GUIDEline

Work Integrated Learning 3
(WIL301)

Semester One 2014

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1. **INTRODUCTION**

This guide has been designed as an aide to assist you in working through the Work Integrated Learning module of your qualification.

The aim of this subject is to bridge the gap between theory and practice, and to extend the practice of candidates in the practical world of work.

This subject focuses on integrating and practically applying the knowledge you have gained in all the other subjects.

This subject should not be viewed as an independent subject, but rather as a “consolidation” of all the other subjects, or as an “application” subject, where all the theories, concepts, models, frameworks, etc. covered in the previous subjects are integrated in a practical manner.

This subject/examination is based on a case study, since it aims to test a learner’s readiness to deal with practical marketing problems, as encountered by marketing executives in the “real world”. The primary purpose of this case method is to introduce a measure of realism in marketing education.

Rather than emphasise the teaching of concepts – which has been done across and throughout all the other subjects – the case method focuses on the application of these concepts, assessing the learner’s ability to bridge the gap between abstract and application, thereby preparing learners for “the real life situations” that they may encounter in the business world.

This module will integrate in a practical way, by making use of case studies, concepts, models and theories covered in previous subjects.

The integration will take the form of:

- Applying theories, concepts, and models to a case study. This involves applying the steps in a Strategic Marketing Planning Process to a **case study**.
- Drawing ‘parallels’ between what you learn in the case study approach and application to a ‘real world’ **practical business environment**.
2. INTEGRATION FRAMEWORK

2.1 THE MARKETING PLANNING PROCESS

This subject requires learners to be able to apply theoretical concepts across a range of practical marketing steps and activities. The traditional marketing planning process as diagrammatically represented below will be used as a framework within which to apply theory to ‘real’ world of work examples. Note: Not all steps will be addressed in this module but rather the key strategic steps of the process.
This learner guide does not contain theory and is not intended as a learner guide for any specific content, but rather as a guide to **process – ie. How to translate and apply theory to practice.**

Relevant theory will be found in the other modules covered in your qualification. In some instances what may be provided is a short summary of key theoretical concepts and/or models that are to be applied.

3. **CASE STUDY REFERENCES**

The case studies used in this module are from:


4. **ADDITIONAL RESOURCES**

In today's ‘knowledge economy’ and with the World Wide Web, it is often said that anything one needs to know is available ‘in the cloud’. Part of this module is to encourage students to be resourceful and to seek out repositories of knowledge that can useful in the work place.

The following resources provide guidelines, templates and other tools and techniques that can be used in application of the theory.

http://www.marketingprofs.com/

http://www.tutor2u.net/marketing/default.html

**Marketing Planning Hyperlinks**

- Introduction to Marketing Planning
- Importance of Mission
- Setting Marketing Objectives
- Values and Vision
- Examples of Mission Statements
- Overview of Planning Process
- Link with Strategic Planning

http://www.businessballs.com/market.htm

5. THEORY VERSUS THE REAL WORLD

A comment often heard from students when applying theory to the workplace is “this isn’t how we do it here” or “we have developed our own process / tool/ framework”. Students should remember that most ‘company tailored’ solutions do in any event come from a theoretical foundation often covered in the academic literature. Also, understanding how the ‘traditional academic theory’ and the ‘practical workplace customised tools and techniques’ can be integrated is part of the learning outcomes of this module. Do not be concerned if in your employer organisation, or an organisation you are applying the theory to does it ‘somewhat differently’ to the theory you have studied. Part of the learning is to identify similarities, differences and integration between theory and practice.

We will now apply key steps in the strategic marketing process, firstly to a case study or case studies and then to a practical workplace scenario. In some instances some theory will be provided and / or referred to, this theory will be discussed to a case study, and then to a practical ‘real world’ example. You will be encouraged to do some research of your own on some of the topics.

You are required to read through the guide and the Case Studies, then complete each of the exercises as they stand in the assignment guide.

6. THEME 1: The mission statement

6.1 Theoretical considerations:

The first step in any strategic marketing planning process is to understand and articulate the nature of the business of the organisation and to craft a well formulated mission statement. This may have been clear in the initial stages of the organisational life cycle, but, over time, one or more of the following may happen

- The purpose becomes unclear as the organisation grows and develops new products and markets.
- The purpose remains clear, but leadership loses interest in the original purpose.
• The purpose remains clear, but loses its appropriateness to new conditions in the environment.

