



EXAMINER'S REPORT

MAY 2005

MARKETING PLANNING & MANAGEMENT

General Comments

The objective of the Marketing Planning and Management programme is to learn how to take a strategic decision-making approach to marketing challenges. Candidates are required to know about the basic marketing activities and to have developed the terminology and skills associated with implementing marketing programmes. In Stage 4 of the Graduateship, candidates are expected to be able to connect knowledge gained from other modules within the programme and apply it to this final marketing module. It is also expected that students be well informed about the domestic and global business issues affecting Irish companies.

In many of the responses to questions, students fail to take a strategic perspective and instead give tactical answers to questions. The text book and syllabus emphasise the models and frameworks which should be used to take decisions. Students are expected to be able to explain the value of specific decision making tools. Instead, many students rush to the marketer's toolbox and pull out the first framework that comes to them. It is imperative that students explain and justify why they are taking a particular approach in answering a question.

Students who achieve higher grades are able to draw on their learning and experience to provide answers that demonstrate sound strategic thinking combined with market experience. Students who perform poorly fail to analyse issues, but rather present facts and information. This is insufficient for a fourth year module.

Case Study: Iontas.com

The case study offers the student an opportunity to demonstrate their ability to use their learning in a real life example. It is essential that proper marketing analysis takes place. It is not sufficient to re-present case study facts nor is it sufficient to put forward solutions without the requisite analysis.

Students were asked to use Porter's five competitive forces to assess the attractiveness of the software sector for Iontas. Judging by many of the answers, students knew the model but had no idea of its specific value in analysis. They failed to assess the strength or weaknesses of specific forces and often presented the model without drawing any conclusions. Few commented on the intrinsic, long-run profit attractiveness of the software market.

Students were also asked to assess Iontas's approach to new product development. A very simple and effective approach to such a question would be to present a new product development model and assess how the company's approach compared with best practice. Clearly in this case, Iontas had no proper NPD strategy and had arrived at their position as described in the case study more by accident than design. Many students answered the question without any presentation of the NPD model.

Finally, students were asked to recommend a marketing strategy to enable the company to achieve its projected growth rates for 2003. Some students felt obliged to do a full marketing plan. This was not necessary and the Examiner could not reasonably expect a marketing plan in the time given. It would, however, have been legitimate to question the approach the company used in creating its targets. One problem may be that the targets are unrealistic, given the size and experience of the company. This question required a very specific and realistic strategy to deal with the market challenges. Some recommendations were more suited to multinationals than a small Irish company based in Donegal.

Question 2

In this question, students had an opportunity to demonstrate their general knowledge of changing demographics in the Irish market and how those changes might impact on a company entering the Irish market for the first time. The company is a retailer of low cost household furniture and household goods. The example is based loosely on the arrival of the Swedish household goods company, Ikea. While most students were able to identify key trends such as increased population in the critical 20 to 40 year old market, prime buyers of such products, few made any connection between demographic and lifestyle trends and segmentation. Segmentation provided the essential link between emerging trends and the creation of a marketing mix for the Irish market.

Question 3

A question on the BCG Portfolio model proved popular with students. Most students attempting the question were able to cite the key limitations of the growth-share matrix. It was not a good question for bluffers. While students could discuss the main points, few delved deeper to discuss why market growth rate is an inadequate descriptor of industry attractiveness or why relative market share may not diagnose overall competitive strength. Some offered examples of alternative portfolio models, in particular the Industry Attractiveness-Business Position Matrix, giving reasons why they felt other models provided greater analytical strength than the BCG model.

Question 4

It is gratifying to see the number of students who understand the potential of the so-called new economy. Mullins devotes a whole chapter to the topic. Few companies can claim to be unaffected by the Internet and other sectors of the new economy. Most answers provided the key points of syndication of information, positive network effects, disintermediation and restructuring of distribution channels, customisation and personalisation opportunities and the 24x7 Global reach. Those who provided better answers were able to develop their answers by looking at the potential impact of some or all of these features on company examples.

Question 5

Certain markets, such as the market for video recorders and cassettes, cigarette products and bicycles are in decline. Students were asked to evaluate the strategic choices for mature and declining markets. Unfortunately, many gave answers that were worthy of a good first year paper, that is, they provided a general review of the final two stages of the product life cycle. What was required in this question was an assessment of the relative attractiveness of the declining market by looking at demand patterns such as speed of decline, certainty of decline, pockets of stable demand or new potential. These needed to be assessed as threats or opportunities and only then could the company decide on its strategy.

Question 6

While most candidates were able to identify the key stages of the annual marketing plan, few evaluated each of the stages. A marketing plan is not just a set of steps in a procedure. The stages deliver different insights into the market place, customer needs and a company's ability to meet those needs. Those who didn't understand that each stage is a building block and a pre-requisite of the next stage were unable to provide the evaluation of each stage, as required. Some candidates placed the SWOT analysis before the internal and external audit, which makes a nonsense of the purpose of the audit.