



EXAMINER'S REPORT

MAY 2001

PRINCIPLES OF MARKETING

General Comments

In general, the standard of scripts in 2001 was slightly higher than in previous years. The vast majority of students were able to attempt five questions. However, the presentation of scripts remains poor, with poor handwriting and unclear numbering of questions. In many cases, students do not commence a question on a new page. The Examiner would appreciate if more care and attention were given to presenting clearly legible scripts.

On a more positive note, candidates did take great care to adapt the structure of their answers to suit the question. For example, a practical question on developing a promotional mix to launch a new brand of lager was answered in a 'case study' format by almost all students.

It is estimated that approximately 40 per cent of exam success can be attributed to effective study and examination technique, so it is well worth while taking previous papers and answering single questions and, if possible, a complete paper against the clock before sitting the exam. This will allow the student to test his or her ability to apply a systematic approach to answering questions, including keeping within the time limit for each question. This exercise also helps the exam candidate to build up stamina in writing by hand for three hours!

Question 1

Almost every year there is a question on "What is marketing?" The majority of students commented on the core concepts underpinning marketing, namely needs, wants and demands; products; value, satisfaction and quality; exchange, transactions and relationships; and markets. However, a significant minority failed to deal with the second part of the question, which asked about the main activities within the marketing function.

Question 2

A question on the importance of information within an organisation produced either very good answers or very poor answers, i.e. students either knew what they were talking about or unsuccessfully attempted to bluff their way through the answer. The question emphasised the *role* of information in decision making, rather than the *techniques* for gathering information. It was important that students should demonstrate the complementary functions that different methods of developing information can fulfill. In particular, students needed to show that they understood the special function of market research in providing data relevant to specific marketing situations. In some cases, students were confused about the difference between secondary and primary research.

Question 3

A great many answers plunged straight into listing the key macroenvironmental forces without explaining what the term means or how it contrasts with microenvironmental forces. A good introduction not only gains some extra marks, but also helps the candidate to give a more interpretative answer. In other words, you will get a pass mark for giving a brief description of say, economic forces. But you will get a higher mark for explaining why it is important for marketers. It was also important to allow sufficient time to answer the second part of the question about changes in the demographic environment.

Question 4

Competitive advantage is a key outcome of a company's segmentation strategy. Many students spent considerable time going into detailed answers about segmentation variables and then did not deal with the key issue of how companies might position their products to gain competitive advantage. To answer this question effectively, students needed to explain what is meant by competitive advantage, and then discuss how a company could successfully differentiate itself from the competition.

Question 5

A question on branding produced a good deal of poorly structured answers. Essay-style answers should be avoided where possible. Ideally this question should have been answered in point form, firstly dealing with the value of branding to the company and customer. The second part of the question required a clear outline of the major branding decisions and strategies.

Question 6

This question was answered remarkably well by almost all students. The answers were very clearly structured with many students comparing and contrasting the two pricing policies in a table format. This allowed students to succinctly deal with the key points and finish the question within the time allotted.

Question 7

A question on the advantages of using intermediaries produced some poorly focused answers. Candidates often had a very unclear idea of what services intermediaries provide. The second part of the question, which asked for examples and circumstances where selling directly to customers might be more suitable, was also poorly answered. In an era where direct and interactive marketing is becoming so commonplace, it seems odd that students are still giving examples of the direct sales of vegetables and encyclopaedias.

Question 8

A question on developing a promotional mix to launch a new brand of lager proved to be a very popular question and was, in general, very well answered. Students showed a very good understanding of the challenge of launching a new brand in a crowded market. Some students did not deal adequately with the question regarding the adoption of a push or a pull strategy. It is important to allow time to answer the question fully so that you can achieve the maximum marks.