• Before continuing with the strategic marketing planning process, it is essential that you formulate a clear definition of the organisation's purpose or mission. This will contextualise the rest of the analysis and process going forward.

The main question to answer is:

“What business are we in?”

For example, a company in the paint business can be defined as being in “the decorative and protective coatings business”. This definition will fundamentally influence who we see as competitors, which “industry or market” we focus on, etc.

Developing strategies for sustainable competitive advantage, implementing them, and changing the strategies to respond to new environmental requirements are a continuing process. It begins, however, by defining the mission of the business.

The corporate mission may, over time, be changed, because of problems or opportunities identified by monitoring the external and industry environments. An important part of the strategic planning process in a company that is usually complex in nature (several products and markets), is the periodic analysis of the portfolio of business units. These units often have different strategies and objectives, offering various opportunities and requirements.

The corporate mission, however, keeps the focus of a company in place from a strategic point of view. The corporate mission defines the nature and scope of a business and provides important guidelines for managing the corporation.

Management initially establishes a company’s operations and adjusts these decisions as necessary, over time. Strategic choices about where a company is going in the future – choices that take into account a company’s capabilities, resources, opportunities and problems – establish the mission of the enterprise.
Early in the strategic-development process, management must define the mission of a company. The mission is reviewed and updated as shifts in the strategic direction of a company occur over time.

**The mission statement**

The mission statement will define the parameters within which the company intends to operate. Many examples exist of companies that have failed because they defined their mission statement too closely or erroneously. Consider, for example, a restaurant. The restauranteur, who defines his mission as “to provide the public with a place to eat outside their home,” could not strictly be argued with. If he kept to this guide he would, however, justify to himself the absence of any conviviality, entertainment, discreteness, etc. His competitor, who defined his mission as, for example, “to provide an opportunity for adults to enjoy a good meal in a relaxed and luxurious environment”, would keep his mind open to opportunities provided by furniture, décor, entertainment, privacy, etc. He may not pursue all these ideas, but they are within the parameters by which he defines his business. In the long run, he is likely to be the more successful because, generally, people eat in restaurants for many reasons, other than to eat food.

In conclusion, the mission statement lays down a guideline for the boundaries of the business and will provide a means of reference for reviewing the situation analysis and possible opportunities.

Consider the Japanese company, “Seiko”. It would have been very easy for them to determine that their mission was to produce high quality watches. Instead, they realised that their skills were applicable to the measurement of time and diversified into goods such as electronic timing equipment, precision camera shutters, etc. Their mission statement may well be along the lines of “to exploit opportunities for precision engineering linked to controlling and measuring time”.

The learner, therefore, is advised to spend considerable time in producing a comprehensive mission statement, ensuring that his/her marketing plan falls within the guidelines it dictates.
**Guidelines for a mission statement**

The mission statement sets several important guidelines for business operations:

- The reason for the company’s existence and its responsibilities towards its stakeholders.
- The customer’s needs that are satisfied by a company’s products and services (areas of product and market involvement).
- The extent of specialisation within each product-market area.
- The amount and types of product-market diversification desired by management.
- Management’s performance expectations for a company.
- Other general guidelines for overall business strategies, such as technologies to be used and the role of research and development.

Ideally, therefore, a mission statement should incorporate or reflect the following:

- Company goals: Survival, Growth, Profitability
- Company philosophy (company creed)
- Public image
- Its self-concept (i.e. knowing its strengths and weaknesses)
- Its basic product or service, primary market and principal technology.

**The need for an explicit mission**

The objectives of a company mission are as follows:

- To ensure unanimity of purpose within a company;
- To provide a basis for motivating the use of a company’s resources;
- To develop a basis, or standard, for allocating a company’s resources;
- To establish a general tone or organisational climate: for example, to suggest a businesslike operation;
- To serve as a focal point for those who can identify with a company’s purpose and direction, and to deter those, who cannot do so, from participating further in its activities;
• To facilitate the translation of objectives and goals into a work structure, involving the assignment of tasks to responsible elements within a company;
• To specify organizational purposes and the translation of these purposes into goals in such a way that cost, time and performance parameters can be assessed and controlled.

6.2 **Answer Question 1 in your assignment after reading the case study “SA Tourism”**.

