

# Professional Certificate in Marketing

## Marketing Essentials

Senior Examiner Assessment Review Report March 2010



## Senior Examiner Assessment Review Report

**MODULE NAME:** Marketing Essentials

**AWARD NAME:** Professional Certificate in Marketing

**DATE:** March 2010

- **Background to the paper:**

The paper was constructed in two sections, the first part comprising ten short-answer tasks worth four marks each, the second section being based on a short, unseen case study based on Argos, a UK-based catalogue retailer. This section carried the bulk of the marks (60%).

The first section of the paper was mainly intended to test knowledge of marketing theory, although relevant examples were asked for and evidence that candidates could apply their knowledge was credited. The emphasis in the second section was very much on application of theoretical knowledge to a real-life situation.

- **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

Overall the breakdown of the marking scheme was as follows:

Concept	40%
Application	30%
Evaluation	20%
Format	10%

The syllabus weighting for this unit is:

The nature and scope of marketing	25%
Planning within the marketing context	25%
The marketing mix	50%

All areas of the above syllabus were covered. The exam consisted of ten short answer questions, each worth four marks and three report-format questions, each worth 20 marks. All questions were compulsory and covered the range of the syllabus with a balance of knowledge and application. Task 12 sub-divided the marks, with eight marks awarded for identifying suitable objectives for the company, and 12 marks for recommending ways in which Argos' marketing mix could contribute to those objectives.

**A grade** candidates will generally have:

- Completed all tasks
- Completed all elements within each task (eg describe the marketing audit and its role in planning)
- Demonstrated an excellent knowledge of the theory within the syllabus for this unit
- Demonstrated a strong understanding of the case study and an ability to apply theoretical knowledge to a real-life situation
- Used appropriate format and presentation in Part B
- Provided suitable examples from real-life companies when asked to do so.

**B grade** candidates will generally have:

- Completed all tasks
- Completed all elements within tasks (eg describing four types of organisational objective) and focused clearly on the task
- Demonstrated a good knowledge of the theory within the syllabus for this unit
- Demonstrated a good understanding of the case study and have demonstrated the ability to evaluate the case and apply suitable theory
- Used appropriate format and presentation in Part B
- Provided suitable examples from real life.

**C grade** candidates will generally have:

- Completed all or most tasks
- Completed all or most elements within tasks (eg describing two factors that may make marketing orientation difficult to achieve within an organisation, and giving examples from industry) giving an adequate level of depth and detail
- Demonstrated an adequate knowledge of the theory within the syllabus for this unit
- Demonstrated an adequate understanding of the case study although may have a limited ability to apply theory or evaluate in depth
- Format of Part B answers is adequate
- Provided at least some examples from real life.

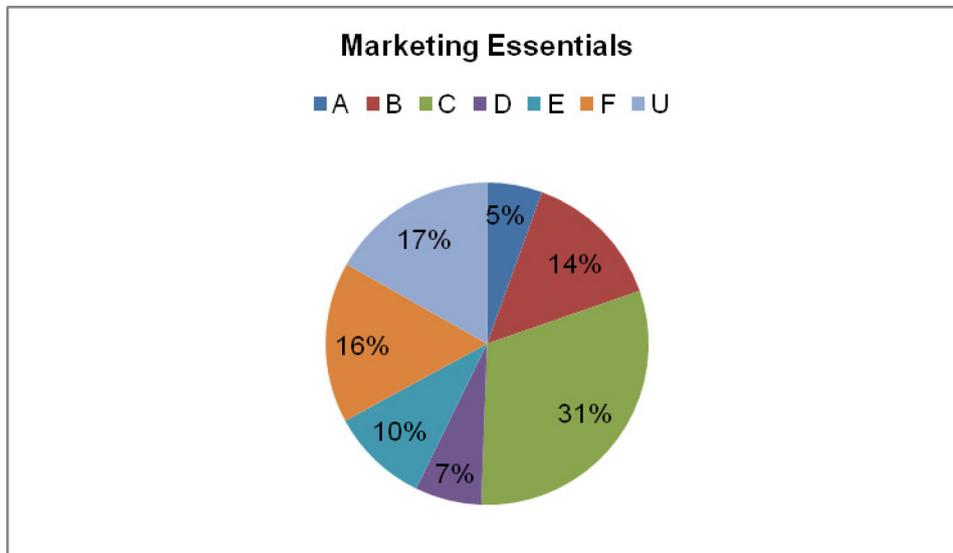
**D grade** candidates will generally have:

- Completed all or most tasks
- Completed most or some elements within tasks (eg describing four factors that may make marketing orientation difficult to achieve within an organisation) but answers lack detail, depth or clarity
- Demonstrated a weak knowledge of the theory within the syllabus for this unit
- Demonstrated a weak or limited understanding of the case material
- Format of Part B answers may be inadequate
- Provided few, or no, examples from real life.

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

The overall pass rate for the March exam paper was 50.58%.

The grade profile was as follows:



The standardisation process carried out by the marking team did reveal an ambiguity in Task Four, candidates were not penalised for interpreting the question in a way that was not intended by the Senior Examiner.

The examining team felt that any poor performance in this exam was generally for the following reasons:

- Candidates failing to back up their answers with examples from real companies.
- Candidates failing to contextualize their answers to the question – for example, when asked to recommend suitable media for a financial services company, many did not relate the answer to financial services.
- In Part B candidates often spent far too much time simply describing various models (unnecessary in a report intended for a marketing manager) rather than applying the theory to the case, and making concrete recommendations.
- Many candidates had difficulty with Question 12 in Part B, explaining that objectives need to be SMART but then failing to offer SMART objectives in their answers.
- In Question 11, many candidates had difficulty in evaluating the case material, instead merely repeating phrases from the case.
- Many candidates lost marks through failing to use report format when asked to in Part B. Some candidates started off well, but gradually forgot that they were supposed to be using report format, and reverted to essay style.

On the positive side, high-performing candidates demonstrated the ability to think clearly about marketing issues and apply their knowledge creatively both to the short questions and to the case study questions. Time management appeared to be much improved over previous sessions, and good candidates' ability to apply the theory was also improved.

- **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**

54% of candidates passed the exam, although there were considerable variations on this average between different centres.

Overall, the quality of the candidates was good. Some candidates seemed almost entirely unprepared, however, and showed little knowledge or understanding of marketing. In general, the results show a close conformity with a normal distribution curve from A to E grades, but there is a grouping of results around the F and U grades, showing that a minority of candidates were probably extremely poorly-prepared for this level of the qualification.

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

Previous reports have recommended that candidates need to learn to apply what they have learnt, and in the main, this has happened but performance is still not as good in Part B as it is in Part A.

There is plenty of room for improvement in terms of using examples, making clear recommendations, and ensuring that theory is used to back up arguments, not simply quoted in its entirety. Candidates need to remember that, if they are asked to produce a report for a colleague who is a marketing professional, it is enough to refer to an appropriate model rather than launch into a long-winded description of the model.

- **Comments and examples of:**
  - strengths and good practice
  - common mistakes when tackling this type of question/task

#### **Strengths:**

Most candidates completed all the tasks. Good candidates were able to provide relevant examples, and demonstrate understanding of theoretical models as well as knowledge of them: in particular, strong candidates managed to apply the theory well in Part B, although this remained a problematical area for many.

#### **Weaknesses:**

Many candidates had difficulty with pricing; in particular, many candidates appeared to know only about skimming and penetration pricing. The latter is unsuitable for marketing prestige products, yet many candidates recommended it, presumably because they do not know of any other pricing approaches.

Many candidates did not provide examples, or did not relate the theory to the real world. Failure to address the question effectively was also common – many candidates simply wrote everything they knew about the appropriate theory without relating it to the question.

Some candidates missed out whole questions, especially in Part B where (since each question carries 20 marks) the likelihood of passing was greatly reduced. This may have been due to simply not knowing how to apply theory, since several incomplete answers were in evidence.

Those candidates, who did not attempt some questions, dramatically reduced their overall scores and presumably only studied and revised part of the syllabus. This is not a viable strategy for this unit, because part of the rationale for it is for candidates to demonstrate that they understand how the different elements of marketing impinge on each other, creating synergies.

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

All the above weaknesses are well-covered in both the course text and the study guide. Provided candidates use these aids to learning these elementary errors can be avoided.

