

Level 3 Certificate in Marketing



International
Qualifications from EDI

Annual Qualification Review

2010

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INTRODUCTION

The annual qualification review provides qualification-specific support and guidance to centres. This information is designed to help teachers preparing to teach the subject and to help candidates preparing to take the examination.

The reviews are published in September and take into account candidate performance, demonstrated in both on demand and series examinations, over the preceding 12 months. Global pass rates are published so you can measure the performance of your centre against these.

The review identifies candidate strengths and weaknesses by syllabus topic area and provides examples of good and poorer candidate responses. It should therefore be read in conjunction with details of the structure and learning objectives contained within the syllabus for this qualification found on the website.

The review also identifies any actual or proposed changes to the syllabus or question types together with their implications.

PASS RATE STATISTICS

The following statistics are based on the performance of candidates who took this qualification between 1 October 2009 and 31 August 2010

Global pass rate 40.84%

Grade distributions

Pass 55.04%

Credit 37.12%

Distinction 7.83%

General Comments from Chief Examiner:

It is very pleasing to see a continuing improvement in papers from various African centres, which I feel can be directly attributed to the release of training DVD's prepared by Education Development International in December of 2008. Without doubt some centres have taken the advice, hints and guidance offered to heart; and this has been reflected in the presentation and quality of answers offered. Accordingly this has also been evidenced in marks awarded and the centre pass rates. All centres should take advantage of the numerous training materials now available from LCCI, including teachers training packs and web podcasts available on-line for both tutors and students.

In this annual report there is a specific section relation to **EXAMINATION SKILLS & TECHNIQUES** at the end of the report. Tutors and students are strongly advised to read this section thoroughly.

This years report will not only review the essential elements required for each syllabus topic but will also provide relevant feedback relating to questions set in papers covered by this report under the heading **EXAMINATION FEEDBACK**.

GENERAL STRENGTHS AND WEAKNESSES

Strengths

- the majority of candidates are now presenting their answers in the format required by the question
- compulsory question 1 has seen marked improvement in respect of layout and quality of information presented
- Candidates are now planning their answers more carefully
- Candidates handwriting would appear to be improving

Weaknesses

- many candidates **DO NOT READ** the examination rubric (instructions)
- candidates failure to read the question set
- a number of candidates not using the report or memo format when required by the question
- many candidates offer answers totally disproportionate to the marks available
- failure to provide examples
- atrocious handwriting from some candidates resulting in sections (sometimes all) of a paper not being marked and zero marks being awarded.

Please refer to the section Further Guidance at the end of this report for more detailed information.

TEACHING POINTS BY SYLLABUS TOPIC

General Note applicable to all Syllabus Topics:

Many questions in an examination paper ask for suitable examples to be provided to illustrate a candidate's full understanding of the topic being examined. In numerous cases examples offered frequently have no relation to the subject of the question or examples are completely ignored. Tutors must ensure that candidates are given relevant examples or are made to provide their own examples to highlight the relevant topics as required.

Syllabus Topic 1 - The Nature of Marketing

Whilst a definition of marketing is essential, it also very important that candidates fully understand what this definition means in respect of marketing activity needed by the organisation.

Candidates need to fully appreciate the historical backgrounds that led to the different marketing concepts of - production - selling and marketing orientations.

Candidates need to know the difference between profit and non-profit organisations and be able to provide relevant examples of each. The different marketing objectives and likely strategies and tactics to achieve these objectives are essential. Tutors should offer examples and ask candidates to decide on such.

For environmental analysis it is not sufficient for a candidate to simply regurgitate the elements of an analytical tool. Candidates need to be able to offer examples of areas within each element of the tool that will have to be considered and evaluated. STEEPLE is considered the ideal tool for EDI papers combined with DEPICT when examining international markets.

Marketing Opportunity Analysis (MOA) is now an element in this syllabus topic and candidates must be aware of its role and application in market planning.

A full understanding of a SWOT analysis is required and how this relates primarily to the organisation itself (as opposed to the macro-environment). Candidates must clearly know the difference between a threat and a weakness or a strength and an opportunity.

Knowledge of competitor analysis and how competitors compete (their strategies and tactics) is now an important element of this syllabus topic.

The Marketing Audit is a mandatory subject and is examined on a frequent basis. Candidates need to understand what it is, the stages of the audit and important elements to be examined at each stage.

User benefits compared to product features must be clearly understood. Customers do not buy a ½ inch drill - they buy the hole that the drill will make.

Candidates need to be familiar with different types of marketing departments (and able to provide suitable diagrams) and to explain the marketing departments role as a liaison and communicator function between the customer and the organisation and how the marketing function is a major component of corporate strategy through the functions it deals with.

A comprehensive knowledge of **EXTERNAL** agencies that might be used by a marketing department and the ability to provide examples of the duties they may be asked to perform.

Syllabus Topic 2 Marketing Research, Analysis and Decision

Marketing research

Candidates must be able to offer a definition of Marketing research.

It is essential that candidates fully understand the difference between types of research and methods of research as this is the greatest reason for poor marks in questions relating to market research.

Types are the **different areas** that could be researched such as - sales - advertising - product - consumer - etc.

Methods are **how** research is gathered using - quantitative - primary - ad-hoc - omnibus – etc.

Candidates need to understand the reasons for marketing research and be able to offer a research proposal or plan. Explain methods of collecting data, different types of sampling methods and the differences between qualitative and quantitative as well as primary and secondary data. To be able to present data in different formats using graphs, bar charts, histograms or pictograms. The importance of CATS (cost, accuracy, time and security) in carrying out market research.

A full understanding of a Marketing Intelligence System (MkIS) - what it consists of and what it is used for.

