

UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION 2020

TITLE OF PAPER: STRATEGIC INFORMATION SYSTEMS
PROGRAM: BCOM 4 (FULL TIME)
COURSE CODE: BUS412
TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)
2. THE CASE STUDY SECTION (A) IS COMPULSORY AND CARRIES 50 MARKS
3. ANSWER ANY TWO QUESTIONS FROM SECTION B WHICH CARRIES 50 MARKS IN TOTAL

NOTE:

MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK.

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A: CASE STUDY

COMPULSORY

The Emerging Role of IT in the Marketing Strategy of Coca-Cola

Coca-Cola has been a leader in the non-alcoholic beverage industry and has dominated that market in the past century. But due to globalisation, the beverage market has become more volatile, where fickle customers constantly switch drinks. The global beverage market is also getting fragmented at a faster pace with new products being introduced by the emerging companies. These companies are creating niche products and are chipping away Coke's market share. To preserve its leadership position, Coke needs to constantly innovate and introduce new products at a faster rate than its competitors. It has to understand the emerging taste and adapt to that on a global scale. Most importantly, it has to do this without tarnishing its brand.

Obliviously, Coke is planning on using existing IT to collaborate – among employees, with bottlers, with customers- and considers it as vital to remaking its *business to chase fragmented and fast-moving global markets*. IT initiatives will play a make-or-break role according to Information Week article "Coke Exploits Collaboration Technology to Keep brand Relevant".

The article talks about Coke's plans to tackle the collaboration strategy with a three pronged approach.

- For internal collaboration, Coke has implemented what it calls its Common Innovative Framework, a system that combines project management and business intelligence (BI) capabilities to give operating units in 50 countries to search for and reapply concepts used in developing and marketing beverages produced by Coke. The Common Innovation Framework provides a global view into the product pipeline, which lets, for example, one business unit mine for product ideas by searching beverage or brand concepts that worked well in other countries. The Innovation framework also helps Coke recognize duplicate product ideas and helps the company to combine efforts.
- As for working with its extended family of bottlers, Coke is using SAP's ERP software, delivered via Coke's IBM hosted data centres to standardise business platforms and streamline its supply chain. Improved communication and collaboration between Coke and its bottlers will enable Coke to smooth peaks and valleys in its demand forecasting. The rising costs of raw materials only make that collaboration more important.
- Coke's trying to cozy up to the kids through its www.mycokerewards.com website, which has 40 offshoot sites worldwide geared towards specific interests. The result is a social network built around Coke's loyalty program that pulls people by tapping their tastes in sports, music and entertainment.

Coca-Cola's investment in collaboration IT software will help it in achieving two aspects of its marketing strategy.

Market Dominance Strategy: With the first and third approach, Coke will be able to continue its Market Dominance Strategy. These approaches will enable and strengthen Coke's

position as a leader in non-alcoholic products. By keeping track on its effort to bring out new innovative products, Coke can streamline innovation and keep its competitors at bay. Collaboration with customers will also enable it to exploit creative skills of its 'prosumers' who are willing to provide ideas for its product innovation. It can deepen the relations with its ever growing global consumers and enable Coke to continue to strengthen its brand.

Defensive Strategy: With the second approach mentioned above Coke will be able to create a good defensive strategy. Streamlining supply chain should allow Coke to continue to invest and strengthen its wide global distribution network, thus increasing its market penetration. That should enable Coke to protect its turf before any potential competitive threats.

One thing to watch for is that Coke's product proliferation (including multiple SKUs to target every fragmentation in market segment share) may undercut the 'Coca-Cola' brand's halo effect. Collaboration technology or Enterprise Application may not be able to solve that problem.

Source: <http://itstrategyblog.com/emerging-role-of-it-in-the-marketing-strategy-of-coca-cola/>

SECTION A:

QUESTIONS

- a. What would be your assessment of the likelihood of success of this strategy? (20)
- b. Comment on the statement "Collaboration technology or Enterprise Application may not be able to solve the problem of product proliferation" in line with the ability of IT to improve competitive advantage. (10)
- c. Why is an understanding of the value chain important in this case? (20)

SECTION B

Answer any two questions from this section.

Question 1

Discuss five themes of information technology governance. (25)

Question 2

Discuss six categories of information that can be included in a "request for proposal" (RFP), explaining clearly the importance of each. (25)

Question 3

As an Information Technology Manager, you are invited by the Board of Directors to defend an IT project that costs E1.3M. How can you defend this project? (25)

Question 4

Discuss adaptive methodologies and explain their importance in minimising the risk associated with project execution. (25)