7. **THEME 2: Conducting a marketing audit**

7.1 **Theoretical considerations**

A marketing audit is a comprehensive, systematic, independent, and periodic examination of a company's – or business unit's – marketing environment, objectives, strategies and activities, with a view to determining problem areas and opportunities and recommending a plan of action to improve the company’s marketing performance.” ……Kotler

A marketing audit has three basic characteristics:

7.1.1 **Comprehensive**

A marketing audit covers the company's marketing environment, objectives, strategies, organisation and systems. Underlying problems are difficult to overcome, unless one is able to identify the source. For this reason, the question base is kept as broad as possible.

7.1.2 **Systematic**

The usefulness of a marketing audit will normally increase to the extent that it follows an orderly sequence of diagnostic steps covering the organisation's marketing environment, internal marketing system and specific marketing activities. It provides the basis for a SWOT analysis (strengths, weaknesses, opportunities and threats).
7.1.3 Periodic

Typically, marketing audits are initiated only after sales have declined sharply, sales force morale has fallen, and other problems have occurred within the company. The irony is that companies are thrown into a crisis because they have failed to review their marketing operations during good times. A periodic marketing audit promises benefits for companies that are in good health, as well as companies that are in trouble. "No marketing operation is ever so good that it cannot be improved – even the best can be made better."

Components of the marketing audit

The marketing audit consists of a systematic question and answer approach, covering six basic areas:

a. The marketing environment audit analyses the macro and micro marketing environment. The macro environment consists of the economic, technological, political, legal, social and cultural aspects which affect the organisation. The micro environment examines the company’s markets, customers, competitors, distributors, dealers and suppliers.

b. The marketing strategy audit reviews the company’s marketing objectives and strategy to appraise how well these cater for current and forecasted conditions.

c. The marketing organisation audit examines the organisation’s structure and ability to execute the marketing task.

d. The marketing systems audit examines the company’s systems for analysis, planning and control in the marketing area.

e. The marketing productivity audit examines the profitability of various marketing areas and the cost effectiveness of different marketing expenditures.

f. The marketing function audit evaluates the products, price, distribution, sales-force, advertising, promotion and public relations elements.
The Marketing Audit procedure

Learners should systematically move through the audit asking themselves the various questions, as they apply to the case study. The marketing audit is very comprehensive and students will find that some questions do not apply. These can be ignored. However, it is important that each question is considered. A useful approach is to divide a page into four sections, namely, strengths, weaknesses, opportunities and threats.

These can then be listed as they become apparent. If students are thorough, they will compile a comprehensive SWOT analysis. This will serve as an excellent information base to develop a strategy.

In a real life marketing situation, the person involved will spend the bulk of his/her time gathering data. A detailed plan as to who is to be interviewed, the question to be asked, and the time and place of contact must be developed. This will keep time and cost to a minimum. The cardinal rule in data collection is not to rely on the company's executives for data and opinion. Customers, dealers, and other outside groups must be interviewed.

An example of a market audit follows. Learners should consider these questions in analysing the case. Remember, depending on the specific case study, there may not be information on all of the aspects covered by the questions/audit.

Part I: The Marketing Environment Audit

Macro environment

A. Economic-Demographic

1. What does the company expect in the way of inflation, material shortages, unemployment and credit availability in the short run, intermediate run, and long run?

2. What effect will forecasted trends in the size, age distribution and regional distribution of population have on the business?
B. Technology

1. What major changes are occurring in product technology? In process technology?

2. What are the major generic substitutes that might replace this product?

C. Political-Legal

1. What laws are being proposed that may affect marketing strategy and tactics?

2. What federal, state and local agency actions should be watched? What is happening in the areas of pollution control, equal employment opportunity, product safety, advertising, price control, etc., that is relevant to marketing planning?

D. Social-Cultural

1. What attitudes is the public taking toward products such as those produced by the company?

2. What changes are occurring in consumer life styles and values that have a bearing on the company's target markets and marketing methods?

Task Environment

A. Markets

1. What is happening to market size, growth, geographical distribution, and profits?

2. What are the major market segments? What are their expected rates of growth? Which are high opportunity and low opportunity segments?

B. Customers

1. How do current customers and prospects rate the company and its competitors, particularly with respect to reputation, product quality, service, sales force, and price?

2. How do different classes of customers make their buying decisions?

3. What are the evolving needs and satisfactions being sought by the buyers in this market?
C. Competitors

1. Who are the major competitors? What are the objectives and strategy of each major competitor? What are their strengths and weaknesses? What are the sizes and trends in market shares?