Segmentation

It is absolutely vital that candidates have a full grasp of the concepts, theories and practice of segmentation - it is after all the most fundamental of marketing tools.

Candidates must be able to provide an acceptable definition of segmentation - clearly demonstrating that it is the breaking down of a total market into more relevant and manageable portions.

Fully understand the **difference** between the bases of segmentation and segment evaluation.

Bases refer to how segments are created using differing criteria such as demographics - behavioural - family life cycle - geographic and geo-demographic etc. Candidates need to know the elements involved in each segmentation method.

Evaluation refers to how an organisation might review a segment and decide whether to attack or enter into it using such criteria as - measurability - profitability - accessibility etc.

Candidates must fully understand the concept of targeting and its implications for the marketing mix as well as what is meant by mass, selective and niche marketing and the use of customer profiling, what it is and how it is used.

How the marketing mix is used to position products or services in the consumer's mind is required combined with the ability to use the marketing mix to establish a desired position.

Elements of industrial segmentation are a new feature to the syllabus and need to be explored

Market Planning

Candidates need to understand the relationship between Mission, Objectives, Strategy and Tactics (MOST) and show how they are linked. The ability to analyse an organisation and give examples of the MOST concept in action. Frequently candidates explain WHAT is meant by MOST and then simply repeat these answers when trying to explain the significance and relationships between all the respective elements.

Candidates need to understand the use of the Ansoff Matrix and be able to reproduce the diagram with the ability to apply relevant marketing strategies and tactics to achieve the various elements of the matrix.

Candidates must be familiar with and be able to apply the concept of SMART when devising objectives.

Consumer Basics

Candidates need to be able to produce a relevant diagram to show a communication model and to explain each of the elements, highlighting with examples the effect of "noise" in such a model.

Maslow's Hierarchy of Needs motivational model is essential learning with the ability to reproduce the model diagrammatically. Combined with the ability to provide suitable examples of goods or services that marketing supplies to meet these relevant needs.

The consumer information search process leading to the DMP (Decision Making Process) has to be understood and how this can relate to the DMU (Decision Making Unit). Candidates need to be able to offer marketing or promotional tactics that could be employed to reach or attract the various members of a DMU.

Industrial Marketing

Candidates need to be fully aware that this type of marketing still accounts for over 75% of all marketing activity in business through the value chain. Fully understand the difference between consumer and business to business marketing.

Candidates need to have a knowledge of different types of business buying from the simple re-buy to the search for a totally new product/supplier and what the implications for the marketing mix will be as a result.

A good knowledge of the business DMU (its members and their relevant roles in the decision making process) combined with the ability to offer specific marketing tactics in promotion, communication or selling to reach the relevant members.

EXAMINATION FEEDBACK:

- candidates must know the stages of a marketing audit – many simply offer the STEEPLE elements for their answer
- candidates need to know the relevant bases for devising segments – not simply the theory – but how to apply it in a given situation for a specific product. Many candidates simply list the bases, some actually give elements contained within the basis, however, very few actually apply them to the question asked and identify the potential target market

- segment evaluation is still frequently confused with segment bases. Bases are how segments are devised, evaluation is the criteria for an organisation to decide whether it is worthwhile serving the segment
- candidates still have some confusion between primary and secondary research and between qualitative and quantitative research
- candidates frequently confuse consumer panels with focus groups, they are not the same and have different criteria for operation.

Syllabus Topic 3 Marketing Implementation, Strategies and Tactics

General Note - The Compulsory Question [see examples of candidates responses]

The compulsory question in every marketing paper is derived from this syllabus topic (and syllabus topic 4 which relates to the extended marketing mix) to enable the candidate to demonstrate their overall knowledge of the principles and practice of marketing. This question requires that candidates produce a **MARKETING PLAN**. This should not be an essay into marketing theory or an essay into marketing practice but a definitive **THIS IS "WHAT I WILL DO"** plan. There are no marks available in the question for any form of theory - only for clearly defined strategies and tactics.

The question always clearly states "using any 5 elements of the extended marketing mix". Nowhere in the question are candidates asked to use market research and this element was deleted from this question eight years ago. Unfortunately, many candidates still use this element in their answer for which there are no marks available.

Many candidates fail to read the question properly or do not apply their common sense and knowledge to the question subject matter. **[see examples of candidate's responses later]**

Frequently candidates offer a generic answer without any reference to the subject matter of the question.

It is frequently evident that candidates do not fully understand the elements of the extended marketing mix and the components that are included in each element nor do they understand the difference between strategies and tactics. **[see examples of candidates responses]**

The Marketing Mix

Product

Candidates must be able to use the onion model of product analysis and be able to demonstrate this when analysing the components of an every day product or service.

The stages of the New Product Development process (NPD) need to be fully learned and more importantly for candidates to be able to apply this process to an actual or imaginary product.

Candidates must fully understand what constitutes the product element in respect of the marketing mix; it is not new branches (place), it is not trained staff (people) - or reduced prices (promotion) - all of which are frequently offered as product elements in a marketing plan.

Candidates need to know the Product Life Cycle (PLC) and the Boston Consulting Group Matrix (BCG) and be able to draw the correctly labelled diagrams to illustrate these concepts with explanations of each stage of either model. Be able demonstrate the direct link between the two models and how they affect the different elements of the marketing mix. A good knowledge of the marketing mix used at each stage is also essential.

Price

Candidates need to understand that pricing is a complicated, but vital, aspect of the marketing mix and need to be familiar with the factors an organisation will have to consider in setting a price - it is not a hit or miss affair, nor simply designed to achieve an enormous profit.

