

In the second part of the case study, candidates were asked to develop a promotion strategy for Glenisk to raise the profile of the brand. A budget of €20,000 was provided for this purpose. This would have represented a significant investment by the company which had otherwise invested very little in promotion. Most students provided a very basic listing of how they would spend the money. There was little evidence of clear communication objectives and how the promotional spend would meet those objectives. At this level of examination, it is not sufficient to jot down ideas about how to spend €20,000 but rather to plan and manage a clearly thought out strategy.

Part three of the case study required the student to develop a proposal to expand Glenisk's range of activities and increase its sales level. Much of the analytical work for this question should already have been covered in Parts One and Two of the case study. Many students suggested that, given the size of Glenisk, the company should work closely with other producers and develop a broader platform for the

Glenisk brand. This proposal was well founded, given the shortage of supplies of Glenisk's primary ingredient, milk. Again, the presentation of answers appeared haphazard, with ideas being put forward without any formal planning framework.

### **Question 2**

A question asking students to apply Michael Porter's model on competitive forces proved very popular. Students had the option to apply the model to the newspaper, airline or supermarket industry. The airline industry proved the most popular choice. While students were able to effectively draw up the model, many failed to complete the question by assessing the long-term attractiveness of the industry under examination.

### **Question 3**

Body Wyse (a fictitious Irish company) is a pioneer in new product development, creating a range of consumer health and beauty products. Students were asked to assess the potential advantages of being the pioneer in a market dominated by giants such as Procter & Gamble and The Body Shop. The text identifies a number of advantages for pioneering companies, such as "defining the rules", distribution advantages (first to market), economies of scale and influence on customer choice criteria and attitudes. Given the size of Body Wyse, many of these advantages do not apply.

In answering the question, the exam candidate needed to look at the normal range of advantages associated with being first to market and assess those in relation to Body Wyse. Some students identified that it was vitally important for the firm to capture "consumer mindshare" before major followers enter the market.

### **Question 4**

A question on fad products, based on the character Buzz Lightyear, was generally adequately answered. Most students were able to provide the classic product life cycle (PLC) graph and compare it with that of a fad PLC. The latter part of the question on the marketing implications for promoters of fad products was less well answered. Few identified that the significant risk for the promoter was to over commit capital resources to a short-lived product. The marketer of a fad product needs to ensure supply in the early months. At this time price is generally inelastic. The promoter must then watch vigilantly for the inevitable fall off in demand.

### **Question 5**

While a question on using sales force records for forecasting future sales was not one of the most popular questions on the paper, those that answered it were generally very well informed on sales forecasting. Many were able to talk about the different types of forecasting methods and also give examples of how forecasting is carried out in their own company. Most recognised that past records alone cannot predict future sales, so that other forecasting methods need to be used to create a more accurate picture of the future.

### **Question 6**

The final question on the paper asked students to discuss the relationship between corporate and marketing strategy. This was a well answered question. The majority of those who attempted the question were able to discuss the need for alignment between corporate and marketing objectives. Those who provided better answers were also able to discuss the upward influence marketing should have on corporate objective setting. Market led organisations look to top line (the revenue generating role) of marketing rather than simply the bottom line (profit). The text also discusses factors that mediate marketing's strategic role in organisations. Answers that merely reproduced the structure of a marketing plan failed to pick up on these important points.