2. What trends can be foreseen in future competition and substitutes for this product?

D. Distribution and dealers

1. What are the main trade channels bringing products to customers?

2. What are the efficiency levels and growth potentials of the different trade channels?

E. Suppliers

1. What is the outlook for the availability of different key resources used in production?

2. What trends are occurring among suppliers in their pattern of selling?

F. Facilitators

1. What is the outlook for the cost and availability of transportation services?

2. What is the outlook for the cost and availability of warehousing facilities?

3. What is the outlook for the cost and availability of financial resources?

4. How effectively is the advertising agency performing? What trends are occurring in advertising agency services?
Part II : Marketing Strategy Audit

A. Marketing objectives

1. Are the corporate objectives clearly stated, and do they lead logically to the marketing objectives?

2. Are the marketing objectives stated in a clear form to guide marketing planning and subsequent performance measurement?

3. Are the marketing objectives appropriate, given the company’s competitive position, resources and opportunities? Is the appropriate strategic objective to build, hold, harvest, or terminate this business?

B. Strategy

1. What is the core marketing strategy for achieving the objectives? Is it a sound marketing strategy?

2. Are enough resources (or too many resources) budgeted to accomplish the marketing objectives?

3. What are the territories and products of the organisation?

4. Are the marketing resources allocated optimally to the major elements of the marketing mix, i.e., product quality, service, sales force, advertising, promotion, and distribution?
Part III: Marketing Organisation Audit

A. Formal structure

1. Is there a high-level marketing officer, with adequate authority and responsibility over those company activities that affect the customer’s satisfaction?

2. Are the marketing responsibilities optimally structured along functional, product, end user and territorial lines?

B. Functional efficiency

1. Are there good communication and working relations between marketing and sales?

2. Is the product-management system working effectively? Are the product managers able to plan profits or only sales volume?

3. Are there any groups in marketing that need more training, motivation, supervision or evaluation?

C. Interface efficiency

1. Are there any problems between marketing and manufacturing that need attention?

2. What about marketing and R & D?

3. What about marketing and financial management?

4. What about marketing and purchasing?
Part V : Marketing Productivity Audit

A. Profitability analysis

1. What is the profitability of the company’s different products, served markets, territories and channels of distribution?

2. Should the company enter, expand, contract, or withdraw from any business segments and what would be the short- and long-run profit consequences?

B. Cost-effectiveness analysis

1. Do any marketing activities seem to have excessive costs? Are these costs valid? Can cost-reducing steps be taken?
Part IV : Marketing Systems Audit

A. Marketing information system

1. Is the marketing intelligence system producing accurate, sufficient, and timely information about developments in the marketplace?

2. Is marketing research being adequately used by company decision-makers?

B. Marketing-planning system

1. Is the marketing-planning system well conceived and effective?

2. Is the sales forecasting and market-potential measurement soundly carried out?

3. Are sales quotas set on a proper basis?

C. Marketing control system

1. Are the control procedures (monthly, quarterly, etc.) adequate to insure that the annual-plan objectives are being achieved?

2. Is provision made to periodically analyse the profitability of different products, markets, territories and channels of distribution?

3. Is provision made to examine and validate periodically various marketing costs?

D. New-product development system

1. Is the company well organised to gather, generate and screen new product ideas?

2. Does the company do adequate concept research and business analysis before investing heavily in a new idea?

3. Does the company carry out adequate product and market-testing before launching a new product?
Part VI: Marketing Function Audits

A. Products

1. What are the product line objectives? Are these objectives sound? Is the current product line meeting these objectives?

2. Are there particular products that should be phased out?

3. Are there new products that are worth adding?

4. Are any products able to benefit from quality, feature or style improvements?

B. Price

1. What are the pricing objectives, policies, strategies, and procedures? To what extent are prices set on sound cost, demand and competitive criteria?

2. Do customers see the company’s prices as being in-line or out-of-line with the perceived value of its offer?

3. Does the company use price promotions effectively?

C. Distribution

1. What are the distribution objectives and strategies?

2. Is there adequate coverage and service?

3. Should the company consider changing its degree of reliance on distributors, sales representatives and direct selling?

D. Sales force

1. What are the organisation’s sales force objectives?

2. Is the sales force large enough to accomplish the company’s objectives?

3. Is the sales force organised along the proper principle(s) of specialisation (territory, market, product)?
4. Does the sales force show high morale, ability, and effort? Are the members of the sales team sufficiently trained and are there sufficient incentives?