An understanding of break even analysis and the relevant diagrams that illustrate this as well as the terms used in such. Be able to differentiate between gross and net profit, fixed and variable costs and how break even can be represented either by revenue or units sold.

A full knowledge of pricing strategies and tactics is essential. Tutors should use numerous examples of products and services at varying stages of the product life cycle to demonstrate how pricing strategies and tactics can and will change over the course of a products life. Candidates should be actively encouraged to look at their own markets and identify the various pricing strategies used by different organisations and to try and analyse why they are using such strategies. In very competitive markets or for certain commodity products, price wars can be a regular feature in the market place. Candidates should be familiar with price wars, what they are, how they occur and the reasons why organisations might start a price war. Candidates should be encouraged to think of ways to combat a price war without resorting to reducing prices and trying to compete with other competitors.

Place

Tutors should ensure that candidates are fully aware of the conventional channels of distribution. Being able to reproduce the relevant diagrams and explain the component parts and their roles in the channel.

A knowledge of the push/pull models of distribution (and the relevant diagrams) and how they work combined with the strategies and tactics an organisation will use, depending on which type of distribution strategy they adopt. Use actual examples from the market place, to demonstrate distribution in action and supplement with theoretical products for candidates considerations.

Promotion

Without doubt the largest of the marketing mix elements and covers numerous topics.

Candidates need to be able to supply appropriate definitions for any of the elements of the promotional mix - but more importantly be able to explain what the definition is saying and how it is translated into action. A review of the syllabus will highlight the key areas of each element that need to be covered in teaching candidates.

It will become far more common that questions will be set requiring the use of an integrated promotional mix as opposed to presenting the theory of promotional elements.

Tutors need to make liberal use of many examples of promotion/communications campaigns currently in use in their own countries. Candidates need to have ample practice in selecting and applying the most relevant elements of the promotions mix to real and/or imaginary products and services - in many cases only certain elements will be required as opposed to the full range available. Being able to use real life examples for study should enable candidates to apply the correct thinking and common sense needed in answering such questions in an examination paper.

You do not sell hydro-electric dams or power station construction on television - you do not use sponsorship for packets of screws - you do not use sales promotions when selling aircraft, you do not find soap powders or toothpaste being displayed in exhibitions. Being able to select the right combination of promotional tools and the ability to devise a credible plan for their usage will be the key to answering future questions on this topic.

Packaging

Although not officially included in the marketing mix as an element it is without doubt a very important factor that has to be considered and fully understood. Candidates need to understand the role and purpose of packaging and how it relates to the concept of "the silent salesperson" especially in the ever increasing self service type of retail operations.

Legal requirements for labelling in respect of contents, weight, sell by dates, additives etc should be understood. Remember there is no legal requirement for a brand name, the price, for coloured designs or production dates.

Branding

This element has been included in the marketing mix as branding strategy encompasses all the other elements of the mix.

Candidates must be able to offer a suitable definition of branding - it is not simply a name of a product, it is not a trade mark or a patent (they are different legal entities).

The only practical way a candidate can understand and learn the branding process is by the repeated use of theoretical products or services and to begin at the base line of manufacturing:

- will the product be branded?
- who will brand it – manufacturer - distributor or retailer?
- what type of brand will it be (stand alone, family etc)?
- branding strategy - new brand - brand extension - line extension
- brand positioning aimed for
- branding tactics using the marketing mix.

Tutors are strongly encouraged to adopt this approach for it will also overlap significantly with learning and applying the concepts of market planning for the compulsory question

EXAMINATION FEEDBACK

The biggest, and most common, mistake made by candidates is failing to read the question and **UNDERSTAND** the scenario. Papers covered by this report for the compulsory question included:

- a small privately owned restaurant
- a car-hire company
- an agricultural machinery manufacturer.

For the privately owned restaurant candidates offered many unrealistic answers such as:

- open a new restaurant in every major town within 2 years (impossible)
- employ internationally famous chefs (impossible)
- advertise using mass media of television and news media (impossible)
- offer 2 meals for 1 (a recipe for bankruptcy).

For the car-hire organisation answers included:

- manufacture a new range of cars (they hire them not make them)
- introduce own branded cars (how ? – they hire other manufacturers cars)
- introduce 2 for 1 special offers (how can you drive 2 cars at the same time ?)
- sell cars at big discounts (they hire them, not sell them).

For the agricultural machinery manufacturer answers included:

- find new suppliers for tools to sell (they are a manufacturer not retailer)
- increase the number of retail outlets (they have none – they manufacture)
- provide comfortable area for customers (they do not retail to customers)
- open website and sell on-line (how do you sell tractors, harvesters on-line ?).

General Comments:

- many candidates offer tactics that have no relevance to the strategy suggested
- candidates still confuse strategies with tactics, offering tactics as strategies
- frequently pricing tactics can be the direct opposite of the strategy offered. Candidates suggest use price penetration as a strategy and then offer price skimming or premium pricing as the tactic. Frequently candidates suggest using price penetration to enter a market and then revert to price skimming some months later – totally unrealistic.

Unfortunately many centres prepare candidates with generic “one answer fits all” examples. As you will have noticed – the exams with the launch of toothpaste or a new variety of product have disappeared. Individual and unique scenarios are now the format. Candidates need to analyse the question and understand the scenario before they start answering the question - retailers do not manufacture, manufacturers do not (normally) have retail stores, small or privately owned organisations do not have the funds for massive expansion or media advertising !!!

