

EXAMINERS' REPORT

AM MARKETING

FIRST SESSION 2018



**L-Università
ta' Malta**

**MATSEC
Examinations Board**

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Part 1: Statistical Information

Table 1 sets out the distribution of grades for the May 2018 session of the examination. This distribution features no significant differences from the May 2017 session's distribution of grades.

Table 1 Distribution of grades: May 2018 Session

GRADE	A	B	C	D	E	F	ABS	TOTAL
NUMBER	21	44	106	53	54	81	68	427
% OF TOTAL	4.9	10.3	24.8	12.4	12.6	19.0	15.9	100

Part 2: Comments on Candidates' Performance

Paper I Section A

Question 1 (maximum mark: 4)

A total of 346 candidates answered this simple definition of marketing. Most candidates answered satisfactorily (mean = 3.05, median = 3.00). A small proportion of candidates were unable to offer a complete definition of marketing, omitting either the notion of creation of value or the notion of enduring relationships between organizations and customers.

Question 2 (maximum mark: 5)

A total of 319 candidates tried to describe the selling concept, with the majority answering this question satisfactorily (mean = 3.54, median = 4.00). A minority of candidates offered an unsatisfactory answer, whereas a greater proportion could only offer a very partial answer by only relating to either large-scale selling and promotion effort or to the notion of selling unsought offerings.

Question 3 (maximum mark: 6)

A total of 343 candidates tried to list the elements that compose the micro environment (mean = 4.91, median = 6.00). Most candidates gave the correct answer, although a minority were unable to list all six elements.

Question 4 (maximum mark: 5)

A total of 259 candidates tried to describe the five requirements for effective segmentation (mean = 4.09, median = 5.00). Most candidates could describe all five requirements, whereas a minority were only able to describe up to 2 or list a proportion of these requirements.

Question 5 (maximum mark: 6)

A total of 335 candidates tried to distinguish between psychological and promotional pricing (mean = 4.04, median = 4.00). Most candidates could either offer a weak description of both types of pricing approaches (beyond a mention of aspects like the link between price and perceived quality or use of promotional pricing to increase short-run sales) or simply describe in full one approach as opposed to the other.

Question 6 (maximum mark: 4)

A total of 325 candidates tried to explain wholesaling (mean = 2.86, median = 3.00). Most candidates would correctly define wholesaling but did not relate to the supply chain members with whom wholesalers interact (from producers as suppliers to retailers, other wholesalers and industrial buyers as customers).

Question 7 (maximum mark: 5)

A total of 323 candidates tried to discuss direct marketing (mean = 2.84, median = 3.00). Most candidates could say that direct marketing is one element of the promotion mix and correctly defined direct marketing. However, only a proportion were able to express that direct marketing is also a method of direct distribution that excludes intermediaries.

Question 8 (maximum mark: 6)

A total of 249 candidates tried to mention and explain two methods of export (mean = 3.65, median = 4.00). Most candidates could mention indirect and direct methods of export, with a smaller proportion delving deeper and discussing aspects like channel members or issues of risk.

Question 9 (maximum mark: 4)

A total of 324 candidates tried to mention and describe two methods of placing online advertising (mean = 2.58, median = 3.00). Most candidates would describe online display ads and search related ads (or even delve into other types of online advertising like online classifieds) but would only rarely delve into some depth and mention examples.

Question 10 (maximum mark: 5)

A total of 272 candidates tried to explain the meaning of sustainable marketing (mean = 3.51, median = 4.00). Most candidates would mention correctly the social and environmental implications of responsible marketing. Only a proportion of candidates would mention that in so doing, firms also need to satisfy customer needs, current or future.

Section B

All questions in this section carried a maximum of 25 marks. Candidates were asked to answer two questions from a total of three.

Question 1

A total of 300 candidates tried to describe and discuss the four steps of the market research process (mean = 15.54, median = 16.00). Most candidates could mention all four key stages of the market research process (problem identification, planning for data collection, implementation of a research plan, interpretation and reporting of findings). However, answers varied in their depth when dealing with the specific aspects of data collection (like distinguishing between secondary and primary data or dealing with sampling issues).

Question 2

A total of 249 candidates tried to discuss the four key influences impacting on consumer behaviour (mean = 13.99, median = 15.00). Most candidates could mention cultural, social, personal and psychological factors correctly, dealing with personal and social factors in some depth. Few were the candidates who could offer relevant examples and even fewer were those candidates who would delve in some depth when discussing cultural and psychological factors.

