



EXAMINER'S REPORT

MAY 2003

PRINCIPLES OF MARKETING

General Comments

1. Core Text

There is an absolute need at this level for students to have access to the core text and if possible additional outside reading to ensure the fundamental concepts of marketing are adequately understood. There is widespread evidence that this is not the case with this cohort. Understanding of the many basic concepts which define the marketing discipline and enable candidates to understand the marketing process are clearly deficient. Candidates need to access and use the core text in preparation for this examination

2. Attempting Five Questions

There appears to be a growing trend not to attempt the required number of questions. In the current cohort, 27% of candidates did not attempt the full requirement of five questions, with a significant proportion of these attempting less than four questions. In such circumstances it is difficult for candidates to obtain high marks and in some cases pass the examination.

3. Quality of Answer

The quality of answering varied widely, with a predominant tendency to offer superficial answers lacking in depth. There is also a tendency for candidates to indulge in repetition throughout the answer and to ignore basic principles of presentation in their answers.

4. Misreading the Question

A significant number of candidates misread the questions or offered a pre-prepared answers. In the case of obvious misreading and where the quality of the work was acceptable the answer was marketed at a pass level.

5. Difficulty in Applied Section of the Questions

A particularly disappointing aspect of the examination was the candidate's inability or unwillingness to apply the theoretical concepts being examined through the use of appropriate examples. Each question offered a significant proportion of marks for such treatment, but was largely underused by candidates.

Question 1

Question one was attempted by 90% of the cohort, the top mark achieved was 83% and the Average mark was 43%.

In general the quality of answers provided to this question was adequate, given the basic nature of the question asked, and the fundamental role of the core concepts in the understanding of marketing principles.

Candidates did have difficulty presenting an acceptable and coherent definition of marketing, and had a greater difficulty in differentiating between the different business orientations and the five core Marketing Concepts outlined in the course text.

The minority of candidates who correctly identified and described the core concepts produced good quality answers clearly demonstrating their knowledge of their subject and exposure to the course text.

The majority of candidates however, clearly misread the question and answered on the basis of the different business orientations. The quality of these answers varied widely, but overall the standard was low. Candidates were, however, given credit for the quality of the answers provided.

The question required candidates to demonstrate their knowledge and understanding of the core concepts of:

- Needs, Wants & Demands
- Products Services & Experiences
- Value, Satisfaction & Quality
- Exchange, Transactions & Relationships
- Markets

Question 2

Question two was attempted by 78% of the cohort, the top mark achieved was 71% and the Average mark was 44%.

This question generated a wide variety of marks, with many candidates confusing the 'product adoption process' with the 'adopter categories' in the diffusion process, these are related concepts but clearly different and their correct understanding is fundamental to a basic understanding of marketing.

The question sought to test candidates' understanding of the simple product adoption process, and to link their understanding of this process to the activities available to the marketing manager in influencing the adoption of a product. The question required candidates to identify and describe the five stages of adoption: Awareness, Interest, Evaluation, Trial and Adoption, and to link this process to the design of a marketing programme.

As with question one, candidates who correctly identified the intent of the question, produced good quality answers, suggesting that the differentiation between these related concepts was not lost on the better candidates who had explored their text.

A disappointing aspect of the question was the lower than expected quality of the application section of the question. Candidates did not adequately demonstrate how knowledge of the adoption process can be used to influence the choice of marketing activity. This suggests a worrying difficulty on the part of many candidates to make the link between marketing theory and marketing practice.

Question 3

Question three was attempted by 81% of the cohort, the top mark achieved was 80% and the Average mark was 37%.

This question was poorly answered by the majority of candidates, generating an average fail mark. The quality of answer was very disappointing especially in view of the centrality of segmentation to marketing theory. The question offered candidates three areas in which to demonstrate their understanding, of these only the definition was adequately attempted. The majority of candidates failed to identify the different levels of segmentation and very few attempted to link segmentation to the design of the marketing programme.

Marks were available for the definition of Segmentation and the identification of the four main levels of segmentation; Mass Marketing, Segment Marketing, Niche Marketing and Micromarketing

The failure of candidates to attempt the application section of the question was disappointing, and again demonstrates a difficulty in linking marketing theory to marketing practice.

Question 4

Question four was attempted by 70% of the cohort, the top mark achieved was 74% and the Average mark was 40%.