- centres need to cover branding in more detail ensuring candidates understand the various branding strategies and be able to give relevant examples of such
- it is vital that candidates understand that branding, brand image and brand position are all outcomes of using the correct marketing mix – a unique high priced luxury product does **NOT HAVE** mass distribution, mass media advertising, 2 for 1 special offers etc
- the role of salespeople when selling specialised products such as aircraft, civil engineering projects etc is **VERY DIFFERENT** to the roles of a salesperson in the FMCG markets – candidates need to be able to appreciate the type of product being sold and how it would be sold. You do not sell aircraft through television advertising. You do not sell hair shampoo at exhibitions. You do not sell power stations with a 2 for 1 promotion
- very few candidates are able to give a satisfactory answer for territory management. It is about minimising travelling time and maximising selling time. It is about ensuring that major customers are serviced more often than minor customers.

Syllabus Topic 4 Service and Relationship Marketing

Service Marketing

Candidates need to be fully aware of the differences between services and products and the characteristics of services such as perishability, intangibility, inseparability, instantaneous consumption etc. Tutors should review numerous examples of service operations for candidates giving many of examples within the service classifications of: services to people - services to people’s property - and services relating to personal information. Tutors should ensure that candidates understand that practically all business operations now involve elements of customer service in them. With the customer being present during the performance of many service operations the importance of the extended marketing mix elements of people, process and physical evidence are a vital part of the marketing mix.

People

Tutors should ensure that this element of the extended mix refers to the people in the organisation and specifically service personnel. It has no relation to the customer, suppliers or any other external publics that may have contact with the organisation.

Tutors should ensure candidates fully understand what is meant by boundary staff - or customer contact personnel and why they are so important to the service operation. A very useful exercise for candidates is the preparation of a job description for service personnel in a specific industry. Candidates will need to consider all the roles and duties such a member of staff might be required or expected to do. Follow this up with a personnel specification listing all those elements and characteristics that are essential for such a member of staff and those elements or characteristics that would be desirable.

Process

Once more this element relates purely to how the service is to be delivered to the customer and has no relation to manufacturing facilities or methods, distributors or finance house etc - all of which are frequently offered as answers.

Tutors should examine numerous service operations with candidates and examine exactly how the service is presented. Examine payment operations, queuing systems, complaints procedures. Facilities to assist in the service operation, changing rooms, lifts, bag packing, waiting areas etc.

With the explosion of the Internet and eCommerce it is now important to examine how the process can be assisted by the use of such through on-line booking or reservations.

Physical Evidence/Environment

Candidates must fully understand that environment refers to the place where the service is carried out and has no relation to the physical external environment.

Once more examine current service operations and evaluate what is being offered in terms of service ambience such as colour schemes, fixtures and fittings, back ground music, lighting levels etc. All these elements contribute towards the customer experience and enjoyment.

Examine how physical evidence is used to offer some form of tangible confirmation of an intangible service such a photographs of hair styles, brochures for holiday destinations, samples of clothes that are to be tailor made, certificates or diplomas showing relevant skills acquired by staff for the performing of a specific service etc.

Ensure by using practical examples from the market place that staff understand how corporate identity in respect of house colours, staff uniforms, vehicle or store livery, named carrier bags etc all contribute towards the physical evidence.

Relationship Marketing

After Marketing

Candidates should fully understand what is meant by after marketing and clearly understand the difference between this and sales promotion. Why after marketing is so essential in today's markets and the objectives of such.

Use real or theoretical examples of products (and services) and devise an after marketing strategy for them.

Syllabus Topic 5 International & Global Marketing

In the 21st century where global and multi-national marketing are an every day factor of everyone's lives this topic will be featured in all examination papers. Candidates will be required to exhibit their knowledge in a practical manner as opposed to regurgitation of learnt facts or principles.

Tutors are strongly advised to use many case studies and practical exercises to prepare candidates for future examination papers.

Examine organisations based in your own country and evaluate how they have entered international markets. Compare these to some of the major global organisations for similarities and differences in strategies and degrees of success.

Market Analysis

Candidates should be fully familiar with the analytical tools of STEEPLE and DEPICT - and be able to carry out quite detailed analysis of a foreign market. Tutors should set exercises requiring candidates to research a given international market using relevant reference sources.

Candidates should also be able to analyse a potential international market with considerations for the elements of the marketing mix. Will products have to be modified in any way, what competitive products are already available are current products acceptable in the market. What media is available, frequency and type of media, quality or availability of sales people. What channels of distribution are available, where and how does most retailing take place. What is the GDP of the nation and standard of living, these will affect pricing strategies. It is possible to derive 10/12 considerations for every element of the marketing mix in many potential international markets.

Candidates should be fully aware of the problems in obtaining or carrying out effective market research in some developing nations. Accuracy or validity of existing research, skills of current research staff available, logistical problems in obtaining research in such nations.

Market Entry Methods

Candidates need to be aware of the many reasons why an organisation might wish to enter international markets such as home market saturation, competition in home market, exploiting the product life cycle, surplus capacity, for organisational growth etc.

It is essential that candidates are fully familiar with and understand a variety of international market entry methods from simply exporting from a home base right through to opening a subsidiary division of the organisation in the selected market.

Many candidates do not understand the difference between an agent or distributor, between a franchise and licensing or between a strategic alliance and a joint venture resulting in many lost marks in examination papers. Candidates simply listing these methods as opposed to describing what they are and how they operate always score minimal marks in any examination paper.

A knowledge of a few disadvantages and advantages of each entry method are also required for in future examination papers candidates will need to evaluate the best methods for given scenarios.

Marketing Mix Implications

It is a fact that no organisation in the world has been able to enter every international market without having to adapt some element of the marketing mix - even if it is simply altering the language used in their advertising campaigns.

