

Level 3 Certificate in Marketing



International
Qualifications from EDI

Annual Qualification Review

2011

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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 2010 and 31 August 2011.

Global pass rate 49.87%

Grade distributions

Pass	45.14%
Credit	42.45%
Distinction	12.39%

GENERAL STRENGTHS AND WEAKNESSES

Strengths

- the majority of candidates are now presenting their answers in the relevant format required by the question such as report or memo format.
- compulsory question 1 has seen marked improvement in respect of layout and quality of information presented.
- some centres are providing excellent answers when displaying the application of their knowledge by referring to their own employers or companies they are familiar with.

Weaknesses

- numerous candidates are still failing to **read** the examination rubric (instructions) and answering more questions than required, failing to complete the front cover correctly.
- many candidates do not read the question that has been set and provide answers with little relevance to the question.
- frequently candidates offer answers totally disproportionate to the marks available. Indeed some candidates offer answers of half a page or more to a question that is worth only 2 marks.
- failure to provide relevant examples when they are asked for in the question resulting in lost marks.
- illegible handwriting from some candidates resulting in sections (some times all) of a paper not being marked and zero marks being awarded.

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 are not related to the subject of the question or examples are not taken into account. Tutors must ensure that candidates are given relevant examples or are made to provide their own examples during classes to highlight the relevant topics as required.

Syllabus Topic 1 The Nature of Marketing

Repetition of definition of marketing is no longer sufficient; candidates need to be able to explain the marketing activity needed to implement this definition.

Candidates should not only be able to explain the difference between product, sales and marketing orientation but be able to identify and discuss relevant organisations that operate in such a manner.

An understanding of profit and non-profit organisations and how they operate, identifying the marketing objectives of each – which are significantly different.

Candidates must be able to apply the analytical tools STEEPLE and DEPICT to a given scenario or organisation and correctly identify the areas within each of the elements of the respective tools.

Candidates should fully understand the components of a SWOT analysis and be able to carry out such an analysis for a given organisation.

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.

Candidates need to be familiar with different types of marketing departments and be able to provide suitable diagrams to illustrate these. The marketing department's role in a liaison and communication function between the customer and within the organisation through its relationships with other departments is essential. Candidates must also be able to demonstrate how the marketing function is a major component of corporate strategy through the departments it deals with.

Candidates must be able to explain the role of **external** agencies that might be used by a marketing department and be able to give suitable recommendations for a given scenario.

EXAMINATION FEEDBACK

Series 4 2010 Question 4

Many students confuse ethical aspects with operational aspects giving such answers as:

- advertising has to be eye catching, has to be understandable, aimed at the correct target group etc. The question should have led to answers such as: not be misleading, promoting dangerous goods, be targeted at minors, etc.
- products have to be good quality, meet consumer demands, be readily available, etc instead of built in obsolescence, inferior raw materials, size reductions etc.
- price must be affordable to customers, match competitors, applicable to the target segment, etc. Instead of price dumping, price fixing, predatory pricing bid rigging, etc.

Series 2 2011 Question 2

- many candidates do not appreciate or have knowledge of other organisational departments and how they interact with each other.
- whilst most candidates can identify methods of communication between a marketing department and other organisational departments, very few can give methods of building a **relationship** with such.

Series 2 2011 Question 8

- most candidates were able to identify six relevant agencies.
- many candidates did **not read** the question properly – it related to a **small** company that manufactured garden tools. As a result answers such as branding agencies, NPD agencies, packaging agencies, PR agencies were offered, **none** of which would be relevant to a small company with its related small turnover. Personal selling agencies, limited use of advertising agency, what about an export agency and a website agency – **all** of which are far more relevant to a small company selling such products.

Series 3 2011 Question 9

- many candidates perform badly on this type of question. Frequently candidates describe the organisation and then persist in giving the operational activities and what the organisation is trying to achieve. The question specifically asks for the **marketing** role and objectives.