Question 3

A total of 137 candidates tried to describe and discuss the advantages and disadvantages in comparing email and catalogue marketing (mean = 13.41, median = 14.00). Most candidates could correctly relate some advantages of email marketing (over catalogue marketing) like effective targeting, low cost and high return on investment, as well as some key disadvantages (like ending up in spam folders or being intangible). The fewer and better answers would relate to other known advantages like better opportunities for interaction with target customers or consumers' sharing of content or less waste. Similarly, very few candidates could relate to specific disadvantages like reliance on other marketing methods (insufficient when used alone) or the requirement of permission from target audiences.

Part 3: Comments on Candidates' Performance – Paper II

Section A

This section involved a contemporary case study relating to a known fashion brand and its innovative ways of planning and implementing the marketing mix. Candidates were required to answer all four questions. Overall, candidates fared rather feebly in applying the principles of the marketing mix to the case study, scoring a mean total (for the section) of 21.11 (median = 20) from a maximum of 50.

Question 1 (maximum mark: 20)

A total of 353 candidates tried to discuss the case's highlighted elements of the marketing mix that lead to Inditex's provision of quality products and high-quality service (mean = 8.61, median = 8.00). Most candidates could highlight Inditex's approaches in product development such as two fashion designs annually intended to enhance product variety and the use of social media in Inditex's promotional mix. However, most students failed to observe Inditex's logistical systems in place to monitor inventory and use of algorithms to optimize retail outlet supply (process), the investment in popular locations and the use of malls along with the option of online sales (channels/place) and the empowerment and promotion of staff (people).

Question 2 (maximum mark: 8)

A total of 325 candidates tried to discuss how e-commerce is impacting traditional retailers like Inditex (mean = 3.55, median = 3.00). Most candidates offered a mere mention from the case study that Inditex benefits from online sales channels but failed to apply theory on how online channels can be integrated to complement retail store operations without effectively creating competition across channels for the same brand.

Question 3 (maximum mark: 16)

A total of 326 candidates tried to identify the business orientation Inditex follows in its marketing by understanding customers while embracing sustainability (mean = 7.53, median = 6.00). Most candidates could mention that Inditex follows a social marketing orientation but failed to elaborate on how Inditex implements social marketing through sustainable initiatives safeguarding the environment (such as choice of materials, re-cycling and imposing of environmental targets) as well as employees (particularly working conditions). Also, only a few candidates would elaborate on Inditex's efforts to understand customers.

Question 4 (maximum mark: 6)

A total of 318 candidates tried to discuss how empowerment of employees and the promotion of a creative culture are relevant to global brands like Inditex (mean = 2.79, median = 3.00). Overall candidates managed to relate to the relevance of creating a common brand identity within the international context but could not effectively relate to the case study or argue how creativity and empowerment helps bolstering an entrepreneurial spirit that lies at the core of global brands like Inditex.

Section B

All questions in this section carried a maximum of 25 marks. Candidates were asked to answer two questions from a total of three.

Question 1

A total of 177 candidates tried to describe the main promotional tools that they may use in promoting an innovative product to extend a brand (example used was an electric car developed by Apple Inc) (mean = 10.68, median = 10.00). Half the candidates could only secure minimal marks by offering a weak answer in only relating to advertising (TV, print media or radio). The better candidates could convincingly relate to additional elements of the promotional mix by relating to public relations and/or promotional offers, while a small minority could relate to social media as another element of their promotional mix strategy.

Question 2

A total of 239 candidates tried to outline and describe the business buying process (mean = 14.39, median = 15.00). Most candidates offered a decent description of all eight stages involved in the business buying process of an industrial good. A good proportion of candidates could also offer a relevant example rather than just relate to mere theory, while a further minority of candidates could convincingly discern between a straight rebuy situation and a new buy situation.

Question 3

A total of 266 candidates tried to outline and describe the main stages of product development by relating to a given example (a new range of stationery products) (mean = 13.68, median = 14.00). Most candidates offered a decent description of all eight stages of new product development, with a good proportion of candidates also offering some depth in their response. Weaker answers either opted to avoid discussing a stage (or more) involved in the process (such as idea screening or marketing strategy development).

Chairperson
Examiners' Panel 2018