If candidates have carried out a thorough market analysis then it will be obvious which elements of the marketing mix might need to be adapted for any particular market, because without doubt there will be some adjustments or alterations required to one or more (or all) of the marketing mix elements in most international markets.

Candidates need to be aware of what is meant by "Grey Markets", what they are, how they occur, how they operate and what organisations might do to try and combat such markets.

Globalisation

It is vital that candidates fully understand the difference between international, multi-national and global marketing. Many candidates think it is simply the number of products they sell or the number of markets they enter that form the criteria. It is in fact the major implications for the marketing mix and the marketing strategies adopted that is the true criteria. The American organisation Caterpillar is truly a global organisation and yet they sell less than 30 products and are based in only 14 countries in the world. Similarly Unilever sell over 1000 products and are present in over 200 countries in the world.

Candidates need to be familiar with the concept of "Think global - act local" which is not, "do the same in every other country as you do in your own home country", as many candidates offer as an answer.

EXAMINATION FEEDBACK:

It is very clear that whilst candidates have an understanding of different market entry methods for international or global markets they have very little idea of which type of entry method is used across a wide variety of products and services:

- many candidates offer franchise as the answer to every type of scenario. It is **ONLY SERVICE** based operations that can use a franchise operation – it is impossible to franchise a manufacturing operation
- candidates frequently offer strategic alliance or joint venture as an answer. It is only very large organisations that would consider such options – certainly not a small jewellery manufacturer
- many candidates still confuse a strategic alliance with a joint venture (or even a consortium)
- problems entering international markets questions invariably relate to the extended marketing mix (the 7P's) and do not cover such things as corruption in the government, fear of being robbed, dishonest work force

- candidates need to realise that in many cases an organisation can enter international markets quite simply by using either an export house, an agent or a distributor. Many organisations use these methods initially to gain a foothold into an international market
- candidates place far too much emphasis on wholly owned subsidiaries, strategic alliances and joint ventures for their answers – when you consider the scenario offered in the question – had they applied a little thought and have an awareness of the real world of commerce that exists around them they would realise that such answers are totally inappropriate.

Syllabus Topic 6 - Marketing, I.T. and the Internet

The last 20 years have seen the phenomenal impact of computers, computer technology and computer software on every aspect of most peoples' lives and marketing is no different in this respect.

The use of IT and computers

Candidates must have an understanding of how computers have altered marketing planning, marketing processes, customer relationships and product development. How I.T. systems have affected database marketing, public relations and advertising communications, data storage relating environmental and competitor research, global sourcing for materials and supplies and of course the impact of the Internet and eCommerce.

The Internet

Candidates need to know what the Internet is and where it came from. It is not in a computer, it is not software, it is not the World Wide Web nor is it a website - all answers offered by candidates in the past.

Candidates must fully understand the difference between simply advertising on the Internet and having a website. Organisations do not have to have a website to advertise on the Internet (although in practice they invariably do nowadays). Candidates need to be able to suggest various methods of advertising on the Internet - what methods are available. Be able to offer a basic description of the three main types of website available to an organisation and how they are registered with search engines and what is meant by domain names and URL's (Universal Resource Locator).

Tutors should have candidates examine and evaluate different types of organisational websites to try and determine what their segments are, how they might have gained segmentation information from the website and what features are evident for customer tracking, relationship building and the development of a website community.

Candidates need to be familiar with and understand what is meant by "one-to-one mass marketing", "permission marketing" and "viral marketing".

eCommerce

Candidates must fully understand that eCommerce is not an invention or outcome of the Internet, indeed eCommerce has been operating for many (over 40) years in the business to business (B2B) environment in the form of EDI (Electronic Data Interchange).

The various types of eCommerce need to be fully understood from B2B, B2C, B2G and C2C and candidates should be able to provide relevant examples of such.

An understanding of how eCommerce operates in respect of 24/7 operations, global reach, clicks and mortar operations and the overall effect that eCommerce is having now, and will increasingly have, on the retail environment.

Candidates need to appreciate the advantages of having different types of website can offer for the organisation and for the customer. This is a classical example of where candidates do not read a question. A question that asks for the advantages of a website, or eCommerce, for an organisation, very frequently have answers that begin with "the customer can", "Our customers". As a result no marks are scored.

Tutors should fully explain the fears that customers may have about shopping on-line and how organisations can try to reduce these fears. Candidates should look at various examples of transactional websites and be able to analyse the features offered in the website to reduce customer fears. An understanding of security methods in operation to reduce fraud should be studied.

A good knowledge of how an organisation can promote its website using conventional and electronic promotional methods is essential. Tutors should have candidates examine these elements in their own markets and provide examples. Candidates should be able to offer numerous examples of methods and systems used by website owners to assess the effectiveness of their websites.

Marketing mix implications for eCommerce

Tutors should again have candidates look at, and analyse, various examples of websites to determine how the various elements of the marketing mix are used and adapted for eCommerce operations. The advent of disintermediation, reintermediation and infomediary need to be understood in the distribution channel. The immediacy of sales promotions and advertising explored and the new phenomenon of "brand commoditisation" explained as to why it happens and what an organisation might do to try and prevent this.

EXAMINATION FEEDBACK:

- candidates need to be fully aware of both conventional and electronic means available for promoting an organisation's website. Advertising in the media, on television, using banners or billboards or leaflets **ALL COUNT** as one single answer – media advertising
- candidates need to read the questions carefully. If a question asks "the benefits for an organisation....", then any answer that begins with "customers can" will be marked wrong.