Syllabus Topic 2 Marketing Research, Analysis and Decision

Marketing research

It is essential that candidates fully understand the difference between **types** of research and **methods** of research as this is the major 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 for a given scenario. The importance of CATS (cost, accuracy, time and security) and how the balance and requirements of one element will have an impact on the other elements. A research project that requires a large amount of data will be expensive, take a long time, may result in some inaccuracies and could well be detected by a competitor. Research with a small budget has to be completed quickly, can only gather a limited amount of data, etc.

Segmentation

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 the **evaluation** of a segment.

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 need to be able to use different bases of segmentation for a given scenario to determine a potential target market.

Candidates must understand what is meant by targeting and how it will affect the marketing mix. Examples of different targeting tactics such as mass, selective and niche marketing and the ability to correctly identify products or industries that use each.

Explain positioning products or services in the consumer's mind and demonstrate how the marketing mix is used to establish a desired position for a given product or service.

Market Planning

Candidates should understand what is meant by Mission, Objectives, Strategy and Tactics (MOST) and show how they are linked. Candidates will be required to analyse an organisation they are familiar with and demonstrate how the MOST concept is being applied.

Candidates must be able to demonstrate how the Ansoff Matrix can be used to determine business operations with the ability to apply relevant marketing strategies and tactics across the marketing mix to achieve the various elements/objectives 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. Candidates should be able to identify a suitable advertising campaign and explain how the communication process has been or is being used.

Maslow's Hierarchy of Needs motivational model is essential learning 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). Members of a DMU and the roles they play in the decision making process are essential learning. Candidates must be able to give the relevant types of information needed by each member of a DMU and offer ways of supplying them with this information.

Industrial Marketing

This type of marketing still accounts for over 80% of all marketing activity in business through the value chain. Candidates should fully understand the difference between consumer and business to business marketing and be able to apply the relevant marketing mix for a variety of industrial products. You do not see shipbuilders advertising on television, tractor manufacturers do not advertise in daily news papers, toothpaste manufacturers do not hold exhibitions, civil engineers do not have sales promotions (buy one hospital and get one free) etc.

Candidates need to have a knowledge of different types of business buying from the simple re-buy or re-order to the search for a totally new product or supplier. Candidates should be able to devise a suitable marketing mix for a given scenario or product.

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

Series 4 2010 Question 3

- generally this question was answered very well by most candidates. Some answers still confused.
- primary research with secondary research and qualitative research with quantitative research.
- Candidates who failed to score good marks were invariably a result of not providing suitable examples as required by the question set.

Series 4 2010 Question 10

- most candidates were able to provide the correct diagram for Maslow's Hierarchy of Needs model but very few numbered them in the correct order. The numbering is 1 to 5 beginning at the bottom and ascending.
- most candidates again scored good marks for identifying relevant products for each need though a little confusion was noted between self esteem needs and self actualisation needs.
- many candidates gave the standard answer that you cannot achieve a higher need before a lower one when in fact it is well known that many people can and do achieve higher needs before lower needs. Indeed one candidate explained how they came from a very poor family which struggled to feed themselves, the family was homeless and yet the candidate had plenty of friends and was meeting their goals of getting a good education in the hope of later securing a good job, getting a home etc.

Series 2 2011 Question 3

- a majority of candidates were able to supply the correct diagram for the Ansoff Matrix, however numerous answers offered the product life cycle, the adoption cycle or indeed the Boston Matrix.
- a large majority of candidates simply repeated the meaning of the acronym SMART without offering any further explanation as required by the question, hence losing several marks. Candidates should have stated (such as): Specific – the objective has to be clearly identified and explained so that everyone concerned knows exactly what has to be achieved, etc.

