



CAM Diploma

Direct Marketing & Sales Promotion

Senior Examiner Assessment Review Report December 2009



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UNIT NAME: Direct Marketing and Sales Promotion

AWARD NAME: CAM Diploma

DATE: December 2009

- **Background to the paper:**

The paper consisted of a mandatory short case study based on Abel and Cole, an organic home delivery business. Candidates were required to explain how e-marketing and direct mail can help to develop and maintain effective customer relationship management (CRM) with Abel and Cole's existing customers. They were required to explain how marketing research could assist Able and Cole in researching, planning and managing sales promotion and to recommend three types of sales promotion that could be used to recruit new customers and explain how these promotions will be evaluated. In the elective sales promotion section, candidates had a choice of two questions - one to explain the comparative uses of sales promotion and advertising in each stage of the product life cycle. The second question related to joint sales promotions within Pedigree, a pet food company. Candidates were asked to evaluate joint sales promotions and outline how budgets are set for sales promotions. The direct marketing electives related to databases, segmentation and targeting and how to evaluate potential mailing and emailing lists. In the second elective question, candidates were required to outline draft recommendations for a direct marketing plan for Visit Wales.

- **Comments on how the marking scheme was applied in terms of:**

- Concept, Application and Evaluation
- Syllabus coverage
- Use of command words and the extent to which answers reflected what was required
- The relative weighting of each part of a question/task and an indication of what aspects of the question/task required most care and attention
- What differentiated the A, B, C, or D grades

For the compulsory case study marks were awarded for content in terms of knowledge and application of e-marketing and direct marketing. For Part B, marks were awarded for knowledge of marketing research, which had a higher weighting, and lower weighting for application. For Part C, marks were awarded for both application and evaluation, as candidates were required to recommend sales promotion methods and suggest how these would be evaluated. Question two related to knowledge of the Product Life Cycle and the comparative uses of advertising and sales promotion at each stage. For question three, a higher percentage of marks were awarded for evaluation as candidates were asked to evaluate joint sales promotions. A smaller percentage of marks related to knowledge of budget setting techniques.

For the direct marketing questions, the direct marketing plan for Visit Wales marks were mainly awarded for 25% knowledge and 75% application. Question four tested candidate's knowledge of databases in relation to segmentation and targeting and Part B, which had a higher weighting, required candidates to evaluate potential mailing and emailing lists.

In the main, command words were observed, though for the compulsory case study some candidates produced a direct marketing plan, which was not a requirement of the question.

Format continues to require care and attention, since whilst accounting for just 10% of the marks these can be crucial in marginal situations. Weaker candidates seem to take insufficient care over recognising the need for a report, rather than a memo or presentation notes.

Differentiation between allocated grades is of crucial importance to the examiner and candidate alike. Considerable effort and double marking goes into the process of ensuring that critical grade boundaries are identified. The factors that differentiate different examination scripts include:

- the degree to which the candidate has understood the question
- the overall feel of the paper based on past experience and relative to other scripts marked in the examiner mark-in session and during the session.
- the degree of grasp of the facts or conceptual knowledge
- the look of the paper in terms of format, specified context and layout
- whether the points made are applied where required and set in the necessary context
- the quality of the examples given and their relevance/appropriateness
- has the candidate focused on the command words in the question
- has evaluation been provided and justification of necessary points been made
- have three questions been fully answered

A grades, which were in the minority, demonstrated excellent theoretical knowledge and the ability to apply this to a range of contexts, ranging from not-for-profit organisations to FMCG manufacturers, thus illustrating good transferable skills and the ability to recommend innovative, relevant sales promotions or direct marketing techniques.

B grades demonstrated good theoretical knowledge and were able to apply this, though less effectively than the A grade answers.

C grade answers demonstrated good theoretical knowledge but limited ability to apply this knowledge to the context. Candidates should avoid this and ensure they answer the actual question set.

D, E, and F grades lacked theoretical underpinning to their answers and relevant application and context. Moreover, in some instances answers were very brief and insufficient for 25 marks.

- A general overview of how the assessment was tackled, including a statistical analysis on the assessment as a whole.

The overall pass rate for this December paper was 69.32%

The grade profile was as follows:



Generally, candidates demonstrated a sound theoretical knowledge of direct marketing and sales promotion, but problems arose with application and contextualisation. For question one most candidates observed the format and wrote a report in which they outlined how e-marketing and direct marketing could be used to build and maintain effective customer relationship management (CRM). Candidates provided good explanations of CRM and recognised that Abel and Cole could easily incorporate this into their existing systems by sending newsletters, updates of charity work, and special offers for loyal customers. Weaker answers tended to write about CRM in general terms and their answers had little context to Able and Cole. For example, 'messages via email provide a personalised format which may stimulate customers. Alternative ideas could include social networking where a Facebook group is established-fans of Abel and Cole and customers can then discuss favorite products/recipes with updates from the organisation included.'

