



EXAMINER'S REPORT

AUGUST 2002

MARKETING PLANNING & MANAGEMENT

General Remarks

At this stage of the Graduateship of the Institute students are expected to demonstrate analytical and decision-making skills which demonstrate the cumulative learning acquired over a four year intensive marketing programme. Candidates cannot expect to pass by simply identifying and describing the correct model or concept. As stated in the May report, it is essential that students should have a clear understanding of the difference and interdependency of marketing strategy and marketing tactics.

The case study which represents 40% of the total marks is a key decider in how students perform. This year's paper focused on a clothing company 'Blooming Clothing' and was, in general, well prepared. The candidates who achieved higher marks displayed a greater understanding of the *strategic* issues emanating from the case study and were able to suggest and justify strategies suitable to the company's stage of development. By comparison, weaker students reiterated the history of the development of the company, without any interpretation or critical comment about the company's strategy.

Section B of the paper which accounts for 60% of the marks draws questions from the theory and practice of marketing strategy and process. There are two areas which cause difficulty for students in this section: the application of students' own critical skills to marketing problems and the presentation of models and frameworks without any justification or conclusion. These points will be identified more closely in the Examiner's review of individual questions.

Question 1

On the whole, the case study was well prepared and the issues facing a small specialist clothing company well understood. The deficiencies arose in the level at which questions were answered, with many students failing to properly interpret and draw conclusions from their reading of the facts of the case.

Section (a) and (b) required students to analyse the case. In Section (a) students were directed to use Porter's Five Forces to assess the competitive structure of the maternity clothing industry in Ireland. While almost all students knew and understood the main forces in Porter's model, few used it to draw a conclusion on the competitive structure of the industry. For example, very few made any concluding remarks about how the five forces together influence the level of competition

or to assess what position Blooming held or how it should exploit or counter the forces. There is no point in using a model if it does not lead to useful conclusions.

To answer Section (b) successfully, students needed to demonstrate a knowledge of why outsourcing is becoming an important strategic option for labour-intensive industries in countries with high labour costs, such as Ireland. The critical issue for Blooming was the management of outsourcing to ensure that quality of product and ability to deliver were not compromised.

In Section (c) candidates were asked to suggest and justify a strategy for a company such as Blooming to expand into overseas markets. The key word in this question is “justify” and many students failed to select a particular strategy and argue their case. Instead they offered up a number of options, without selecting and justifying one particular strategy.

Question 2

A question on low- and high-involvement products required the student to distinguish between the two types of purchasing behaviours and how that impacts on the marketing mix and timing of marketing effort and resources. This question was best answered by looking at examples of high- and low-involvement purchases and tracking how they differ from a purchaser’s perspective so that the student could then go on to analyse how the marketing mix and the deployment of marketing resources needed to be adjusted for the different purchasing situations.

Question 3

In an era of information overload, it is essential that companies manage the varying sources of information so that the raw data can be processed to become usable information for decision-making. While many students could identify the main sources for information collection and how that data should be processed to answer key marketing questions, it would have been interesting to see more discussion on the value of information rather than simply the sources of information.

Question 4

As stated in the introduction, one of the underlying weaknesses in candidates’ papers is the inability to identify why a particular analytical tool should be used in a situation and what conclusions should be drawn from the analysis. A question on the purpose of conducting a capability audit exposed this weakness very clearly. It is not enough to know how to conduct a capability audit, one must understand exactly what value the analysis will yield the company. It is also useful to set such an answer in context by discussing when the model should be used and what steps should follow. In this case, the audit precedes the SWOT analysis and helps a company to identify and exploit its tangible and intangible assets as well as processes which lead the company to have a competitive edge within specific market conditions. To make this point powerfully, examples from global and Irish companies that have failed to constantly assess their sources of competitive advantage would have attracted extra marks.

Question 5

There were many examples of first year answers to this fourth year question! The Examiner expected more than a re-hash of the model (which was usually incorrectly labeled by candidates) and a short description of the different phases. The question required a critical examination of the information the model yields, but also a comment on the model’s weaknesses. Again, there were few examples of products to illustrate alternative sales growth patterns.

Question 6

This was not a general knowledge question. The market conditions for a price war have been clearly identified and there are many examples from the Irish retailing business of the corrosive effect of a price war. Answers should have dealt with the conditions under which price wars are likely to take place and the impact of price wars on the participating companies and the sector as a whole. To answer this question without the use of examples was wholly inadequate.