



## EXAMINER'S REPORT

MAY 2000

### PRINCIPLES OF MARKETING

#### General Comments

The purpose of the Examiner's Report is to guide students towards improved performance. It would be wise for students who will be sitting the Principles of Marketing paper in the autumn or at some future date to read this report carefully with due reference to the May 2000 paper and also to refer to previous exam reports and papers.

Each year a considerable number of students are obliged to resit the exam because of poor exam techniques as much as poor exam performance. It is disappointing to see students half complete exam questions, because they do not have the will or energy to expand on points. If one has to describe the microenvironmental forces, or the internal factors that affect pricing decisions, then it is clearly not sufficient to put down the correct headings without sufficient expansion.

On sight of the exam paper, the student should take sufficient time to consider how he or she is going to develop answers to the chosen questions. For example, questions 1 and 3 on marketing strategies and consumer and business markets respectively require the student to take an overview approach, without becoming bogged down in lengthy explanations about one specific aspect of the questions. By contrast, question 4 is highly focused on one particular aspect of marketing: New Product Development. In this case the student should confine his or her answer to that specific topic and not discuss the Product Life Cycle or Product Adoption Process.

#### Question 1

Clearly not-for-profit organisations often have to compete with similar organisations in order to survive and grow. In the case of charities, for example, one organisation may be competing with another to attract donations. The majority of candidates *recognised the role* that marketing plays in helping companies to manage not-for-profit organisations, such as golf clubs, religious organisations, public services and special interest groups. The exam question required the student *to discuss the role* of marketing strategies to help an organisation to meet the needs of its target audience.

#### Question 2

A very straightforward question on the marketing environment allowed students to show their level of knowledge of the importance to any business of understanding and coping with the marketing environment. Students were asked to outline the main microenvironmental forces. Stronger students were able to comment on the difference between the macro and micro environment, so that in their discussion they were looking at how companies could seek to manage their relationships with their microenvironment.

### **Question 3**

This broad question challenged the student to provide an overview of how consumer and business markets differ in terms of players, categories of products, influences and buying procedures. With a question of this nature, it is important to stick to brief points rather than go into detail about, e.g. the cultural factors that can influence consumers. Many students presented their answer in two columns, one for consumer markets and one for business markets. This allowed them to do a point-by-point comparison between the two buyer groups, thus saving them time and allowing them to cover a number of points in a brief format.

### **Question 4**

A question on a new-product development (NPD) strategy for a medium-sized Irish food company required the student to frame his or her answer in a memo to the company Managing Director. Some students ignored the special context of this question and simply provided the stages of a NPD without reference to the sector or the supposed reader (the MD). While this was sufficient to get a good pass, additional marks were lost. A significant percentage of students wrote solely about the PLC (a model that makes regular appearances in the wrong places!).

### **Question 5**

Students were asked to comment on the factors that affect pricing decisions. In order to help guide students, the question pointedly mentioned the *internal* and *external* factors. Despite this, some students wrote an answer on general pricing approaches. It is important to check and double-check a question to make sure that the answer is addressing the right part of the course. A great answer to the wrong question gains no marks, whereas a mediocre answer to the right question gains a pass!

### **Question 6**

Public relations seems to be very much the runt of the litter when it comes to students' knowledge of the elements of a company's promotion or communication strategy. The Examiner was disappointed at the poor understanding of PR. Many confused it with advertising, sales promotion or general customer service strategies. There were, however, some very good answers, which not only demonstrated that the candidates understood the scope and tools of PR, but also the importance of looking at the objectives before developing the strategy.

### **Question 7**

A question that asks the student to consider the relationship between elements of marketing practice, should produce answers which concentrate on the *relationship*, rather than a listing of general points about each of the elements to be examined. Those who identified the correct model for product adoption, i.e. awareness, interest, evaluation, trial and adoption, and associated these stages with appropriate elements of the promotion mix, e.g. advertising to create awareness, achieved very good marks. In addition, some students referred to individual differences in innovativeness and showed how the promotion mix could be used to appeal to the different types of adopters.

### **Question 8**

Marketing planning falls within marketing management, rather than strategic management. It is a functional rather than an organisational strategy. A plan for a product or a brand is a detailed plan starting with the executive summary and ending with budgets and controls. Unfortunately, many students confused marketing planning with strategic planning.