This question sought to evaluate the student's knowledge and understanding of the NPD process, which is a standard type question at this level. The question sought to assess specific knowledge in respect of the eight stage NPD process as outlined in the course text, and the more general appreciation of the role of the NPD process in reducing new product failure. A minority of scripts yielded quite good answers, again indicating specific knowledge and understanding of the material. However, the range of answers in the majority of cases was disappointing for such a basic question. A significant number of attempted answers gave a strong indication of the student's lack of familiarity with the subject matter, failing to correctly identify more than half of the process stages, and in many cases inventing their own NPD process.

The second part of the question relating to the rationale for the NPD process was equally disappointing, with the majority of answers failing to address the requirement at all, repeating the question or dealing with it at a very superficial level.

Marks were available for the identification and description of the steps in the NPD process:

- Idea Generation
- Idea Screening
- Concept Development & Testing
- Marketing Strategy Development
- Business Analysis
- Product Development
- Test marketing
- Commercialisation

As well as the commentary on the role of the NPD process in reducing new product failure rates.

Question 5

Question five was attempted by 61% of the cohort, the top mark achieved was 68% and the Average mark was 42%.

In general, the answers provided to this question dealt adequately with only one or two of the general approaches to pricing, and mainly omitted the second part of the question entirely, relating to pricing methods. Cost based and competition based pricing were readily understood and dealt with at a reasonable level, although value based approaches seemed to be unknown to the majority of candidates.

Few of the candidates dealt adequately with part two of the question relating to the pricing methods. Apart from the 'cost plus' methodology only a small percentage of candidates appeared to know of any other method of pricing available to the manager.

Marks were available for the identification, definition and description of each of the General Approaches

- Cost Based Pricing,
- Value Based Pricing,
- Competition Based Pricing.

In addition marks were available for descriptions and examples of any of the pricing methods used under each approach.

- Cost Plus
- Break even pricing
- Value pricing
- Every day low/fair pricing
- Going Rate Pricing
- Sealed Bid Pricing

Question 6

Question six was attempted by 17% of the cohort, the top mark achieved was 63% and the Average mark was 36%.

This question proved to be the least popular among candidates, and attracted the lowest maximum and average marks.

Candidate's understanding of logistics, in general, was weak with the majority equating it with distribution and dealing with the topic at a superficial level. Identification and knowledge of the logistics functions was almost non existent, with only a few candidates being able to identify and describe the material at an adequate level.

The inclusion of the internet in the question should have provided candidates who were weak on the specifics of marketing logistics with an opportunity to obtain marks. This however did not occur with a number of candidates choosing to describe the impact of the internet on consumer purchasing.

The use of examples in this question was negligible, suggesting that the candidates who attempted the question did not sufficiently understand the material to link it through to practical application.

Marks were available for the definition of Marketing Logistics; the identification and description and examples of the four logistics functions:

- Order Processing
- Warehousing
- Inventory Management
- Transportation

As well as a commentary on the role of the internet in logistic functions.

Question 7

Question seven was attempted by 40% of the cohort, the top mark achieved was 70% and the Average mark was 43%.

In general, candidates demonstrated a good knowledge of the many communication methods available to the manager. However, there was plenty of evidence to indicate an inability to differentiate between direct and indirect methods. A number of candidates offered both advertising and PR as examples of direct marketing communication.

While the first part of the question was dealt with adequately, the second part was almost always omitted. The idea of integrated marketing communications (IMC), appears to be unknown to the candidates, and only a few dealt with the need for a complementary strategy.

Marks were available for the identification, definition, description and examples of any four methods of direct marketing:

- Direct Mail
- Personal Selling
- Catalog
- Telephone
- Direct Response TV
- Kiosk Marketing
- Online Marketing

As well as a commentary on the use of each method as part of an IMC programme.

Question 8

Question eight was attempted by 24% of the cohort, the top mark achieved was 67% and the Average mark was 45%.

This would be regarded as a standard question at this level, and one in which, candidates would be expected to achieve high marks. The question sought to examine candidates understanding of a long established strategy framework which is easy to apply in a practical situation.

In general the answers provided were disappointing with a significant proportion of candidates confusing the BCG grid with Ansoff's Grid. Few candidates adequately attempted the applied section of the question, which required a demonstration of how the framework could be used by an Irish Soft Drinks Manufacturer. In common with other questions on this paper, this lack of the use of applied examples suggests a growing difficulty on the part of candidates to make the link between the theory and practice of marketing at this level.

Marks were available for:

- Diagram and description of Ansoff's Product / Market Expansion Grid
- Description of the four growth options
 - Market Penetration
 - Product Development
 - Market Development
 - Diversification
- Worked example for each option (**Irish soft drinks manufacturer**)