Series 2 2011 Question 10

- a poorly answered question with many candidates only able to offer questionnaires as a means of primary research with virtually no answers offered for secondary research.
- once more many candidates could only offer random sampling for their answers (what about quota, stratified, cluster, etc). Indeed numerous candidates offered sales promotion answers of giving free samples of the product.
- many candidates did not attempt the final section. The answer is either type of method could be relevant, however, the reasoning for such was the key to the answer.

Series 3 2011 Question 4

- a very well answered question in most cases, with candidates able to identify numerous forecasting methods. Although able to identify the method, a number of candidates were, however, unable to explain what the method meant or how it was used.
- many candidates offered the **bases** of segmentation (demographics, behavioural etc) for their answer which wasn't question asked. Indeed numerous candidates did identify the correct answers of accessible, measurable, sustainable etc. but had no idea what they meant. Such answers as accessible meaning – can the customers reach or travel to the market. Measurable to mean can we measure how many sales we will make.
- numerous students had very little idea about the different marketing strategies of mass, selective and niche marketing – many stating that niche marketing related to monopoly markets only and selective marketing to a select few people.
- of those candidates that answered section (iii) most were able to identify mass marketing products, however some of the answers for selective and niche marketing simply highlighted the fact that candidates might know the terms but didn't know the type of product they apply to. Rolls Royce cars are selective as they are sold only to a select few people, baby clothes are a niche product as they are only sold for babies (even though there are millions of them).

Syllabus Topic 3 Marketing Implementation, Strategies and Tactics

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". Market research was deleted from this question eleven years ago. Unfortunately many candidates still use this in their answer for which there are no marks available.

Many candidates fail to read the question properly or do not apply their knowledge to the question subject matter, frequently offering unrealistic, unviable and economically impossible answers.

It is very 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.

EXAMINATION FEEDBACK – COMPULSORY QUESTION

Series 4 2010

- the question relates to a manufacturer, **not** a retailer. Many candidates offered operations management answers relating to improving manufacturing, buying new machinery, employing more production staff, etc, all of which are irrelevant to marketing.
- many candidates wanted to open more branches around the country (they do not have any – they are a manufacturer).
- very little mention of **trade** advertising or trade promotions were offered.
- frequent use of waiting rooms, fixtures and fittings, customer facilities were offered for physical evidence – all relevant to a retail environment, **not** a manufacturer.
- frequent confusion about the elements of the marketing mix – recruiting sales force under product, loyalty cards for price, etc.

Series 2 2011

- this question referred to a **retailer** and yet numerous students offered manufacture more computers, peripherals etc – again irrelevant.
- the major source of poor marks this series was candidates' inability to distinguish between strategies and tactics or to offer irrelevant tactics for the strategies they have offered. Such answers as:
 - Strategy – open more branches across the country and the tactic – use an export agent to open new markets.
 - Strategy – to create 100% awareness in the market and the tactic – give a free printer with every computer sold.

Series 3 2011

- again another retailer, this time selling sports equipment and clothes. Once again it was candidates' inability to distinguish between strategies and tactics and a failure to understand the respective elements of the marketing mix that resulted in poor marks.

The Marketing Mix

Product

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 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.

EXAMINATION FEEDBACK

Series 3 2011 Question 2

- very few candidates were able to offer four different product life cycle diagrams. Many simply offered a standard PLC diagram and then explained each step of the cycle, resulting in zero marks.
- a few students were able to offer two or three different diagrams but unable to correctly relate them to a product or industry.

Price

Candidates must understand that pricing is a complicated, but vital, aspect of the marketing mix and need to be familiar with and able to apply the factors an organisation will have to consider in setting a price for a given product or service.

An understanding of break even analysis and the relevant diagrams that illustrate this as well as the terms used in such.

A full knowledge of pricing strategies and tactics is essential. Candidates should offer 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 product's life.

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 able to offer suitable tactics to combat a price war without resorting to reducing prices and trying to compete with other competitors.