Examination skills and techniques:

With fifteen years experience as a chief examiner across several subjects with LCCI/EDI it never ceases to amaze, and sadden me, as to the lack of examination skills and techniques that many students offer in their examination scripts. In some cases this would seem to be the fault of the individual student. However, unfortunately, in some cases it is also very apparent that some tutors or centres are not teaching examination skills to their students. As a tutor with over thirty years experience from elementary school level through to masters degree qualifications; I regard this as not only a weakness or failure, but a betrayal of a student's trust in their education provider, and none more so than when examinations are the criteria for success or failure.

If you were given a television that was not working and asked to repair it – could you ?
If you were asked to repair and re-build a gear box for a motor car – could you ?

I very much doubt it in either situation unless, of course, you had been taught how to do it. **It is exactly the same for a student sitting examinations for the first time, they need to be taught how to do it.**

The most common mistakes that repeatedly appear in every examination series are:

1. EXAMINATION RUBRIC:

Many students DO NOT read the examination rubric – the instructions on the front of the paper.

- Students DO NOT put the question numbers of the questions they have answered on the front cover of their paper. There are examination boards that will disqualify students that fail to do this, quite simply because they have not followed the rubric and the candidate is awarded 0 (zero) marks.
- students do not begin the answer to each new numbered question on a fresh page. Indeed in some instances they do not even leave a blank line between successive answers. Once again, some examination boards will disqualify such a paper and award 0 (zero) marks for failure to follow the rubric.

- Students sometimes even fail to number the questions they have answered within the script – once more, many examinations boards would simply award the script 0 (zero) marks either for failing to comply with the rubric or because the examiner does not know which answer relates to which question.
- answering more questions than required by the paper – examiners will only mark the required number of answers and ignore any others.

2. READING THE PAPER:

This is undoubtedly the biggest cause of failure in examinations.

- failing to read the question properly.
- not analysing what the question is asking and what is required for the answer. Many students glance at the question and simply write everything they know about the topic whether it is relevant to the answer or not.
- failing to answer in the format stated in the question, such as a report or a memo. Depending on student choice of questions this could lose a student up to 8 marks across their paper – the difference between a pass and fail or a pass and credit. Once more numerous examination boards will ignore an answer provided in the incorrect format and award 0 (zero) marks. *Imagine you hired a builder and instructed them to erect a new wall for you and you gave them the bricks and mortar to do the job (the instructions in the question). The builder erects for you a new shed instead – would you pay him for his work?. Almost certainly not. Why then should an examiner mark an essay or a letter when the student has been asked to present their answer in a report or memo format ?*
- when required to answer in **bullet point format** students frequently write essays or extended paragraphs – once more this is a failure to read the question and comply with the instructions given.
- failing to give relevant examples when asked for in the question. In many papers there can be as many as 8 to 12 marks awarded for relevant examples. Many students fail the examination simply by not providing examples when asked for.
- offering more answers than required by the question. If a question states: “ Give 4 elements of?” or “ Explain 5 characteristics of? The examiner will only mark the FIRST FOUR/FIVE answers given and ignore and cross through any additional answers. This is particularly sad when the first four/five answers may be wrong – but additional answers correct.
- not answering questions in sufficient depth. If a question is worth 3 marks then a student should supply three different, and relevant, facts or elements to be awarded 3 marks. Similarly if a question is worth 5 marks the examiner expects to see 5 elements or facts to award the full marks. One or two word answers will always attract the minimum of marks, or in many cases zero marks.

3. TIME MANAGEMENT:

EVERY EXAMINATION ROOM SHOULD/MUST HAVE A VISIBLE CLOCK AVAILABLE DURING AN EXAMINATION

Questions should be allocated the correct amount of time in direct relation the marks awarded for the answer.

- frequently a student can write 2 or 3 pages for an answer that is worth only 2 or 3 marks and yet towards the end of the paper simply offer ¼ or ½ a page, or sometimes just a list of words, for an answer that is worth 12 to 16 marks.
- Students **SHOULD** deduct 10 minutes from the total minutes allowed for the examination to read the paper through properly.

- Students should then deduct a further 10 minutes for checking through their answers at the end.
- for example a 3 hour paper has 180 minutes allowed. Deduct two periods of 10 minutes – this leaves 160 minutes to answer the paper.
- Accordingly in a paper requiring 5 answers this means a student should be allocating 32 minutes to each answer. A more accurate method is to allocate approximately 1.6 minutes for every mark available. As a result a question that is worth 2 marks should be allocated a little over 3 minutes. A question worth 10 marks should be allocated 16 minutes.
- It should be impressed on students that keeping to this time allocation for questions is essential to ensure all required questions are at least attempted. An extra 10 or 15 minutes spent on any question is only ever likely to score an additional 1 or 2 marks at the most. Whereas trying to answer a 20 mark question in 10 or 15 minutes will invariably result in at least 10 perhaps more – LOST MARKS.

4. HANDWRITING:

Can there be anything more disastrous than a student having excellent knowledge of a topic but presenting their answer in a manner that cannot be read by the examiner.

- examiners are human beings with normal eyes and without psychic powers. If an examiner cannot read part or all of an answer – they cannot mark it and will award 0 (zero) marks for that part or indeed all of the answer concerned.
- students frequently cross out parts of their answers and write their corrections in minute handwriting above the crossing out, making it almost, if not actually, impossible to read. For the time it takes, a student should cross out the relevant section completely and write it again legibly.
- as tutors you will, or should, have many instances to see a students handwriting when submitting homework or class exercises – if you have trouble reading it – why should you expect another examiner (with no previous experience of the students work) will find it any easier to read than you do. You need to – no you must – bring this to the attention of the student.

In conclusion:

In the real world of vocational marketing (and business in general) the **ONLY** form of written internal communication is the report or memo format. You owe it to your students for examination purposes, and their future career prospects, to ensure they are familiar with, and can effectively use such communication formats.

