

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

TITLE OF PAPER : APPLIED MARKETING

COURSE : BUS424

DEGREE AND YEAR : BCOM4

TIME ALLOWED : TWO (2) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (2) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

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

WHATEVER HAPPENED TO NOKIA? THE RISE AND DECLINE OF A GIANT

There was a time where Nokia phones were the dominant force in the world of mobile communication. Today, however, these devices make up only a small fraction of the total numbers sold. Still standing as one of the biggest influences on mobile tech, we want to take a brief look at what made Nokia great, and what led to their eventual decline.

Founded in 1865 in Tampere, Nokia has seen substantial shifts in its output over the years. Originally operating a pulp mill, the now technologically-focussed business then moved into electrical generation, and then rubber production. Their more focussed and production-heavy inventions started with respirators in the 1930s, which were still developed into the 1990s. It was their development of radios, however, which would go on to have the most pronounced influence on their early direction.

Having gained a foothold in tech, Nokia then went on to develop computers, and then mobile phones. It was following their acquisition of mobile telephone company Mobira in 1981 that this development started in earnest. Their first effort was a mobile car phone in 1982, followed by a fully portable phone range called the Mobira Cityman in 1987. While other aspects of the company still performed well, it was mobile phones which quickly became the primary focus. As this market grew in the late '90s, Nokia was primed to take advantage.

When mobiles became cheap and reliable, the mass market needed a device that could best fit everyone's needs. For many users, this device would be the Nokia 3310, also affectionately known as the 'brick'. Famed for their reliability and indestructibility, these were the first mobiles which many users owned. This would generate considerable attention and goodwill, leading to Nokia dominating through the early 2000s. At their highest point in the fourth quarter of 2007, Nokia enjoyed a 50.9% share of the total smartphone market. This, however, would soon decline.

As smartphones became ubiquitous, interlopers made their way into Nokia's space. Developers such as Apple and Samsung had learned from Nokia's success, and put their own twist on these devices to move them ahead. A significant part of this came from the adoption of better operating systems. Android and iOS were far more flexible than Nokia's Symbian OS, making them a better fit for the age of mobile internet.

New mobile games like Tomb Rider Legend and online gaming websites such as new online casinos played a huge part in this, offering users experiences which digitalised the benefits of desktop or classic access. Many of these sites required new kind of mobile devices and operating systems. The same can be said for streaming services, which have seen similar continuous growth over the last decade.

When Nokia refused to evolve they lost their lead, and this downward trend would continue for years. Facing bankruptcy, Nokia did eventually relent and adopt better operating systems for their phones but, by this point, the market had left them behind. They still produce pieces of hardware, but their former fame in the mobile phone sphere appears to be firmly a thing of the past. Nokia has since focused on networks and other products, including the upcoming 5G wireless networks. Nokia also owns hundreds of patents which are bringing a constant stream of revenue to the company. New Nokia phones are being produced under licence by HDM Global since May 2016 and made by Foxconn.

<https://www.helsinkitimes.fi/business/16809-whatever-happened-to-nokia-the-rise-and-decline-of-a-giant.html>

QUESTION 1

- a) Based on the facts of the case, what were the reasons behind the fall of NOKIA.
(25 MARKS)
- b) Discuss the lessons other organisations can learn from NOKIA's mistakes.
(25 MARKS)

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

The Bankers Association of Eswatini is concerned about the increasing competition in the financial services sector emanating from many different fronts. They have engaged you as a marketing consultant to assist in identifying sources of competition within and around the industry. Using Porter's Five Forces Framework, analyse the competitive environment for the banking industry in Eswatini. (25 MARKS)

QUESTION 3

Good customer service results in loyal customers who make up the core of a firm's customer base. Failure to adhere to it could be the difference between success and failure for any organization. Deliberate with examples, the important factors in customer service that all organisations must observe to ensure enduring customer loyalty. (25 MARKS)

QUESTION 4

There are many barriers that stand in the way of successful implementation of marketing strategy, some evident and some not. Using an organisation of your choice, discuss barriers emanating from the firm's internal environment that may hinder successful implementation of marketing strategy. (25 MARKS)

QUESTIONS 5

The positioning decision is a strategic one, with implications not only for how the organisation's goods or services should be designed, but also for developing the other elements of the marketing mix. Deliberate using examples. (25 MARKS)

UNIVERSITY OF ESWATINI

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER

AUGUST, 2020

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TITLE OF PAPER : ELECTRONIC COMMERCE
COURSE : BUS426
TIME ALLOWED : THREE (3) HOURS
INSTRUCITONS

1. THE NUMBER OF QUESTIONS IN THIS PAPER = SIX (6)
2. SECTION A IS COMPULSORY
3. ANSWRE ANY THREE (3) QUESTIONS IN SECTION B
4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED ALONGSIDE EACH QUESTION.