EXAMINATION FEEDBACK

Series 3 2011 Question 3

- many candidates simply produced a list of operational costs such as raw materials, labour, packaging, warehousing etc. Sometimes competitors' prices were suggested.
- a small minority of candidates did offer relevant answers such as competitors' pricing, market demand, distribution channels, price and demand elasticities, production costs, company pricing objectives etc.

Place

Candidates should be fully familiar with the conventional channels of distribution, being able to reproduce the relevant diagrams and explain the component parts and their roles in the channel. Select and describe a suitable channel of distribution for a given scenario.

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 to consider.

EXAMINATION FEEDBACK

This syllabus topic has not been examined in the past year.

Promotion

Candidates need to be able to supply appropriate definitions for any of the elements of the promotional mix, but more importantly be able to demonstrate how it is translated into action.

Candidates need to identify examples of promotion/communications campaigns currently in use in their own countries. Candidates must be able to select and apply the most relevant elements of the promotions mix to real and/or imaginary products and services. 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.

EXAMINATION FEEDBACK

Series 4 2010 Question 5

- most candidates were able to score full marks for sections (a) and (b).
- section (c) was yet again a classic example of candidates **not** reading the question that stated it was a **small** charity with **limited** funds. Many answers offered huge mass media advertising campaigns, staging exhibitions, employing a direct sales force, sponsoring an international celebrity. Answers, which were unrealistic and economically impossible for such a charity. Candidates should have explored the extensive use of public relations, press conferences, press releases, direct mail campaigns, outdoor poster advertising, establishing a website, attending (not organising) exhibitions, recruitment of a celebrity. All activities that can be carried out with a small budget.

Series 2 2011 Question 9

- most candidates were able to offer relevant elements of the promotions mix, though some offered the full marketing mix instead, however, very few offered any reasons for their choice.
- when test marketing a new product, advertising to create awareness is vital, sales promotions' to encourage trial are strongly recommended and personal selling to gain retailers' co-operation in stocking the product is mandatory. Very few candidates were able to give any reasons or examples of what they would do to achieve this test marketing campaign.

Series 3 2011 Question 10

- only a minority of candidates were able to offer a correct definition of advertising, most giving examples of it, rather than a definition.
- only a minority of candidates were able to offer five defined roles of advertising. Many offered reasons for advertising such as to launch new products, increase sales or market share or combat competitors.
- Section (c) was answered well by most candidates but numerous candidates suggested corporate advertising was a venture by two or more organisations to reduce costs.

Packaging

Although not an element of the marketing mix, 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. The growing impact of environmental concern has to be recognised and understood and how this is affecting the type of packaging in use.

Legal requirements for labelling in respect of contents, weight, sell by dates, additives etc, should be understood.

EXAMINATION FEEDBACK

Series 4 2010 Question 6

- the majority of candidates scored good marks for section (i).
- very few candidates fully understand the role of packaging in the “silent salesman concept”. Many correctly identify that it has to stand out amongst other competitive packages on a supermarket shelf. However, they neglect the fact that it also has to contain sufficient information about the product, contents, nutrition, usage, storage etc to enable the customer to make an informed choice. In other words the packaging and labelling has to be able to answer all the sorts of questions a customer might ask a salesperson before making a purchase.
- most candidates were able to suggest that packaging has to be re-cyclable but very few mentioned bio-degradable and the continued use of scarce resources for packaging.

Series 2 2011 Question 4

- most candidates were able to correctly identify and explain at least four roles of packaging.
- similarly many students were able to identify at least four requirements for food labelling. Candidates need to know that there is **no** legal requirement to show the manufacturing date, a brand name, contact details (though most do) or to print the selling price on the label.

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.

Candidates should be able to offer a credible marketing strategy using the marketing mix to establish a specific brand position and image for a real or imaginary product or service.

EXAMINATION FEEDBACK

This syllabus topic has not been examined in the past year.

Syllabus Topic 4 Service and Relationship Marketing

Service Marketing

Candidates need to explain the differences between services and products and the characteristics of services such as perishability, intangibility, inseparability, instantaneous consumption, etc.