5. Are the procedures adequate for setting quotas and evaluating performances?

6. How is the company’s sales force perceived in relation to competitors’ sales forces?

E. Advertising, sales promotion and publicity

1. What are the organisation’s advertising objectives? Are they sound?

2. Is the right amount being spent on advertising? How is the budget determined?

3. Are the advertising themes and copy effective? What do customers and the public think about the advertising?

4. Are the advertising media well chosen?

5. Is sales promotion used effectively?

6. Is there a well-conceived publicity program?

These questions are not intended to be exhaustive. Any questions asked and answered, that highlight capabilities, constraints, opportunities or threats, can be included.

The SWOT analysis

The audit is not in itself very useful. It is how the information that it reveals (answers to the questions) is arranged and used that is of value.

This is the SWOT Analysis:

SWOT is the acronym for the internal Strengths and Weaknesses of a company and the environmental Opportunities and Threats facing the company. SWOT
analysis is the systematic identification of these factors and of the strategy that represents the best match between them. It is based on the assumption that an effective strategy minimises a company’s weaknesses and threats on the one hand, and on the other hand, maximises the company’s strengths and opportunities. Seriously applied, this simple assumption has powerful implications for the design of a successful strategy.

7.2 Answer Question 2 in your assignment after reading the case study “Oil Exploration”.

8. THEME 3: Segmentation, target market, positioning and product life cycle

8.1 Theoretical considerations:

The foundation of any successful marketing strategy is based on effective segmentation of the market, clear identification and understanding of the chosen target market/s and an understanding of the stage of the product life cycle the product is in.

A critical aspect of a successful marketing strategy is the link between segmentation – selecting a target market/s and positioning (creating a perception) in the target market relative to the competitors. This is known as STP.

Before answering the questions below, you should refresh yourself on all theory relevant to STP.

8.2 Answer Question 3 in your assignment after reading the case study “Apple iPad”.
9. **Theme 4: Tools, frameworks and techniques**

9.1 **Theoretical considerations:**

In your various subjects and the theory covered therein you would have come across various tools, frameworks and techniques that marketers often make use of when planning their marketing strategy.

Some of the more commonly used tools are:

1. Porters 5 Forces Model – used to analyse the industry and attractiveness of the industry.
2. The BCG Matrix (also referred to as the product portfolio matrix) – used to evaluate a company’s portfolio of products and to develop strategies for its products
3. The Ansoff Matrix – used to formulate growth strategies
4. Positioning or Perceptual Maps used to develop positioning strategies for a company's product

Before answering the questions below, read up and refresh yourself on the theory and models described above.

Use the resources provided in this learner guide as well as any other resources you have that describe and explain how to use these tools.

9.2 **Answer Question 4 in your assignment after reading the case studies “Geely Cars” and “Pharma Dynamics”**.

10. **ADMINISTRATIVE PROCEDURES**

**Structural Considerations:**

Reports should contain the following:

- Assignment cover sheet supplied by the IMM GSM
- Table of Contents
- Main body of the assignment as outlined in the guidelines
- References
- Appendices (if applicable)
The assignment should be presented as a professional business report. The following structural guidelines must be applied:

- All pages must be computer generated and submitted on A4 paper.
- Arial 12 font, 1.5 spacing and right justification must be used
- All pages should be consecutively numbered and the report should contain a table of contents.
- All sections and subsections should be clearly marked with headings.
- All supporting material should be placed in an appendix. These appendices must be clearly labelled and the information in each appendix should be referenced within the body of the final report.
- A reference list should be included listing all information sources consulted.

10.1 Work Integrated learning Coordinator

Student enquiries must be directed to Rabia Carvalho, the Work Integrated Learning 3 coordinator. See below for contact details.

10.2 Assignment submission:

The student is required to complete the questions in the assignment. The WIL301 assignment are available on the IMM GSM website at www.immgsm.ac.za and click on Assessments. The assignment should be submitted online via the eLearn button.

Deadlines for submission: 12 May 2013 before 3:00 p.m.

Please contact the Work Integrated Learning coordinator if you have any questions:

Rabia Carvalho
031 312 2239
rabia@immgsm.ac.za

10.3 Mark allocation:

The assignment mark will count 100% of the final mark.