



EXAMINER'S REPORT

MAY 2006

PRINCIPLES OF MARKETING

General Comments

Overall 66% of candidates achieved at least a pass mark and 33% referred. The standard of performance has improved on previous years. However, there continues to be evidence of students' lack of familiarity with the course text and a reliance on a general understanding of core marketing concepts. The ability of students to correctly define concepts is still low, as is their appreciation of how these concepts/processes/methods are applied to marketing practice.

Question 1

83% of students attempted this question, with an average mark achieved of 49%. Most students provided a reasonable definition of their understanding of marketing and correctly identified the various core philosophies. The description of the different philosophies however was not answered well, with many students providing only a superficial understanding, and few providing any degree of comment on the relationship between the different concepts. Marks were available for the definition of marketing and the identification and description of each of the core management philosophies.

Question 2

67% of students taking the examination attempted this question, achieving an average mark of 42%. The maximum mark achieved was 75%. In general students had a good understanding of target marketing and segmentation but generally failed to adequately identify and describe the various market coverage strategies. The element of the question dealing with the choice of market targeting strategy was also poorly answered with little evidence of students having read the course text. Marks were available for the identification and description of the three approaches - *Undifferentiated Marketing*, *Differentiated Marketing* and *Concentrated Marketing*- and the identification and description of the factors which affect the market targeting decision - *Company Resources*, *Product Variability*, *Product Life Cycle Stage*, *Market Variability*, *Competitor Marketing Strategies*.

Question 3

42% of students attempted this question, with the average mark achieved being 48%. The maximum mark achieved was 75%. The majority of students had little difficulty in correctly identifying the major approaches to pricing policy, however students were less successful in identifying and describing the various pricing methods. Marks were available for the identification, definition and description of each of the General Approaches - '*Cost Based Pricing*', '*Value Based Pricing*', '*Competition Based Pricing*' and the description of a number of pricing methods - *Cost Plus*, *Break Even Pricing*, *Value Pricing*, *Every Day Low/Fair Pricing*, *Going Rate Pricing*, *Sealed Bid Pricing*.

Question 4

76% of students attempted this question with an average mark achieved of 51%. The maximum mark achieved was 75%. This was a standard question designed to evaluate the student's knowledge of basic marketing concepts and its relevance for marketing practice. Overall, the question was poorly answered with the majority of students demonstrating only basic understanding or knowledge of the various macroenvironmental forces or its relevance to marketing. Marks were available for the identification and description of the six macroenvironments - *Demographic, Economic, Natural, Technological, Political and Cultural* - and their influence on the marketing programme.

Question 5

56% of students attempted this question, with an average mark achieved of 40%. The maximum mark achieved was 75%. This is a standard question which has appeared in various forms over the past few years. It was designed to evaluate students' appreciation of how an innovative technology has affected the practice of marketing. The general inability of students to correctly identify and/or describe the various forces strongly suggests that they are not familiar with the course text. Many of the students attempting the question did so from a general understanding of the internet and offered only a basic response to the second part of the question asked. Marks were available for the identification and description of the four major forces which Kotler and Armstrong suggest are shaping the internet age - *Digitalisation and Connectivity, The Internet Explosion, New Types of Intermediaries, Customisation and Customerisation*.

Question 6

74% of students attempted this question with the average mark achieved of 46%. The maximum mark achieved was 70%. This is a standard question on this level of marketing programme which seeks to evaluate the student's understanding and appreciation of a central concept in marketing. In general students demonstrated familiarity with the framework and were able to correctly reproduce the hierarchy diagram. The higher level of appreciation of the hierarchy and its relevance as a marketing framework was generally lacking. The framework was presented by most students as a static framework which operated independently of marketing activity. Marks were available for the identification and description of Maslow's hierarchy of needs - *Physiological Needs, Safety Needs, Social Needs, Esteem Needs and Self Actualization Needs* and *The Hierarchy Diagram* and the application to marketing strategy development and the limitations of using the hierarchy.

Question 7

69% of students attempted this question with the average mark achieved of 50%. The maximum mark achieved was 80%. This was a popular question with students and one which was reasonably well answered. The identification of the stages in the Consumer Buying Decision Process presented little difficulty for students, and the description of each stage was at an acceptable level. The application section of the question however was not well answered. Students continue to have a difficulty in showing how a theoretical concept such as the consumer decision process informs an organisation's marketing programme. There was a clear lack of appreciation of how a marketing programme is designed to move buyers through the various stages of the buying decision process. Marks were available for the definition of the 'buyer decision process', the identification and description of the buyer decision process, the understanding of the process implications for strategy and the application of the process to Apple Computer's iPod marketing strategy.

Question 8

Only 21% of students attempted this question, achieving an average mark of 41%. The maximum mark achieved was 76%. This was a composite question drawn from different sections of the course. It was designed to allow students to demonstrate their coverage of the syllabus. The relatively small number of students who attempted the question ranged from those who clearly had covered the material and had specific knowledge of the terms and these students achieved high marks, to those students who attempted it as a final question with little time or knowledge to provide an adequate answer.