



## EXAMINER'S REPORT

MAY 2004

### MARKETING PLANNING & MANAGEMENT

#### General Comments

The examination candidate must demonstrate an understanding of both the theory and practical application of the strategic marketing planning process. This course, in Stage 4 of the Graduateship, draws extensively on students' learning from materials and concepts covered in earlier courses of the Graduateship Programme. Having studied each of the major areas associated with marketing management, the student should use this module to develop an integrated framework for understanding and analysing marketing issues so that new directions can be identified and exploited.

The Examiner is seeking evidence of strategic thinking in how students approach case studies and examination questions. In many of the responses to questions, students did not take a strategic perspective but instead viewed issues from a short-term, tactical point of view.

Students are also expected to have a good knowledge of current market developments in Ireland and at a global level. The exam paper is set in such a way that students have ample opportunity to demonstrate their ability to apply their learning to practical situations. For example, this paper required the students to analyse the challenge facing financial institutions in Ireland in differentiating their offering from that of their competitors. The case study is also an opportunity for students to apply their learning to a real situation.

Typically, higher grade students will have read extensively around the course and will be able to link examples from Irish and international companies to issues raised in questions. The higher performer has studied the whole programme and so is able to gain high marks across a range of questions. The case study will have been well prepared and various analytical models will be correctly used as frameworks for answers. Judgements will be based on analysis of the case study, rather than broad assertions.

A weaker paper is likely to have a lot of descriptive writing with little or no use of marketing tools or critical analysis. At Stage 4 the Examiner expects clear and critical thinking. Layout should be clear and logical, with the appropriate use of diagrams and tables. These should also be properly labelled.

It is extremely important that models such as Porter or PESTLE, are used properly. Too often, a model is dropped into a question without its purpose being explained and without any conclusion being drawn from its analysis.

While in previous years case study answers were often unsubstantiated by evidence from the case, this year there was a marked improvement with students quoting extensively from the case study.

## **Section A (40%)**

### **Case Study: Betting on Bananas**

This was a clear and straightforward case which should not have presented any major difficulties for the exam candidates. The case required the students to demonstrate a good knowledge of how to conduct a competitor and industry analysis for a sector that had both high street and purely on-line betting companies, so-called *pure play* internet brands. Exam candidates should have been well-prepared as the areas addressed are central to a good understanding of marketing and marketing planning.

- a) Students were asked to assess the role of the Internet in making betting attractive to a wider market. Good students were able to identify the fact that on-line betting opened up new segments, such as the female market, as well as enabling people from around the world to place bets. The Internet also had opportunities to avoid the poor image of high street betting shops. Anonymity was also mentioned as a benefit. Many students identified that Internet betting could be based on a whole new range of non-sport betting vehicles, from the lives and loves of celebrities to soap opera story lines. The framework of the extended marketing mix, for example, could have been used to give a logic and structure to this type of analysis.
- b) The second part of the case study required the student to conduct a competitor and industry structure analysis of the betting market for Bananabet. Most students used the Porter Five Forces model but few drew any conclusions. The low barriers to entry were correctly identified as a key competitive force. Some students, quite rightly, identified the Lotto and bingo as 'substitutes' for gambling.
- c) Students were asked to propose a promotional strategy for Bananabet to attract and retain profitable customers. Most failed to provide any framework for presenting their analysis and proceeded to dispense budgets without any clear objectives. With a budget of some £500,000 to be spent within one year, a well justified plan addressing the objectives of capturing new customers and intensifying relationships with existing customers was required. Students are not expected to know the price of individual media options, but plans were supposed to be realistic.

## **Section B (60%)**

### **Question 2**

Good students approached this question from a structured point of view. Any competitive analysis requires that the right competitors first of all be identified. For example, Porter's notion of 'substitutes' opens out our definition of competitors. The respective positions and strengths and weaknesses of competitors needed to be analysed as well as their typical patterns of competitive action and reaction. Porter's five forces provide a means of analysing the competitive structure of an industry, but such analysis can only take place when a full audit of the range and relative positions of competitors has already taken place.

### **Question 3**

Before an organisation is ready to implement a marketing strategy it must undertake a rigorous company and market analysis. This question required the student to outline the key areas for analysis internally and externally as well as outlining the key models which should be used to support this process. One of the most important models and the one which must precede the setting of marketing objectives is the SWOT analysis.

### **Question 4**

Financial services have a number of limiting factors which make differentiation difficult, including the similarities between financial products, the fact that most products can be 'copied' very readily and the limited scope for creating a competitive pricing strategy. Better students analysed these and other challenges using the extended marketing mix. Many students suggested that customer service and customer relationship management were key strategies to differentiate one institution from another.

### **Question 5**

A question on analytical tools to review a company's product portfolio proved very popular. The Boston Box was the most widely reviewed tool, while the Product Life Cycle (PLC) was also popular. Some also mentioned the GE Model. Those who achieved a higher mark were able to review and critically assess the benefits and limitations of each of the tools. An assessment of just one of the tools available was inadequate for this question which clearly asked for an assessment of the range of tools. Better answers also went on to suggest strategies for products which were either underperforming or which showed potential to be future cash cows. Answers that simply described the features of an analytical tool without commenting on how that tool should affect the management of a product portfolio were inadequate for a fourth year paper.

### **Question 6**

This final question on how to create a competitive advantage through a company's marketing channel strategy showed clearly that some students mistake tactics for long-term strategy. A competitive advantage, while never permanent, should be sustainable over a number of years. The Irish economy has two significant examples of companies which have achieved competitive advantage in part through their distribution strategy: Dell and Ryanair. In the case of Ryanair, competitors have been forced to follow suit (such as Aer Lingus), while Dell has gained huge financial advantage through its 'made to order' policy.