

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION 2010
FULL-TIME AND I.D.E.

TITLE OF PAPER : STRATEGIC MARKETING MANAGEMENT
COURSE : BA 522
DEGREE AND YEAR : BCOM 5
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE**

**NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION**

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION**

SECTION A (COMPULSORY)

READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW

MICROSOFT PLOTS CELLPHONE COMEBACK

Software giant Microsoft has been losing ground with its Windows Mobile operating system for cellphones and other portable devices. Whereas the market offered little competition in the past, it's now littered with companies looking to corner the lucrative smartphone segment, including Apple, BlackBerry and a variety of manufacturers implementing Android - the "Google phone" operating system.

Microsoft is pinning its comeback in this sector on the next incarnation of its mobile operating system: Windows Mobile 6.5. However, analysts aren't sure Windows Mobile stands much of a chance in the market. If Microsoft plans to stay in the game it will need something special from Windows Mobile.

Nick Jones, vice-president of IT research at consulting company Gartner, says the next version of the system - Windows Mobile 7 - will be a crucial release for Microsoft in its war against new competitors. And Microsoft is already hard at work on this next version now that its 6.5 is ready to roll. It's also penned agreements with a number of international partners listed on the Microsoft website, including Vodafone, AT&T, HTC, Samsung and a number of others it says are "committed to updating or expanding their portfolios to include phones with Windows Mobile 6.5". Last week Microsoft unveiled a new brand for its mobile solutions, called "Windows phone", which brings together a variety of services, including an application store to tackle similar offerings from its rivals, and a product called My Phone that helps to keep Windows Mobile devices synchronised and offers other new services, such as the ability to track phones down. Microsoft also announced a new generation of phones from leading manufacturers and mobile operators.

But Microsoft faces the same challenge with Windows Mobile that Android does: it needs to be able to run on a wide variety of devices from different vendors. Making it do so and remain stable and usable is a major challenge. But the difference with Android is that it's open source - allowing cellphone manufacturers to tailor it to their

devices - while the development of Windows Mobile is wholly controlled by Microsoft.

That's also not something Apple and Research in Motion (the company behind BlackBerry) have to worry about, as their operating systems will only run on their own phones: all platforms are controlled by the same company.

Microsoft claims its Windows Mobile 6.5 offers new ways to connect with friends, family and colleagues while on the move and is focused on being the best mobile platform for both work and play, integrating neatly with Windows on other computing devices. However, only time will tell if it has what it takes to fight off the likes of iPhone.

Source: Dingle Simon. Finweek. 15 October 2009, page 14.

QUESTION 1

- a) What challenges are being faced by the software giant Microsoft in the cellphone industry? **(10 MARKS)**
- b) Making a reference to Michael Porter's five competitive forces, explain why is there intense competition in the cellphone industry? **(15 MARKS)**
- c) Identify the attack strategy Microsoft should engage as a market challenger. **(15 MARKS)**

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

- a) One of the strategic concerns at the corporate level is to increase synergy across the company's various businesses and product – markets. Identify potential sources of synergy in the organization. (8 MARKS)
- b) Discuss with examples the different ways a company can grow using Market Penetration Strategies. (12 MARKS)

QUESTION 3

- a) Differentiate market positioning from product differentiation. (5 MARKS)
- b) Explain with examples, the different strategies companies can use to target their markets. (15 MARKS)

QUESTION 4

The use of the internet has enabled many companies to gain a competitive advantage in their respective industries. Using Michael Porter's Industry Structure Analysis, discuss how the internet has reshaped the competitive environment. (20 MARKS)

QUESTION 5

Discuss the Marketing Strategies and the possible marketing actions companies can pursue in declining markets (20 MARKS)