Candidates should be able to identify and explain numerous examples of service operations within the service classifications of: services to people, services to people's property, and services relating to personal information.

Candidates must understand that practically all business operations now involve elements of customer service in them. When the customer is present during the performance of a service operation the importance of the extended marketing mix elements of people, process and physical evidence are a vital part of the marketing mix. Candidates should be able to offer suitable combinations of the extended marketing mix relevant to different service scenarios.

Candidates need to be able to explain what is meant by the "service factory" and identify and describe various examples of service factories.

People

Candidates should be able to explain the role and importance of people (organisational staff) in the marketing mix and be able to identify key elements required in service personnel.

Candidates should fully understand what is meant by boundary staff or customer contact personnel and why they are so important to the service operation.

Prepare a job description for service personnel in a specific industry. 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.

Understanding the role of delegation and staff empowerment in a service operation.

Process

Candidates to fully understand how process 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.

Candidates should be able to examine and analyse a customer service operation and explain the elements of process present and how it enables the service to be performed such as payment operations, queuing systems, complaints procedures. Facilities to assist in the service operation, changing rooms, lifts, bag packing, waiting areas etc.

Be able to apply service process theory to a given service scenario.

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.

Be able to examine current service operations and evaluate what is being offered in terms of service ambience such as colour schemes, fixtures and fittings, background music, lighting levels etc. Explain how these elements contribute towards the customer experience and enjoyment.

Be able to demonstrate how physical evidence is used to offer some form of tangible confirmation of an intangible service for a given scenario or service offering 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.

Relationship Marketing

After Marketing

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

Candidates should be able to use real or theoretical examples of products (and services) and devise a suitable after marketing strategy for them.

EXAMINATION FEEDBACK

Series 4 2010 Question 9

- the majority of candidates offered a suitable explanation of after marketing, however, numerous candidates then proceeded to give examples of, or reasons for, after marketing that were not asked for in this section of the question.
- most candidates were able to offer at least three or four acceptable answers for the objectives of an after marketing policy, the key features of which are customer retention and repeat buying with the added bonus of word of mouth recommendations.
- many candidates scored low marks in this section for the simple reason they gave one or two word answers when the question clearly stated "explain". Answers such as: warranty, manual, installation, free delivery, attracted minimal marks. Required answers should be: provide a free instruction manual with the product showing full operating instruction, etc.

Series 2-2011 Question 7

- the majority of candidates correctly identified the P for people as relating to organisational staff, though a number of candidates were still referring to customers and organisation's publics. In service operations, organisational staff are a key element. They are the public face of the organisation and the first point of contact a customer has with the company. The service offered by such staff has a major impact on how customers will view the service offering.
- a large majority of candidates still refer to the P for process, as how a product is made and offer such answers as quality control, raw materials, operational management strategies. P for process refers to all those **enabling** elements that help to provide the service. Items of equipment such as pay points, service desks, shopping trolleys, bar code scanners etc, or methods of enhancing the service such as bag packing, carry out service, queuing methods, speed of delivery of the service, etc.
- most candidates could explain the P for physical evidence through the application of fixtures and fittings, carpeting, music, seating etc, however, a number of candidates offered far too many examples of corporate identity. Candidates must realise that by having a good corporate identity through uniforms, house colours, logo etc, none of these add to the customer experience or lead to improved shopping enjoyment.

Series 3 2011 Question 8

Unfortunately, because the question referred to a "food supermarket", a very large majority of candidates offered answers in relation to food preparation and indeed several answers related to the serving of food (as in a restaurant).

- most candidates were able to explain that the P for process was important as it was how the service was delivered to the customer and would determine the quality of the service.

