

Level 3 Certificate in Marketing



International
Qualifications from EDI

Annual Qualification Review

2008

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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 2007 and 30 September 2008.

Global pass rate 42.92%

Grade distributions

Pass	21.66%
Credit	16.53%
Distinction	4.72%

GENERAL STRENGTHS AND WEAKNESSES

Strengths

- the majority of candidates are now presenting their answers in the format required by the question
- distinct improvement of the information offered by candidates in their answers
- compulsory question 1 has seen marked improvement in respect of layout and quality of information presented

Weaknesses

- candidates failure to read the question set.
- a number of candidates have no idea what is meant by a report or memo format
- failure to follow rubric instructions
 - questions are not numbered in the paper
 - answer numbers are not entered on the front cover
 - answers run into each other as no space is left between answers
 - the use of pencils, light coloured ink pens making reading extremely difficult (an examiner can only mark what can be read)

- many candidates offer answers totally disproportionate to the marks available.
- lack of planning in answers.
- failure to provide examples.
- complete misunderstanding of terminology's used in questions
- regurgitating a question and offering it as an answer
- poor handwriting resulting in sections (some times all) of a paper not being marked and zero marks being awarded due to ineligibility.

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 is 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 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

Candidate 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.

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 response 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) - it is not 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 relevant 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 extended 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 labeling 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

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 peoples 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 organization 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 (indeed possibly 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 and 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, 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" - and it is not, "do the same in every other country as you do in your own home country", as many candidates offer as an answer.

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 I.T. 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 the 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 many 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.

FURTHER GUIDANCE

General Comments

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.

Prime examples of this type of answer are:

- Giving the bases (or methods) of determining a segment when the question asks for evaluation.
- Giving methods (of how to carry out) research when the question asks for types
- Giving methods of entry into international markets when the question asks for considerations
- Giving customer advantages of a website when the question asks for organisational advantages
- Giving the DMU (decision making unit) when the question asks for DMP (decision making process)
- Giving the PLC (product life cycle) when the question asks for the FLC (family life cycle)
- Giving a definition of a MIS (management information system) when the question asks for MkIS (marketing intelligence system)
- Giving the objectives and tactics of after marketing when the question asks for a definition
- Giving definitions of concepts such as advertising, sales promotion or public relations when the question asks for an explanation
- Giving definitions and explanations of the marketing mix when the question asks for modifications of the mix for either international markets or eCommerce.

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

Although this question and answer relates to the compulsory question from the series 3-2008 it demonstrates all the common faults, errors and mistakes frequently made in this question:

Question 1

Two close friends have recently bought a ladies hairdressing business in the centre of your capital city. They have limited funds to promote this business and have asked you to prepare a marketing plan for them. Prepare a plan showing:

- i) your proposed strategy for the next two to three years
- ii) your tactics to carry out these strategies

Give **2 strategies** and **2 tactics** for each element of your answer **using a 10 cell (5 x 2) matrix**. Use **bullet points** for your answers. Your tactics **must relate** to the strategies you have proposed.

(20 marks)

1. Read the question

It clearly states that it is two close friends who have bought the business
It clearly states they have limited funds available to promote their business
The question asks for 2 strategies and 2 tactics for each element of the answer
The question asks for the answers to be given in bullet point format
Tactics must relate to the strategies given

2. Organise possible responses

Two close friends - so it must be obvious they will be trading as sole traders or perhaps a partnership. They are not a company and certainly not a Plc with all the connotations of staff, resources and finances to pursue their operations. Therefore this should rule out massive expansion of shops in every city, entering international markets

They have bought a business - so it is open and operating, therefore they do not have to seek a site for the business, do not have to fit it out or prepare it for opening, have to buy all the equipment needed

Limited funds for promotion - therefore mass media advertising, national advertising, sponsorship of celebrities, TV advertising, adverts in national glossy magazines are all way beyond the finances they have available.

