



EXAMINER'S REPORT

AUGUST 2004

MARKETING PLANNING & MANAGEMENT

General Comments

Candidates sitting the 'Marketing Planning and Management' paper are expected to already have a sound knowledge of the principles of marketing. The questions do not seek to examine marketing basics but rather the student's ability to take a strategic decision-making approach to the marketing issues raised in the paper, either in the case study or in the exam questions.

This year's paper required the student to demonstrate a thorough understanding of the relationship between marketing strategies and other functional areas within the company. There was also a specific question on how marketing can help an organization fulfill its corporate objectives.

Despite the fact that this is a Graduateship paper, each year a significant number of students are obliged to re-sit 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.

The case study, representing 40% of the total marks, is a key decider in how students perform. Those 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 on 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 clarification as to their purpose or without drawing any conclusion on the basis of their use in analysis. These points will be identified more closely in the Examiner's review of individual questions.

Question 1 – Case Study

This year's case study focused on Forest Produce Ltd., an Irish company specializing in the production and sale of foliage for floral bouquets. The company faces the typical challenges of an SME supplying large scale buyers, such as supermarket chains. The company has already enjoyed considerable success and is now poised for a further stage of growth. The company's fortunes are based to a considerable extent on derived demand: the market for cut flowers determines the demand for foliage.

- (a) The channel strategy for Forest Produce is critical to the company's success. Students were asked to evaluate the existing channels used by the company. Weaker students reproduced the facts of the case. Those who achieved a higher grade took a more strategic perspective and recommended specific channels, given the company's competencies and stage of development.
- (b) A company must be able to draw insights from market research so that it can develop new markets and products. Forest Produce is fortunate in the quality and breadth of data available to it about its target export markets. Students were required to demonstrate how FPL should use this data in identifying new segments, forecasting demand and creating marketing objectives.
- (c) The third question asked students to recommend ways to add value to the company's existing products. Recommendations needed to be based on the facts of the case and the analysis undertaken in parts (a) and (b). Again, the stronger students were able to work with the facts and suggest realistic ideas to add value or develop new products. A number of students used Ansoff's growth model to identify the areas most suited for growth.

Question 2

It is extremely challenging for a company to sustain competitive advantage over time. Competitive advantage, where one company is able to outperform its competitors in one or more ways, requires a continuous fine-tuning of a company's marketing strategy, as the market environment and rate of competitive rivalry changes during the life cycle of the product. Candidates were required to analyse what is meant by competitive advantage and how it can be achieved. Some students were able to provide very comprehensive answers by plotting strategic change over time using the PLC model, clearly showing how the industry structure can change and suggesting strategies to respond to external forces of change. It was considerably more difficult to provide such an overview, using an essay-type answer.

Question 3

To answer a question on the relationship between corporate and marketing strategy, candidates needed to discuss the planning process itself in order to highlight the different levels of planning involved. Students were also expected to show clearly that marketing should contribute to corporate planning through its understanding of customers and its market insights.

Question 4

A practical question on segmentation produced mixed results. Candidates were asked to outline a segmentation strategy for an adventure centre to ensure the centre was used all year round. A considered answer required the student to identify two distinct markets, the business and consumer market. There was very little consideration given to the way the marketing mix needed to be adjusted to cater to these two distinct markets.

Question 5

A question on the value of the SWOT analytical tool required the student to clarify how and why it is used in strategic market planning. A SWOT analysis does not yield new insights, unlike other analytical tool. Rather it synthesizes and summarises a strategic business unit's (SBU's) or product's present position in its market. The internal and external analyses that precede the SWOT identify the strengths and weaknesses, opportunities and threats. The SWOT should help a company to understand the key issues to be addressed in the next planning period and identify the marketing objectives.

Question 6

Forecasting and the measurement of market demand help a marketer to assess market feasibility, internal resource requirements and the strategic fit between a company's strengths and weaknesses and the market opportunity. Few students seem to be able to identify or know how to calculate some of the simplest and most important measures of marketing performance, such as market size and market share.