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH, AS WELL AS FOR ORDERLY AND NEAT PRESENTATION OF WORK. FURTHER MARKS WILL BE AWARDED FOR USE OF RELEVANT EXAMPLE.

SPECIAL REQUIREMENTS: NONE

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CASE STUDY

SECTION A

C2 Montana Mountain Biking

Jerry Singleton founded Montana Mountain Biking (MMB) 16 years ago. MMB offers one-week guided mountain biking expeditions based in four Montana locations. Most of MMB's new customers hear about the company and its tours from existing customers. Many of MMB's customers come back every year for a mountain biking expedition; about 80 percent of the riders on any given expedition are repeat customers.

Jerry is happy with this repeat percentage, but is worried that MMB is missing a large potential market. He has been reluctant to spend a lot of money on advertising. About 10 years ago, he spent \$80,000 on a print advertising campaign that included ads in several outdoor interest and sports magazines, but the ads did not generate enough additional customers to cover the cost of the advertising. Five years ago, a marketing consultant advised Jerry that the advertisements had not been placed well. The magazines did not reach the serious mountain bike enthusiast, which is MMB's true target market. After all, a casual mountain bike rider would probably not be drawn to a week-long expedition.

Another concern of Jerry's is that more than 90 percent of MMB's customers come from neighbouring states. Jerry has always thought that MMB was not reaching the sizable market of serious mountain bike enthusiast in California. He talked to the marketing consultant about buying an address list and sending out a promotional mailing, but producing and mailing the letters seemed too expensive. The cost of renting the list was \$0.10 per name, but the printing and mailing were \$4 per letter. There were 60,000 addresses on the list, and the consultant told him to expect a conversion rate of between 1 percent and 3 percent. At best, the mailing would yield 1800 new customers and MMB's profit on the one-week expedition was only about \$100 per customer. It looked like the conversion cost would be about \$246,000 ($60,000 \times \4.10) to obtain a profit of \$180,000 ($1800 \times \100). The consultant explained that it was an investment; because MMB had such a high customer retention rate, the profit from the new customers in the second or third years would exceed the one-time cost of the mailing in the first year. Jerry was not convinced.

Six year ago, MMB launched its first Web site. It included information about the company and its tours, but Jerry did not see any need to include an expedition-booking function on the site. He did think about selling caps and jackets with the MMB logo, but that idea never was implemented. The MMB logo is well known in the mountain biking community in the upper Midwest.

The MMB Web site includes an e-mail address so that visitors to the site can send an e-mail requesting more information about the expeditions. Robin Davis, one of MMB's expeditions leaders is an amateur photographer who has taken many photos while on the trails over the years. Last year, she had those photos digitized and put them on the MMB Web site. The number of e-mail inquiries increased dramatically within a month. Many of the inquiries

were about MMB's expeditions, but a surprising number asked for permission to use the photos, or asked if MMB had more photos like those for sale. Jerry is not quite sure what to make of the popularity of those photos. He is, after all, in the mountain bike expedition business.

Question

1. Prepare a report in which you classify MMB's customers based on the five stages of customer loyalty. Support your classification with logic and evidence from the case narrative. 20 marks

2. Explain how MMB could use viral marketing to gain new customers and cement its relationships with existing customers. In our answer, be sure to discuss features that MMB should include on its Web site to support the viral marketing initiative. 20 marks

SECTION B

ANSWER ANY 3 QUESTIONS

Question 1

Explain the importance of electronic product code (EPC) in RFID

20 marks

Question 2

Describe the three types of payment cards

20 marks

Question 3

How has the Corona virus affected ecommerce in the sugar industry?

20 marks

Question 4

Discuss how writing an e-business plan differs from writing a traditional business plan

20 marks

Question 5

Discuss the ecommerce server security threats

20 marks