For Part B, answers were mixed and good answers demonstrated good knowledge of marketing research and candidates were able to apply this to development of sales promotions for Abel and Cole. Candidates discussed concept testing, profiling the target audience, informing the creative and discussed the methods that would be used to collect this information such as focus groups, questionnaires and proprietary secondary research. Weaker answers discussed marketing research in a generic way and thus their answers have little application or contextualisation. An example of an answer with both good knowledge and excellent application is outlined below:

'Marketing research would be critical for Abel and Cole in their plan to extend the delivery service. MR would allow Abel and Cole to limit risk, test ideas and make more sound judgments.'

'Government information-census data to identify more affluent areas of the UK as organic food usually costs more to produce and therefore costs are higher for the consumer.'

'Focus groups in the local areas of the planned expansion to ascertain attitudes and opinions to the organic delivery service and what type of sales promotion is preferred eg cause related, price/value promotion.'

For Part C, there were excellent suggestions for sales promotions to recruit new customers. Suggestions were creative and more importantly candidates demonstrated their ability to apply their sales promotion knowledge to a specific context, for example 'a free hamper with the initial order to stimulate trail and interest without devaluing the brand, Abel and Cole could donate 10% for every order placed to Naomi House Children's Hospice, an online voucher which can be emailed to prospective customers. Most candidates produced robust explanations of how the sales promotions would be evaluated and related the measurement methods to the sales promotion they had suggested.

Question two required candidates to explain the comparative use of sales promotions and advertisements in each stage of the product life cycle. Good answers explained the product life cycle and were able to indicate how advertising and sales promotions are used at the introduction, growth, mature and decline stage. Hence, they demonstrated a sound grasp and application of promotion techniques. Candidates supported their answers with relevant examples, which added clarity to their answers. Weaker answers did not explain the product life cycle and failed to answer the question in sufficient depth. Some candidates did not discuss all the stages of the product life cycle and only explained the use of sales promotions at each stage.

Question three related to Pedigree, a pet food company and their use of joint sales promotions, reward schemes and how to set budgets for sales promotions. Answers were quite mixed with better candidates recognising the key benefits of joint sales promotions, namely cost effectiveness, extending the customer base and assisting with brand positioning as long as there is affinity between the two companies involved in the joint sales promotion. It was clear that weaker candidates did not fully grasp the concept of joint sales promotions and thus their answers were sketchy. For Part B, few candidates contextualised their answers to Pedigree and their answers were rather theoretical. Part C related to budget setting and whilst there were some excellent answers with candidates achieving full marks, it was clear that some candidates had not studied this part of the syllabus.

Question four related to databases, segmentation and targeting and evaluating mailing and e-mailing lists. This was not a popular question but candidates who answered performed well especially on Part B. For Part A, candidates were required to explain how databases could support segmentation and targeting. Stronger candidates recognised key uses such as analysing customer spend and targeting specific campaigns, cross-selling and profiling customers. Weaker candidates discussed segmentation and targeting in general terms without relating their answer to databases. Part B was well answered and candidates explained the key evaluation criteria – recency, frequency and provenance. Moreover, candidates related their answers to their own organisations and it was clear by the confident answers that this was an activity that candidates were involved in.

'Mailing and emailing lists should always be checked against relevant preference service, eg MPS/EPS in order to remove names of those who do not wish to be contacted. This is an important first consideration in the evaluation of potential mailing lists.

As regards recency - it is important to consider when the list was last used - this is crucial in both B2C and B2B markets. If it has not been used recently, it may contain old or inaccurate data. It is also important to consider when it was last checked and cleaned.'

For question five, candidates were required to produce a direct marketing plan for Visit Wales. Good answers addressed the context and suggested direct marketing techniques that would address the specific problem of promoting Wales and encouraging requests for Wales View. For example:

'Objectives

To increase tourism/number of visitors to Wales 2010.
To increase tourist spend to over 3.5 billion.'

Press Advert - a direct response advert is the main focus of the campaign. The advert will feature stunning scenery from across Wales showing the highlights. Press adverts are ideal as they allow creativity, and can be highly responsive when placed in the correct targeted publications.

After obtaining details from the website/phone lines, consumer data will be inputted onto the organisation's database. As a result a DM pack will be sent to prospective customers who have enquired about visiting Wales with details of places to see, things to do. A call to action will be included to ensure consumers can directly respond.'

Weaker answers tended to a generic promotional plan with little or no mention of direct marketing techniques. One of the main problems with this question was very weak contextualisation, which was worrying as there has been a gradual improvement in this area. The majority of candidates demonstrated knowledge of the components of planning.

Candidates tended to produce more coherent, robust answers to the more knowledge based sales promotion question. Their answers were confident in explaining the differences between trade and sales promotion. Moreover, they were able to support Part B, which related to objectives with a range of relevant examples.

The overall pass rate for this examination diet was 69%. Generally the results are pleasing with some strong performances by some centres. There is however a large percentage of C grades and this indicates candidates are passing on knowledge with limited application.

- **Feedback on the academic quality of the cohort(s) that has just been examined and the quality of the teaching, as judged by the results**

The majority of candidates had clearly studied and understood the underlying theory behind sales promotion and direct marketing and candidates were able to answer questions in both

sections. Better marks were awarded to those who went beyond the theory and showed their understanding of how the subjects work in practice by quoting examples to support their answers.