Examples of Candidate Responses

Although this question and answer relates to the compulsory question from the series 3-2010 it demonstrates all the common faults, errors and mistakes frequently made in this question:

Country-Tools manufacture a large variety of agricultural machinery and tools for the industrial farming market. Recent competition has seen a fall in their sales. You have been appointed to the position of Marketing Manager to improve sales and market share. Using **any 5 elements** of the marketing mix, prepare a marketing plan for this company for the next 3 years.

- | | | |
|-----|---|------------|
| i) | outline your proposed strategy for the next 3 years | (10 marks) |
| ii) | give your tactics for carrying out these strategies | (10 marks) |

Present your answers in **bullet point format using the 5 x 2 ten cell matrix**. Your tactics must be relevant to the strategies you propose.

(Total 20 marks)

FURTHER GUIDANCE

General Comments

It is very pleasing to see a significant improvement in papers from various centres, which I feel can be directly attributed to the release of training DVDs prepared by EDI in December of 2008. Without doubt some centres have taken the advice, hints and guidance offered to heart; and this has been reflected in the presentation and quality of answers offered. Accordingly this has also been evidenced in marks awarded and the centre pass rates.

As stated in overall general weaknesses tutors and candidates alike need to be fully aware that many candidates fail the examination purely and simply because the **do not read** the questions correctly, or completely.

In every series of examinations many candidates fail for this reason alone. Indeed many of the answers that may be offered are factually accurate, but unfortunately do not relate to the specific question that has been asked.

Planning Answers and Organising Information

Many candidates do not take any time at all to think about the answer they are going to give and to plan the logical presentation of information. Having read a question they immediately launch into mental download and simply write everything they know about the topic being examined. This invariably results in many lost marks as vital elements of an answer are missed and surplus information irrelevant to the answer offered.

If a question asks for examples then marks have been allocated for examples. Failure to give pertinent examples will result in lost marks.

If a question asks for --- "give 5 tactics" --- "give 4 considerations" --- etc, then the first 5 or 4 answers given will be the only ones marked whether they are right or wrong. This is unfortunate for a candidate as frequently correct answers may be offered above the required number for the question - but will not be marked.

Candidates need to allocate the correct amount of time to each section of a question in proportion to the marks available. In every series papers are received where candidates can offer a page or even two pages for an answer that is worth only 2 or 3 marks. Invariable this can result in candidates running out of time and not completing the required 5 questions for the paper, or more frequently later answers carrying 10, 12 or even 15 marks will have one or two word answers or be completed in less than ½ a page of writing.

Many candidates lose 2 marks on questions that are required to be prepared in report format and layout, or in memo format quite simply because they either do not read the question or are not familiar with these formats. If the candidate attempts 4 questions this can amount to 8 marks - often the difference between a pass or fail.

EXAMPLES OF CANDIDATE RESPONSES

QUESTION

Country-Tools manufactures a large variety of agricultural machinery and tools for the industrial farming market. Recent competition has seen a fall in its sales. You have been appointed to the position of Marketing Manager to improve sales and market share. Using **any five elements** of the marketing mix, prepare a marketing plan for this company for the next 3 years.

- (i) Outline your proposed strategy for the next 3 years. (10 marks)
- (ii) Give your tactics for carrying out these strategies. (10 marks)

Present your answers in **bullet point format using the 5 x 2 ten cell matrix**. Your tactics must be relevant to the strategies you propose.

(Total 20 marks)

SAMPLE 1 DISTINCTION GRADE PAPER

Element	Strategies	Tactics
Product	<ul style="list-style-type: none"> ▪ To develop more fuel efficient eco-friendly motorised machinery by 2012 ▪ to improve the quality and durability of existing products through the use of superior materials by 2013 	<ul style="list-style-type: none"> ▪ R & D dept to investigate new technology and begin developing new models by June 2011 ▪ Extensive quality control testing and liaison with material suppliers to improve quality of production during 2011/2012
Price	<ul style="list-style-type: none"> ▪ To restore the company as the price leader in the country by 2012 ▪ To be regarded as the best value company in the industry by 2013 	<ul style="list-style-type: none"> ▪ To use price penetration in all markets to re-establish the company's reputation as price leader during 2010.2011 ▪ Introduce extended credit terms on capital good during 2011
Place	<ul style="list-style-type: none"> ▪ To expand into or enlarge the international markets by 2012 ▪ To open controlled manufacturing operations in international markets by 2013 	<ul style="list-style-type: none"> ▪ Recruiting many more agents in international markets during 2011 ▪ Negotiating licensing agreements with agricultural manufactures in other countries during 2011/2012
Promotion	<ul style="list-style-type: none"> ▪ To create 80% awareness of our agricultural products in international markets by 2013 ▪ To establish the "Country-Tools" brand name globally 	<ul style="list-style-type: none"> ▪ Extensive media advertising in relevant publications in international markets during 2010/2011 ▪ Extensive PR combined with attendance at all agricultural exhibitions both nationally and internationally for the next 3 years
People	<ul style="list-style-type: none"> ▪ To have the best reputation for the quality of all our staff in the industry by 2012 ▪ To have extensive staff representation for our agricultural products throughout the world by 2013 	<ul style="list-style-type: none"> ▪ Recruitment and training of highly skilled and qualified technical sales personnel during 2011 ▪ Recruitment of sales forces in all major international markets during 2011/2012

Comments.