Time management is crucial: candidates should aim to apportion 40% of their time to Part A and 60% to Part B, since this is how the marks are split. The exam paper clearly says that they should spend approximately one hour on Part A and two hours on Part B, which is not an exact 40-60 split, of course, but which offers a rough guideline.

Candidates must start to apply the theory better. Working through case studies would clearly be beneficial: there are many sample case studies in both the textbook and the study guide.

- **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**

Candidates should make solid recommendations when answering case study questions. Some candidates simply repeat the case material, which is clearly inadequate, but without analysis and clear recommendations the candidate is unlikely to pass.

Candidates should read the questions much more carefully. If asked to produce a report for a marketing manager, two factors should be immediately apparent: first, report format is being asked for, and second, there is no need to write out all the appropriate marketing models in full. Reference to “a product in the maturity stage of the PLC” will be clear to a marketing manager (although it may not be to a board of directors). Also, candidates would do well to spend some time considering their answers rather than rushing into writing things down – a deeper reading of the case study, followed by a few minutes thought, would make a very big difference in many cases.

Discussion between tutors and candidates concerning the generic mark scheme might also help candidates understand what each element of the paper demands of them.

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

Candidates should check that they have included examples, check that they have actually answered the question as it is set, and ensure that they have used the correct format. Most importantly, they should think before they start writing, especially in Part B: fifteen minutes or even half an hour reading over the case and thinking through the problems would make a very big difference to the answers.

Finally, candidates should make recommendations that are solidly grounded in marketing knowledge. Simply writing down the knowledge itself is wholly inadequate, especially in Part B.

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

No changes are planned.

- **Possible future assessment themes**

Future assessments will follow much the same format, using case studies as well as specific questions. Candidates can expect that exams will cover the entire syllabus at this level – the exams are designed to include every aspect of the published syllabus, so selective revision is

likely to be counterproductive. Future exam papers may emphasise the split between the knowledge elements in Part A and the application element in Part B, but both knowledge and application will still be expected in both parts.

# Professional Certificate in Marketing (Level 4)

## 520 – Marketing Essentials

**Time: 14:00 – 17:00**

**Date: 2nd March 2010**

Three Hours Duration

This examination is in **TWO** sections. Candidates must complete ALL tasks.

**PART A** – has **TEN compulsory** short answer tasks and is worth **40%** of the final mark. It is recommended that you spend approximately **ONE** hour on Part A.

**PART B Case Study** – comprises **THREE** compulsory extended answer tasks and is worth **60%** of the final mark. It is recommended that you spend approximately **TWO** hours on Part B, including time for reading the case study, and planning and checking your answers.

You are required to give your answers to PART A and PART B in the CIM answer book provided. **DO NOT** repeat the task in your answer, but show clearly the number of the task attempted on the appropriate pages of the answer book. Please start a new page for your answers to PART B.

Rough work and notes must be written in the answer book or on supplementary sheets and must be clearly identified.



# PROFESSIONAL CERTIFICATE IN MARKETING

## MARKETING ESSENTIALS

### PART A – Answer All Tasks (40%)

It is recommended that you spend approximately ONE hour on Part A.

#### Task One

Give **TWO** examples of how a charity could use the marketing mix (7Ps) to recruit new donors.

(4 marks)

#### Task Two

Briefly explain how the choice of distribution channel could affect the launch and positioning of a new perfume brand.

(4 marks)

#### Task Three

Identify **TWO** ways that direct marketing can be used to support the launch of a new grocery product.

(4 marks)

#### Task Four

Describe, using examples, the process of adoption of new products.

(4 marks)

### **Task Five**

Describe, with examples, any **TWO** pricing approaches that a manufacturer of high-quality luxury foods could use, giving reasons for your choice.

**(4 marks)**

### **Task Six**

Identify **FOUR** ways that a clothing manufacturer could measure the success of its marketing activities.

**(4 marks)**

### **Task Seven**

Briefly describe the stages of the new product development process.

**(4 marks)**

### **Task Eight**

Identify the main stages of a marketing plan.

**(4 marks)**

### **Task Nine**

Identify **TWO** marketing communications **media** that could be used by a financial services company, giving reasons for your choice.