It is a hairdressing (personal service) business - there is no relevance of channels of distribution involving agents, retailers or wholesalers. A small business with limited funds - they can not afford to supply subsidised transport, build large car parks

They are small personal service business, not a cosmetic manufacturer - they will not be able to develop new chemicals, create a NPD team, develop their own brand of cosmetics.

3. Define strategies and relevant tactics

Strategies are what you want to achieve - tactics are how you will do it.

SAMPLE ANSWER 1 - a fail answer

ELEMENT	STRATEGY	TACTICS
Product (1 mark)	<ul style="list-style-type: none"> ▪ to open 3 more stores ▪ hire staff to give excellent service 	<ul style="list-style-type: none"> ▪ introduce new hairstyles ▪ extend opening hours
Price (1 mark)	<ul style="list-style-type: none"> ▪ give money off vouchers ▪ use low pricing to attract customers 	<ul style="list-style-type: none"> ▪ \$5 of next hairstyle ▪ use penetration pricing
Promotion (2 marks)	<ul style="list-style-type: none"> ▪ use TV advertising for 6 months ▪ to create 70% awareness in target market 	<ul style="list-style-type: none"> ▪ engage a leading advertising agency ▪ posters and leaflets in the area combined with local media advertising
Place (0 marks)	<ul style="list-style-type: none"> ▪ locate suitable premises to open the business ▪ open 10 more branches in the next 12 months 	<ul style="list-style-type: none"> ▪ engage interior designer to build shop ▪ engage agents to find suitable premises
People (0 marks)	<ul style="list-style-type: none"> ▪ segment the market according to customers taste ▪ ensure the customer is king 	<ul style="list-style-type: none"> ▪ research customers tastes using surveys ▪ provide quality service
Process (2 marks)	<ul style="list-style-type: none"> ▪ provide comfortable waiting area for customers ▪ accept any form of payment with 2 years 	<ul style="list-style-type: none"> ▪ install air conditioning ▪ negotiate with companies to accept credit card payments
Physical Evidence	<ul style="list-style-type: none"> ▪ create our own brand ▪ to provide a relaxing environment to enhance customer experience 	<ul style="list-style-type: none"> ▪ provide staff with uniforms ▪ provide comfortable seating and background music

This candidate **could have** scored between 4 marks and 8 marks depending on the 5 answers offered

- minimal time scales offered
- lack of knowledge of components of each element of the marketing mix
- strategies and tactics mixed up
- strategies and tactics not related
- some answers completely unrealistic for the subject of the question

SAMPLE ANSWER 2 - a pass answer or credit answer

ELEMENT	STRATEGY	TACTICS
Product (2 marks)	<ul style="list-style-type: none"> ▪ to continuously add to the service provided ▪ to buy new machinery to speed up washing hair 	<ul style="list-style-type: none"> ▪ introduce manicure service within 6 months ▪ buy new wash basins
Price (2 marks)	<ul style="list-style-type: none"> ▪ to establish the reputation for the best value for money hairdressing service by 2010 ▪ give regular customers discount vouchers 	<ul style="list-style-type: none"> ▪ try and ensure we charge at least 5% below competitors prices ▪ try and achieve a 30 ROI
Promotion (4 marks)	<ul style="list-style-type: none"> ▪ create 80% awareness within our target market by 2010 ▪ to gain customer loyalty and promote frequent purchases by 2009 	<ul style="list-style-type: none"> ▪ posters and leaflets in the area combined with local media advertising for 6 months ▪ introduce discount cards for regular customers within 12 months
Place (2 marks)	<ul style="list-style-type: none"> ▪ to introduce mobile hair dressing services by 2010 ▪ open 4 new branches in the next two years 	<ul style="list-style-type: none"> ▪ buy a van to enable staff to visit customers in their homes ▪ seek suitable locations for branches
People (2 marks)	<ul style="list-style-type: none"> ▪ to ensure all staff are fully qualified by 2010 ▪ provide all staff with uniforms 	<ul style="list-style-type: none"> ▪ send staff on training courses during 2009 ▪ recruit designer to make uniforms
Process (2 marks)	<ul style="list-style-type: none"> ▪ create a website to allow on-line booking by the end of 2010 ▪ introduce separate washing and styling areas 	<ul style="list-style-type: none"> ▪ engage website designer during 2009/10 ▪ to speed up the service process
Physical evidence (3 marks)	<ul style="list-style-type: none"> ▪ to provide a relaxing environment to enhance customer experience ▪ to create a corporate identity well known across the nation 	<ul style="list-style-type: none"> ▪ provide comfortable seating and background music ▪ introduce a specific house colour for all communication literature with similar interior with matching uniforms