- very few candidates were able to offer more than three or four examples of process elements. Many correctly identified pay points, electronic tills or bar code scanners but that was all. Many answers referred to helpful staff, large displays of products, special offers etc. As already stated, more than half the answers offered for this section referred to cooking implements, staff washing facilities, food hygiene regulations, packing of fresh foods and indeed numerous answers referred to correct tables and chairs, cutlery on the tables, table clothes, washing of dishes etc, none of which were remotely relevant to the question asked.

Syllabus Topic 5 International & Global Marketing

Candidates should be able to examine organisations based in their own country and evaluate how such organisations 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.

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 are just a few of the problems encountered.

Market Entry Methods

Candidates need to be aware of the many reasons why an organisation might wish to enter international markets.

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. Candidates should be able to offer a variety of entry strategies for different types of products and services.

When asked to offer entry methods, candidates need to describe the method suggested and not simply name it. 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

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.

A thorough market analysis should highlight which elements of the marketing mix might need to be adapted for any particular market, usually 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 should be able to offer such potential changes to a marketing mix for a variety of products or scenarios.

Candidates need to understand what is meant by "Grey Markets", what they are, how they occur and how they operate and be able to suggest 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.

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.

EXAMINATION FEEDBACK

Series 4 2010 Question 7

- many candidates correctly identified the six elements of DEPICT, however very few could offer the type of information required from such an analysis resulting in minimal marks being awarded. Candidates should have offered such answers as: C = Competition, how many competitors are present, how big are the competitors, how do they compete, is it price, quality, distribution etc. I = Infrastructure, what are the road and transport networks like, distribution of electricity in the country, presence of shopping facilities, storage and warehousing facilities etc.
- very few candidates attempted the section relating to research problems that may be encountered in developing nations. A very small minority of candidates did identify lack of reliable secondary data or shortage of trained research personnel.

Series 3 2011 Question 6

- very few candidates were able to correctly explain the differences relating to the different types of international marketing. Candidates need to explain the implications for the marketing mix in the various types of marketing. The differences have nothing to do with the number or size of markets, the number of products sold and other similar irrelevant answers.

- most candidates are now able to explain what is meant by “think global - act local”.
- only a small number of candidates were able to offer valid answers for relating to the possible adaptation of the marketing mix in international markets. The most common answer simply related to price adjustments to meet economic conditions. No mention of advertising regulations, language conversions, changes in voltage for electrical goods, packaging for storage or transportation etc.

Syllabus Topic 6 Marketing, IT and the Internet

The use of IT and computers

IT and computers **does not mean** the Internet alone.

Candidates must have a full understanding of how computers have altered marketing planning, marketing processes, customer relationships and product development. How IT systems have affected product design and manufacturing, database marketing, Public Relations and advertising communications, data storage, environmental and competitor research, global sourcing for materials and supplies and of course the impact of the Internet and eCommerce.

The Internet

Candidates should be able to explain what the Internet is.

Candidates must fully understand the difference between simply advertising on the Internet and having a website. Candidates need to be able to suggest and apply various methods of advertising on the Internet for a given product, service or scenario.

Be able to offer a basic description of the three main types of website available to an organisation and apply a suitable type of website for a given organisation or scenario. Candidates need to be familiar with and understand what is meant by "one to one mass marketing", "permission marketing" and "viral marketing" and give relevant products or services that use any or all of them.

eCommerce

Candidates must fully understand that eCommerce is not an invention or outcome of the Internet, indeed eCommerce has been operating for many (over 45) 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. Be able to explain what is meant by cyber shops and cyber malls and how they operate.

Candidates need to appreciate the advantages of having different types of website can offer for the organisation and for the customer and be able to identify the numerous fears customers may have about on-line shopping and apply the appropriate tactics to reduce these fears.

A good knowledge of how an organisation can promote its website using conventional and electronic promotional methods is essential. Candidates should be able to offer a suitable communications/promotion strategy for a given product, organisation or scenario.