**(4 marks)**

### **Task Ten**

Identify **TWO** advantages and **TWO** disadvantages of undertaking a full marketing audit.

**(4 marks)**

**(Total for Part A 40 marks)**

*(Continued overleaf)*

## **PART B – CASE STUDY**

### **Argos**

Argos is a retailer with a difference. The company has very few goods on display in its stores – everything is shown in a catalogue. Customers can obtain a catalogue online, in-store, or by text message. Goods can be purchased in the store, or ordered in advance and collected in person from the store later, or Argos will deliver.

Catalogue retailing has several advantages:

- goods remain clean and undamaged
- there is virtually no shoplifting
- staffing levels are lower than traditional retailers as stock is not on display
- shopfitting costs are small
- the lack of space-consuming displays means that more stock can be held per square metre than in a traditional retailer.

All these savings can be passed on to customers, and Argos is now the biggest general-goods retailer in the UK and Republic of Ireland, with over 700 stores.

The company produces new catalogues three times a year. The in-store catalogue is ring-bound and laminated so that it can withstand the much heavier use it will experience. Within the stores, the company uses computer technology as much as possible to minimise staff input and ensure that customers are served as quickly as possible. In some stores there are 'quick pay' kiosks at which customers can order goods, pay by credit card, and be issued with a collection note for the goods without dealing with a staff member at all.

Argos does not usually promote specific products in its advertising. TV and billboard advertising is used to promote the new catalogues as they are issued, but there is little or no advertising in between. The company's main promotional tools are the catalogue and the store windows.

Argos is often asked for contributions to charities, usually in the form of gift vouchers or goods, but company policy is that occasional or one-off contributions will not be given. The company prefers to give long-term support, through an extensive charitable programme, since this means that the charities know they have a steady income stream. Several charities such as the British Heart Foundation are supported in this way.

The company also supports recycling initiatives, notably Envirophone (an organisation which recycles old mobile telephones) and The Recycling Factory, which recycles used inkjet cartridges. In a link between initiatives, The Recycling Factory will make a contribution to the British Heart Foundation for every ink cartridge recycled at an Argos store. This initiative also has the advantage that it brings people into the stores – someone only intending to drop off a bag of used cartridges may well stop to buy something. Argos also encourages recycling, and prints the catalogues on paper which is easily recycled.

One of Argos's innovations is its business-to-business loyalty scheme. Through an online reward system called The Hive, Argos can tailor loyalty programmes to suit the specific needs of other companies. The Hive can provide tailor-made reward schemes based on loyalty cards, so that regular customers of any company can earn points that can be redeemed against Argos products. Argos is able to feed back data on each card holder, for example, frequency of purchase, average amount spent, products purchased and so on. This means that even the smallest of companies can operate a loyalty card and obtain the same benefits that a major firm such as the supermarket chain Tesco's gains from its loyalty scheme.

For one-off promotions, Argos can monitor responses through The Hive. For example, coupon redemptions are tracked so that firms can evaluate which media have been most effective. The scheme also benefits Argos – someone coming in to cash a voucher may buy something else, and may have to add cash to the value of the voucher if the price of the product is more than the value of the voucher.

All in all, Argos has established a very solid niche in shopping centres, by having a unique selling proposition that few others can match. By being prepared to meet customers' needs, whether they are big businesses or ordinary customers, Argos has in 35 years, grown to be the biggest in its sector.

*The above data has been based on a real-life situation, but details have been changed for assessment purposes and may not be an accurate reflection of reported news.*

## **PART B – Answer All Tasks (60%)**

**It is recommended that you spend approximately TWO hours on Part B.**

You are to assume the role of a Marketing Assistant for Argos. Produce a report for your Marketing Manager that addresses the following tasks:

### **Task Eleven**

Using material from the case study, evaluate the extent to which Argos is a customer orientated organisation.

**(20 marks)**

### **Task Twelve**

a. Develop **TWO** potential marketing objectives for Argos.

**(8 marks)**

b. Explain how Argos's marketing activities can contribute to the achievement of those objectives.

**(12 marks)**

**(Total 20 marks)**

### **Task Thirteen**

Recommend how Argos could use internal marketing to build on its current corporate responsibility programme, particularly regarding environmental and charitable issues.

**(20 marks)**