This candidate **would have** scored a minimum of 10 marks or a maximum of 13 marks depending on the combination of answers given

- a little confusion about elements of the marketing mix
- a few answers beyond the scope of the subject of the question
- one or two strategies and tactics the wrong way around

SAMPLE ANSWER 3 - an excellent answer scoring maximum marks

ELEMENT	STATAGY	TACTICS
Product	<ul style="list-style-type: none"> ▪ to increase market segments by offering additional products by 2010 ▪ continuously update products with new innovations as they come onto the market (ongoing) 	<ul style="list-style-type: none"> ▪ to introduce manicures and beauty treatments during 2009 ▪ stock all the new chemicals and treatments for hair care as they become available on the market (ongoing)
Price	<ul style="list-style-type: none"> ▪ to penetrate the market in the local area by using a price penetration strategy during 2008/9 ▪ to minimise variable costs to ensure adequate profit margins are obtained by end of 2009 to attain a minimum 20% ROI 	<ul style="list-style-type: none"> ▪ to try and undercut local competitors by at least 10% where possible during 2008 ▪ review of all variable costs during 2008
Place	<ul style="list-style-type: none"> ▪ to introduce a mobile facility to take the service to customers own homes by 210 ▪ finances and profits being appropriate to consider an additional shop by 2011 	<ul style="list-style-type: none"> ▪ to acquire relevant assets needed to introduce mobile service during 2009 ▪ to engage services of agent to look for suitable additional premises by 2010
Promotion	<ul style="list-style-type: none"> ▪ to create 100% awareness of the shop within the local area by end of 2010 ▪ to increase customer loyalty by offering loyalty cards with discounts 	<ul style="list-style-type: none"> ▪ selective use of local media advertising, leaflet promotions and strategic placing of posters n the local area during 2008/9 ▪ offering various promotions to regular customers such as haircut free with a perm etc.
People	<ul style="list-style-type: none"> ▪ to ensure we have the best reputation for service by end of 2009 ▪ to employ only fully qualified staff by the end of 2010 	<ul style="list-style-type: none"> ▪ offering staff training in customer service (through college or onsite instruction) during 2008/9 ▪ to recruit only fully qualified staff and additional training for existing staff during 2009
Process	<ul style="list-style-type: none"> ▪ to ensure minimal waiting for customers by 2009 ▪ to ensure customers can pay by any method by 2010 	<ul style="list-style-type: none"> ▪ introducing additional facilities to maximise customer turnover ▪ installing all the relevant facilities for different payments methods during 2008/9
Physical Evidence	<ul style="list-style-type: none"> ▪ to provide the most relaxing and comfortable environment for customers in the area by end of 2009 ▪ to promote total confidence within customers as to the ability of the shop to meet their needs and expectations 	<ul style="list-style-type: none"> ▪ to provide all the relevant fixtures, fittings, and ambience needed to meet customer expectations during 2008/9 ▪ to have on display all staff qualifications, promotional material of hairstyles and well known branded products on display

This candidate scores maximum marks:

- excellent use of all elements of the marketing mix
- clearly defined time scales
- strategies and tactics in correct columns
- tactics relevant to strategies offered.

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