Candidates perform reasonably well when asked to produce an outline plan and demonstrated good knowledge of sales promotion and direct marketing techniques and were able to demonstrate some application to a given context. Most candidates who answered question two demonstrated sound theoretical knowledge of the Product Life Cycle and the relative use of sales promotion and advertising at the different stages. Better candidates supported their answers with examples, which added clarity to their explanations.

Weaker areas were the use of marketing research to plan and develop sales promotions. Some candidates discussed marketing research in general terms without contextualising their responses to Abel and Cole and suggesting concept testing, focus groups to determine the most effective type of sales promotions with the target audience.

Overall, this paper indicates that the parts of the syllabus being examined are being taught to a good standard and it is encouraging to see more use of examples to support answers.

- **Commentary as to whether recommendations made in previous years have been properly followed up**

It appears that the majority of candidates are managing their time well and this is improving their chances of passing this paper.

Candidates are using examples to support their answers, which is encouraging, and this also demonstrates that candidates are reading trade journals to keep abreast with industry trends.

There was limited evidence of question planning on this particular examination diet, as in previous diets, and this area is not being addressed by centres and candidates.

There was some evidence of improved contextualisation, especially in the compulsory case study questions one and three, and this was pleasing.

- **Comments and examples of:**

- strengths and good practice
- common mistakes when tackling this type of question/task
- Candidates seemed to show a good understanding of the mini case study and questions with contextualisation to Abel and Cole and relevant sales promotion, direct marketing and e-marketing suggestions.
- Generally a very good understanding of some parts of the syllabus such as planning, consumer promotions, product life cycle, evaluating mailing and emailing lists.
- Use of examples or application to the case study context: Some candidates were able to quote non-standard examples, which made them stand out.

- Using appropriate models or frameworks: Higher grade answers showed an excellent understanding of the theory by incorporating key models, underpinning frameworks into their answers.
- Good time management: This was clearly demonstrated by good candidates, as they were able to balance the demands and requirements imposed by both parts A and B of the examination paper.
- General weaknesses were associated with exam technique and preparation, which resulted in brief answers and/or generic type answers with little or no application.
- Quoting material from the mini case study with no effort to apply this information or missing parts of questions and consequently this results in valuable marks being lost.
- Weaknesses were also associated with examination preparation indicating limitations in understanding the full range of topics across the syllabus.

- **Guidance about how candidates can avoid making similar errors and strategies for improving performance**

Candidates should address the following:

- identify the broad topic or subject areas that underlie the question
- identify the required emphasis of the question - eg retaining customers or recruiting new customers and tailoring the sales promotions to these specific activities
- candidates should observe the command word. This was a particular problem for questions three(a) and four(a)
- ensure that the correct format is used - eg a report - as marks are awarded for format. On the whole, most candidates responded very well to this issue
- identify the context that is required such as not-for-profit, FMCG manufacturer and frame their answer accordingly.

- **Suggestions of possible alternative approaches to tackling a question/task or parts of a question/task while making it clear that it is not the only way**

Where candidates are asked to make recommendations or suggestions as in questions one (a), one(c), three (a), five (a) and five (b), there is never a definitive answer. Candidates will be rewarded for recommendations, which are suitable, reflect the context of the question and indicate industry relevance and creativity. For example in question one(c), candidates suggested a range of relevant sales promotions such as online vouchers, cause related promotions, value based promotions, free gifts such as homemade cake, basket of homemade biscuits, wine and free delivery for the first order. For question five, direct mail, telemarketing campaign, emails

and text alert campaigns were all relevant responses and as long as the candidate's response was contextualised to the question they would have been awarded the appropriate marks.

- **Recommendations for how performance can be improved in future assessments**

Tutors and candidates are encouraged to revisit examination techniques and focus on examination preparation including a wider and fuller range of topics covering the syllabus. Asking candidates to prepare answers to questions either for homework or during class discussions will improve their familiarity with the type of questions on this paper.

It is recommended that candidates should consult the CAM reading list and read from core texts and trade publications.

It is recommended that tutors should encourage candidates to engage in deeper learning rather than surface learning, apply theory to context and develop abilities to evaluate a given topic in depth. It is essential that candidates are able to demonstrate not only their knowledge but also their ability and skills to apply and evaluate in a given context.

- **Clarification about any syllabus or assessment changes**

None

- **Possible future assessment themes**

The structure used to frame this paper will continue. The nature of the questions, the way they are presented and contextualised will remain the same. Papers will be set so that a substantial proportion of the syllabus will be covered. This means that candidates need to widen their range of knowledge and not just concentrate on a few prime areas such as planning.

There are areas of the syllabus that were not well answered in this paper, such as joint sales promotions, budget setting and in some instances poor direct marketing plans. While it cannot be assumed that these topics will be included in future exams, it is important that tutors and candidates recognise the need to study the syllabus in its entirety. Subjects that candidates may see in future examinations include market research and creating buzz through viral campaigns and other more creative techniques. Case study contexts will be varied and may include not-for-profit and FMCG sectors.