



EXAMINER'S REPORT

MAY 2007

MARKETING PLANNING & MANAGEMENT

General Comments

The Examiner expects the candidate to 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, this module helps the student 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 questions from a short-term, tactical point of view.

Students should also study closely the language of a question. Are they being asked to give evidence of knowledge, understanding or application? Or are they being asked to give evidence of analysis, such as compare, criticise or diagnose a particular situation? In a case study, are they being asked to propose or simply to comment? Each question requires a different type of analysis and response.

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 year's May paper required the students to analyse the challenge facing a major tea blending and distribution organisation, given the changing habits in drinking beverages – most notably coffee – in Ireland. 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.

Section A (40%)

Case Study: Jameson Irish Whiskey

The case study each year, for those who like to anticipate Examiners' intentions, follows a very similar pattern. Parts (a) and (b) tend to focus on an analysis of the current situation, while Part (c) normally looks for some original thinking around the future direction of the company. The question of the future direction of the company usually emerges from the case study itself. It should be possible, therefore, to enter the exam hall with a very high level of preparation as the case study provides few surprises and, if well answered, goes a long way towards helping the student achieve a pass or honours grade.

As in other years, students were expected to use well known marketing models to analyse company challenges. This year, Porter's Five Competitive Forces was the key model required to answer Part (a) on the long-term attractiveness of the whisky industry for Jameson Irish Whiskey. This is a critical question for the company, given the focus on Jameson by the parent company. The candidate was essentially being asked whether they thought the future for the company - with such a rich portfolio of drinks - lay in whisky. It was disappointing to note that some people, even in fourth year, still cannot apply the Porter Model to a straightforward case. Some mixed up suppliers with distributors. Others did not see the significance of substitutes in the whisky market. The better answers provided a well illustrated model with a good write up on each of the forces and, most importantly, a judgement on the level of attractiveness of the industry.

Part (b) on Jameson's direct competitors produced some very good answers on the role of image and quality in this industry. It became very clear that satisfying consumers' need states meant that whisky will always be at risk from other spirits.

In part three of the case, candidates were asked to propose their own strategy for building up the brand. This part of the question tends to test weaker students as there is no blueprint for an answer. The Examiner was looking for good, original thinking based on the facts of the case.

Question 2

To answer this question on marketing's role in formulating and implementing corporate strategy, candidates needed to examine the three levels of strategy and to see marketing's contribution and role at each level. Strategic planning's core role at all three levels is to avoid threats and take advantage of opportunities. Marketing can and must help an organisation to look outwards to keep

business in step – and in some cases – ahead of change. A good answer also would seek to illustrate this point by way of company examples drawn from the Irish and international marketplace.

Question 3

In business it is not unusual to hear the terms markets and industries used interchangeably. A student of marketing knows that they are quite different and require different types of analysis. This question asked candidates to compare and contrast market and industry attractiveness. Market analysis yields information about trends, indicating future sources of threats and opportunities. The principal tool to analyse trends is the PESTLE. A market is comprised of individuals and organisations, in other words, buyers. Industries are made up of sellers who offer a product or class of products that are similar or are close substitutes. It is possible to be in an attractive market while the industry is unattractive. Good answers needed to tease out these differences and show their importance in marketing planning and decision making.

Question 4

Any concerns on the examiner's part that Question 4 was too easy were set aside when the indifferent quality of the answers became apparent. Any question on segmentation should be home ground to a fourth year student of marketing, as the issue has been examined since first year across a number of subjects. It is more than disappointing to note that some students have reached fourth year without being fully competent in segmentation strategy.

Question 5

Each year, the examiner seeks to introduce a practical element to the paper. There are many examples of students who have not performed particularly strongly in the more academic questions but have gone on to provide extremely wise answers to practical questions. Any graduate of marketing needs to be able to work with the theory and practice, so it is hoped this question brings balance to the paper. This year's question required the student to look at the issue of marketing in the so-called New Economy. An alarming number of students appeared to answer the question without ever having read the chapter on marketing strategies for the New Economy. The second part of the question dealing with the marketing mix produced a wide range of standards. Channel conflict was a critical issue for this company and many failed to address this challenge.

Question 6

There are clear and distinct strategies for mature and declining markets. At issue here was not whether the tea market would suddenly start to expand again but rather what should a company whose core business depended on tea do in such a declining market? Surprisingly, some answers blithely ignored the shrinking market and came up with strategies such as increased promotion when a far more radical strategy was required. Ansoff provided a very useful framework for some of the better answers, while others went through the strategic options of harvesting, maintenance, profitable survivor and niche strategies.