- answer correctly laid out using the 10 cell (2x5) matrix
- tactics relate directly to strategies
- strategies and tactics have relevant time scales
- correct use of the marketing mix (the P's of marketing)

SAMPLE 2 A CREDIT GRADE PAPER

Element	Strategies	Tactics
Product A	<ul style="list-style-type: none"> ▪ To develop more fuel efficient eco-friendly motorised machinery ▪ To improve the quality and durability of existing products through the use of superior materials 	<ul style="list-style-type: none"> ▪ R & D dept to investigate new technology and beging developing new modesl by extensive quality control testing and liason with materials suppliers to improve quality of production during 2011/2012.
Price B	<ul style="list-style-type: none"> ▪ To restore the company as the price leaders in the industry by 2012 ▪ To offer bundle pricing for major customers 	<ul style="list-style-type: none"> ▪ To use product penetration in all markets to re-establish the company's reputation as price leader during 2010/2011 ▪ Introduce extended credit terms on capital goods during 2011
Place C	<ul style="list-style-type: none"> ▪ To expand into or enlarge the international markets by 2012 ▪ To open 5 more stores by 2012 	<ul style="list-style-type: none"> ▪ Recruiting many more agents in international markets during 2011 ▪ Engage agents to locate new store sights during 2011/2012
Promotion	<ul style="list-style-type: none"> ▪ To create 80% awareness of our agricultural products in international markets by 2012 ▪ To establish the "Country-Tools" brand name globally 	<ul style="list-style-type: none"> ▪ Extensive media advertising in relevant publications both nationally and internationally for the next 3 years
People	<ul style="list-style-type: none"> ▪ To have the besr reputation for the quality of all or staff in the industry by 2012 ▪ To have extensive staff representation for our agricultural products throughout the world by 2013 	<ul style="list-style-type: none"> ▪ Recruitment and training of highly skilled and qualified technical sales personnel during 2011 ▪ Recruitment of sales forces in all major international markets during 2011/2012

Comments:

A – no dates offered

B – tactic offered as a strategy

C – irrelevant answer the company is a manufacturer, not a retailer

SAMPLE 3 A PASS GRADE ANSWER

Element	Strategies	Tactics
Product A	<ul style="list-style-type: none"> ▪ To seek new suppliers of goods to sell by 2013 ▪ To improve the quality and durability of existing products through the use of superior materials by 2013 	<ul style="list-style-type: none"> ▪ Negotiate with new suppliers during 2011/12 ▪ Extensive quality control testing and liason with materials suppliers to improve quality production during 2011/2012
Price B	<ul style="list-style-type: none"> ▪ To reduce prices in line with competitors by 2012 ▪ To be regarded as the best value company in the industry by 2013 	<ul style="list-style-type: none"> ▪ To give price discounts for old stock during 2010/2011 ▪ Introduce extended credit terms on capital goods during 2011
Place C	<ul style="list-style-type: none"> ▪ To open stores in all major cities by 2012 ▪ To open controlled manufacturing operations in international markes by 2013 	<ul style="list-style-type: none"> ▪ Recruiting many more agents in internationak markets during 2011 ▪ Negotiating licesing agreements with agricultural manufactures in other countries during 2010/2011
Promotion D	<ul style="list-style-type: none"> ▪ To advertise on television ▪ To attend all major exhibitions 	<ul style="list-style-type: none"> ▪ Extensive media advertising in relevant publications in international markets during 2010/2011 ▪ To recruit sales staff over the next 3 years
People E	<ul style="list-style-type: none"> ▪ To have the best reputation for the quality of all our staff in the industry by 2012 ▪ To have extensive staff representation for our agricultural products throughout the world by 2013 	<ul style="list-style-type: none"> ▪ Recruitment and training of highly skilled and qualified technical sales personell during 2011 ▪ To issue all staff with smart uniforms by 2011/2012

COMMENTS:

A - manufacturer not retailer, irrelevant answers

B – strategy offered is a tactic, tactic offered is P for promotion not price

C – strategy is irrelevant as they are not retailers, tactic has no relation to any strategy

D – both strategies are tactics, recruit staff is P for People not Promotion

E – staff uniforms are P for Physical Evidence not People

Element	Strategies	Tactics
Product A	<ul style="list-style-type: none"> ▪ To open 5 more factories ▪ To improve the quality 	<ul style="list-style-type: none"> ▪ Advertise new tools ▪ Extensive quality control testing
Price B	<ul style="list-style-type: none"> ▪ To be the price leader by 2012 ▪ to be regarded as the best value company in the industry by 2013 	<ul style="list-style-type: none"> ▪ To use price penetration ▪ Negotiate discounts for bulk purchases
Place C	<ul style="list-style-type: none"> ▪ To open shops in all towns and cities ▪ To provide transport for our customers 	<ul style="list-style-type: none"> ▪ Employ security guards at ball stored to prevent stealing ▪ Place signs around the cities to show where are shops are
Promotion D	<ul style="list-style-type: none"> ▪ Advertising ▪ To have a monthly raffle with offers of free equipment 	<ul style="list-style-type: none"> ▪ Place adverts in all trade magazines ▪ Attendance at all agricultural exhibitions both nationally and internationally for the next three years
People E	<ul style="list-style-type: none"> ▪ To open 12 hours a day. 7 days a week ▪ To introduce graduate management scheme for senior positions by 2013 	<ul style="list-style-type: none"> ▪ Recruitment and training of sales staff ▪ Recruitment of suitably qualified university graduates

COMMENTS

A – one strategy is operations management the other says or relates to nothing. One tactic is P for promotions

the other relates to nothing

B - tactic offered is a strategy

C - strategies relate to a retail operation, one tactic is P for people and the other for a retail operation

D – strategies are tactics

E – first strategy is P for place – it making the goods available for sale = distribution

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