



## EXAMINER'S REPORT

MAY 2009

### MARKETING PLANNING & MANAGEMENT

#### General Comment

It is very obvious that students are spending a lot of time mastering their Case Study techniques and this is reflected in the standard of answering to Section A of the paper. However, it is also obvious that study of the materials required to deal with Section B of the paper is less than adequate in most cases. It is suggested that, if a lot more attention is paid to the study of the essential text that Section A of the paper would be much easier for students to handle.

#### Question 1

The three parts to this question were sequenced so as to give the student the opportunity to display her or his ability to:

- (a) Analyse from a strategic business perspective a company and its markets.
- (b) Examine a particular aspect of a company which was of special relevance to the situation.
- (c) Suggest tactical marketing as well as strategic business measures that might be available in a particular situation.

A small number of submissions were very good across all three aspects of the question. The vast majority of submissions were very good on the strategy aspect of business and marketing, the vast majority were only barely in the ballpark when it came to the (b) and (c) sections of the question.

Students MUST understand the organizational aspects of management – especially as it is always the case that organization structures are always maladapted to the situation in which an enterprise finds itself and organizational change always lags behind environmental change. Furthermore, students must be able to generate practical alternatives for how organizational weaknesses can be rectified.

Section (b) of the question was asked because Green Engineering Services obviously lacks to some degree business expertise and to a major degree marketing expertise. Only 5% of papers went beyond identifying the weaknesses to propose solutions and, in almost every case, the proposed solutions failed to take into account the costs involved.

Which brings us to the second weakness that marketing students must take into account. The marketer who does not understand finance is a far greater menace to the wellbeing of an enterprise than the finance person who does not understand marketing.

Bland – sometimes vehement – recommendations that Green Engineering Services needs a business manager or a marketing manager or both would seem obvious, but if taken without comment on the cost implications involved, would seem to be somewhat witless. It would be interesting to know how many new graduates would work for the sort of salary that Manus Green could offer, after the bottom line was taken into account, less the overhead in employing a Marketing Manager and before the person employed could actually start paying her or his way.

A third issue that students need to take on board is the realities of setting up and running a small business. The Examiner has been working with small businesses in every sector for over forty years and the number of mission and vision statements encountered could be measured on one hand. Where such things exist – even in larger enterprises – they often amount to no more than pious aspirations. When it comes to research, students must realize that most research in the small business sector is informal – the OM's know what is going on all right, but formal research of the types mentioned in the textbooks is out of their reach. However, a look at the office shelves of OMs will usually show the presence of industry magazines and published sources of information.

About 40% of papers made mention - at some length - of Manus Green's statement that he "should not put all his eggs in one basket". Students might like to note that about 40% of German manufacturing firms and a growing number of Irish companies are monopsonies – they have only one customer. Despite the comments made above, it has to be said that the overwhelming number of students scored at least a pass mark in Question 1 – albeit that the pass was achieved as a result of work done on part (a) of the question to the sad neglect of parts (b) and (c).

## **Question 2**

This was meant to be a very simple question to help students 'settle down' after the volume of hard work that would have gone into Question 1. The Examiner expected answers to be based on the materials on pages 283, 284 and 285 – together with the key observation on page 269 of the essential text. The Examiner expected a list of simple and practical ideas and was prepared to award good marks for each idea mentioned. The results were disappointing: just over 50% of students attempted the question and less than a third of those who attempted achieved a pass mark or better.

It may be that, at this level, students are spending too much time looking inwards towards the enterprise, planning and strategy issues and are forgetting to look outwards towards customer's needs and perceptions. As a result, answers were often based on or around issues such as Porters boxes, technological advances in communication, new product development, achievement of profit objectives, pricing strategies, key account management, production efficiencies, getting sales and similar. One paper went on for over two pages about competitive strategy without once mentioning customer value.

Only occasional references came up to product quality, superior design, superior service, superior after sales service, support, the contribution of the human resource function, tailoring of the internal

infrastructure or the incorporation of customer value into the setting of cross functional goals. Students might like to note the Examiner's policy of incorporating into each examination paper one question on general marketing at a fairly basic level in order to give candidates, for whom the paper just did not quite suit, a chance to gain the extra mark or two necessary to push them over the pass mark level.

### **Question 3**

This was a reasonably straightforward question and there seemed to be no difficulties answering it. Every candidate who attempted the question got at least a pass mark. The materials are well covered on pages 78 and 79 of the essential text and the Key Observation on page 79 is a very important one.

### **Question 4**

This question was seen as a crucial test of the student's knowledge of both the theory and practice of product and brand management. The materials are very neatly and clearly covered on pages 214 to 216 of the essential text. Most products or brands are positioned on the basis of one - or at the most - two critical market attributes. Being able to identify these attributes and being able to position or re-position a product or brand in terms of these attributes is a critical marketing management skill. The steps involved are not particularly difficult. In fact, the vast majority of responses to this question were very good and almost everyone who tried the question achieved at least a pass mark.

### **Question 5**

Most marketing managers operate in mature markets and the question was seen by the Examiner as an important measure of student's knowledge. Again, this question was pretty straight forward and by combining knowledge of the appropriate strategies as set out in traditional approaches to operating in mature or declining markets, knowledge of the innovation adoption process and the BCG matrix, candidates generally answered quite well.

### **Question 6**

The Examiner ended up regretting that this question was ever asked. The main reason for this was that the question itself "Where and in what form are distribution decisions built into the marketing plan?" meant absolutely nothing to the vast majority of candidates who tried to answer this question. Instead, papers went on at length about the importance of distribution as part of the marketing mix and made no reference whatever to the structural components of the marketing plan and where distribution fitted into them. Students should note that the Examiner expects every student to be able to set out in detail the component stages of the strategic marketing plan and be able to explain at length the purpose and formulation of each of the stages. Apart from this, the Examiner expects that students be able to read examination questions properly and formulate answers accordingly.