Marketing mix implications for eCommerce

The real time operation and the remoteness of eCommerce operations will always have implications for the marketing mix and candidates need to be able to identify how the mix may need to be adapted, and apply such adaptations for a variety of products or scenarios.

The introductions of dis-intermediation, re-intermediation and infomediary need to be understood and the role they have 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 demonstrate what an organisation might do to try and prevent this.

EXAMINATION FEEDBACK

Series 4 2010 Question 8

- very few candidates have knowledge of what is meant by a cyber shop or cyber mall, the vast majority referring to them as retail outlets that sold computer products or electronic goods, with a cyber mall being a collection of such shops in one place. In reality any organisation that operates an eCommerce website is a cyber shop, whereas a cyber mall is a collection of websites that are linked together through a common access portal that share a common pay point.
- possibly half the candidates could explain what is meant by a clicks and mortar organisation, with some answers offered bordering on the ridiculous such as a builders yard that sell bricks and mortar for construction purposes.
- most candidates were able to offer six reasons for an organisation having an Internet presence. Unfortunately each answer related to an eCommerce website and were all marked as one answer only. The Internet offers many other advantages for an organisation such as competitor research, PR activities, global sourcing etc, all of which were usually neglected.

Series 2 2011 Question 5

- most candidates correctly identified that a company should have a website to carry out eCommerce, unfortunately it was the only answer they could offer and scored very low marks accordingly. All answers such as global markets, 24/7 shopping, increase market share are all eCommerce and counted as one answer. Candidates should have identified all the other uses offered by the Internet such as competitor research, global sourcing, PR activities etc.
- very few candidates have any real idea of knowledge of how the marketing mix **has** to be adapted for an eCommerce operation and without doubt it does have to be adapted. Answers ranged from employ more staff to answer the telephone, increased tele-selling, improve product quality, charge higher prices as the customer saves on travelling expenses, employ different advertising agents – all completely irrelevant and meaningless answers. The entire mix has to be altered to some degree and it is the responsibility of tutors to explain these.

Series 3 2011 Question 6

- candidates misunderstood that IT refers to information technology and not simply the Internet. Many candidates scored minimal marks as every answer offered was related to eCommerce websites and accordingly were all counted as one answer. Over the last fifteen years IT has had a major impact on the way marketing is carried out.

- IT has introduced CAD (computerised design) CAM (computerised manufacturing) desk-top publishing for preparing adverts, house magazines or leaflets, it allows the storage of enormous quantities of information for management or marketing information systems, allows for the storage, analysis and use of a wide variety of data relating to customers and promotes data-base marketing. PR has also made great use of the Internet for issuing press releases, sponsoring other websites and providing product and organisational information. Organisations can now research in detail about their competitors and their products, they can source new products (raw material) or suppliers on a global basis.

FURTHER GUIDANCE

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 **need to** put the question numbers of the questions they have answered on the front cover of their paper.
- students need to begin the answer to each new numbered question on a fresh page.
- Students sometimes even fail to number the questions they have answered within the script.
- answering more questions than required by the paper – examiners will only mark the required number of answers and not 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 zero marks.
- 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 five 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 two or three pages for an answer that is worth only 2 or 3 marks and yet towards the end of the paper simply offer $\frac{1}{4}$ or $\frac{1}{2}$ a page, or sometimes just a list of words, for an answer that is worth 15 to 20 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 five 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 12 minutes will invariably result in at least 10, perhaps more, **lost marks**.

4. HANDWRITING

- Clear handwriting is important
- If an examiner cannot read part or all of an answer, they cannot mark it and will award 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 difficult 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 student's handwriting when submitting homework or class exercises. If you have trouble reading it, 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

QUESTION 3

Your company is about to launch a new variety of children's sweets into the confectionery market.

Write **a report** to your Finance Director briefly explaining:

(a) **Six** different elements you need to consider when deciding on the selling price. (18 marks)

(Candidates are awarded 2 marks for the correct report format and layout.) (2 marks)

(Total 20 marks)

The question clearly asks for **a report** format – not an essay, not a memo but a report.

