



EXAMINER'S REPORT

MAY 2006

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. It is also unacceptable to give an answer as a series of undeveloped points. A Stage 4 paper demands that arguments put forward are well-reasoned and supported. The work should be presented in a concise and businesslike manner and should directly address the question being answered. 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 specialized travel company using the Internet as its channel of distribution. The case study offered many interesting points for the student to explore, including creating a brand in an online environment, managing seasonality and breaking into the UK market to achieve critical mass. 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 travel 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 required to assess the importance of the Directski brand in the growth of the company in the Irish and UK markets. While the stronger students examined the importance of building a brand and its particular importance in a new online company, many students provided a general answer on the company's expansion to date.

To answer Section (b) successfully students needed to understand the key objective of Directski's communication strategy was to create brand awareness, help position the brand and, most importantly, to drive traffic to the website. As a direct response strategy, every aspect of any campaign could be tracked and measured to assess its effectiveness. The company could test different offers in different media and have a far greater understanding of what worked and did not work than an advertiser using non-direct response advertising. This point was not clearly understood by students.

In Section (c) candidates were asked to suggest a strategy for Directski to increase its market penetration and spread of business throughout the year. 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

To answer this question it was important for the student to take on the role of a marketing consultant to an international food company that needed advice about how to enter the Irish market. Most of the answers showed that students had a very good understanding of the changing demographics in Irish society as well as the major social trends. Many students failed to seriously address the second part of the question which required them to recommend adjustments in the marketing mix of *Wholesome Foods*. There was no 'right answer' to this part of the question. A good answer required an examination of the full mix and a recommendation and justification for amending particular parts of the mix, from pricing through to product or packaging adjustment.

Question 3

A question on the potential advantages of adopting a pioneer strategy revealed a very clear dividing line between those who were familiar with the relative advantages of pioneer versus follower strategies and those who were not. The textbook deals with each market entry strategy very succinctly and those who were familiar with the text were able to perform extremely well. There were a number of students who failed to answer the second part of the question which asked about the conditions under which a firm might opt to become a follower rather than leader, thereby losing a considerable number of marks.

Question 4

Students were asked to analyse the value and limitations of product portfolio analysis techniques in managing a company with a diverse range of products. Those who provided complete answers examined more than one portfolio analysis technique, the BCG portfolio matrix being the most popular technique examined. Students who were able to discuss the strengths and limitations of each scored very highly. The weakest answers merely presented one portfolio analysis technique and failed to discuss the strengths and weaknesses of the model under examination. This was insufficient to pass a fourth year paper.

Question 5

A question that requires the student to adopt a role of a consultant or marketing specialist within an organization should not be treated as a theoretical, textbook style question. Candidates were asked to justify spending on company brands and to seek to reverse a decision to cut the marketing budget by 50%. A number of candidates argued that it was important to continue to invest in brands in order to retain market share, however many others provided weak arguments to the key question on whether spending money on brands should be regarded as an investment rather than a cost.

Question 6

The final question on the May paper required students to link their learning about distribution channels to pricing strategy. A very simple approach to this question could have been to examine the different distribution options and to look at how price and margins were affected by the costs associated with each distribution strategy. In addition, the distribution channel and pricing strategy can also affect the perception of the product, as well as volume sales. The answers provided to this straightforward question were poor in general, with little attempt to relate course material to the practical examples provided.