The question also clearly states **explain** – not simply identify or list – but explain.

Answer A – Distinction Response

To: Finance Director
From: A. Candidate
Date: 7th June 2011
Subject: Pricing considerations
(correct heading and layout – 2 marks)

Further to your request I submit the following for your consideration:

1. Costs of production
 - 1.1 All variable costs relating to materials, labour and expenses.
 - 1.2 All allocated fixed costs.
 - 1.3 Potential marketing and promotional costs.
2. Market demand
 - 2.1 Evaluate the actual and potential number of customers in the market.
 - 2.2 Determine the actual and potential level of cash expenditure on such products.
3. Competitors
 - 3.1 Determine how many other competitors there are in the market place for this type of product.
 - 3.2 Investigate and compare their current selling prices.
 - 3.3 Evaluate the intensity of competition.
4. Elasticity of demand
 - 4.1 Calculate the price elasticity of demand for similar products.
 - 4.2 Determine if the product is elastic or inelastic.
5. Channels of distribution
 - 5.1 Determine the various members of the distribution channel they may be involved.
 - 5.2 Every member of the channel will require their own mark up on their purchase price.
 - 5.3 The more members in the channel the higher the end price is likely to be – affecting our selling price into the channel.
6. Macro-economic trends
 - 6.1 Possible increases in the prices of raw materials.
 - 6.2 Potential increases in labour costs.
 - 6.3 Possible increases in fixed costs

A perfect answer, six elements identified and correctly explained, scores a perfect 20 marks.

Answer B –Credit/Pass Response

CREDIT

To: Finance Director
From: A. Candidate
Date: 7th June 2011
Subject: Pricing considerations

(correct heading – 1 mark) (incorrect layout – lost 1 mark)

We need to consider all the costs of producing the sweets such as all the variable costs of materials and labour and all the allocated fixed costs and overheads (good answer 3 marks)

We need to examine and evaluate the prices that our competitors charge for similar products to ours in the market place and check how many different competitors there are (good answer 3 marks)

Depending on the costs of research and development of the new sweets we may need to recoup these costs very quickly which will have an impact on the selling price (good answer - 3 marks)

Look at competitors prices (not explained – 1 mark)

Channels of distribution (not explained – 1 mark)

Economic trends (not explained – 1 mark)

Candidate scored a total of 13 marks. With more explanation this could easily have been 19 marks.

PASS

To: Finance Director
From: A. Candidate
Date: 7th June 2011
Subject: Pricing considerations

(correct heading – 1 mark) (incorrect layout – lost 1 mark)

At your request I submit the following suggestions for things we need to consider when setting a selling price:

We need to consider all the costs of producing the sweets such as all the variable costs of materials and labour and all the allocated fixed costs and overheads (good answer 3 marks)

We need to examine and evaluate the prices that our competitors charge for similar products to ours in the market place (good answer 3 marks)

Determine what our profit objectives are (not explained – 1 mark)

Distribution channel (not explained – 1 mark)

Likely demand in the market place from potential customers (not explained enough – 2 marks)

Age of customers (irrelevant)

Candidate scored a total of 11 marks. With a little more explanation this could easily have been 15/16 marks.

Answer C – Fail response

(Immediately lost 2 marks as not in report format)

When considering selling price I will consider:

Cost of the raw material

Labour costs

Fixed costs

Variable overheads

(all the above refer to costs of production and scored a total of 3 marks)

Age of customers (irrelevant)

Competitors price (correct but no explanation – 1 mark only)

The following answers were not even considered as the question asked for **six** elements:

Size of the market (irrelevant)

Company profit objectives (correct but 8th answer and ignored – worth 1 mark)

Distribution channel (correct but 9th answer and ignored – worth 1 mark)

Candidate potentially could have scored 6 marks but in fact scored a total of 4 marks.

EDI

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