FACULTY OF MANAGEMENT

DECEMBER 2014 SUPPLEMENTARY EXAMINATION

DEPARTMENT OF APPLIED INFORMATION SYSTEMS

MODULE	:	BUSINESS ANALYSIS II A
CODE	:	BAY22B2/BAY02B1
DATE	:	DECEMBER 2014
DURATION	:	3 HOURS
TOTAL MARKS	:	100
EXAMINER	:	Mr N Joseph
EXTERNAL MODERATOR(S)	:	Ms D Mochongoane
QUESTIONS	:	5
NUMBER OF PAGES	:	4

INSTRUCTIONS TO CANDIDATES:

- Read the questions carefully and Answer **all** questions from **Section A (Case study questions).**
- Answer **all** questions from **Section B (General questions)**.
- Question papers must be handed in.
- This is an open book assessment.
- Answer to the best of your ability.
- Answer your questions in the University exam booklet provided.
- Write clearly and legibly.
- Number your answers clearly.
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this exam.

Please read the case study **carefully** and answer **all** the questions below the case study.

Research in Motion (BlackBerry)

Research in Motion is a leading manufacturer of wireless devices. The Canadian company's breakthrough product was and continues to be the BlackBerry. However, the business faces a number of strategic challenges. Research in Motion has seen its stock performance stagnate while rivals such as Apple and Google have performed strongly and started to erode its market dominance.

The challenge.
A number of strategic shifts in the smartphone market have affected the company adversely.

First, Apple has fundamentally changed the sector with the launch of the iPhone. The device has established a dominant position, especially in the consumer segment, and is now making inroads in the corporate market that has traditionally been BlackBerry's dominant space. More recently, Apple has entered the tablet PC market with the iPad.

Second, the sharp growth in take-up of smartphones using Google's Android operating system is also eating into BlackBerry's market share.

These two challenges have had a double-whammy negative impact on Research in Motion as both volume growth and margins have eroded with increased competition.

How is RESEARCH IN MOTION responding.
While some investors and analysts have called for a dramatic change in Research in Motion's operations, others fear that the company will dilute its core competence by trying to compete with the iPhone and the Android platform.

Instead, Research in Motion has taken a multipronged strategic approach. First, the company has strengthened its presence in the enterprise market by introducing a number of new BlackBerry models, many of which have improved touchscreens to make the user experience more akin to competitor devices. It has also trumpeted the data security of BlackBerrys, which offer heavily encrypted communications services. Second, the company has made strides in getting its "App Store" off the ground. While it still lags behind the iPhone and Android app stores, it has reached a critical mass with more than 15,000 apps, which at least gives it a presence.

Finally, RESEARCH IN MOTION is entering the tablet market with the expected launch of the PlayBook in early 2011.

Key lessons.
First, the danger for any company with a blockbuster product is a sense of invulnerability. The BlackBerry has been a gold mine, given its dominance of the enterprise market for wireless technology. However, as the success of the iPhone and Android platforms have proved, this is not enough in the long term.

Second, companies must not just stick to their knitting – especially when everyone else learns how to knit. This is especially true in the technology industry, where the parameters of business change quickly and disrupters are constantly challenging established players.

RESEARCH IN MOTION must learn to make its products not only effective and powerful but appealing as well. For a long time, RESEARCH IN MOTION relied on the assumption that companies would require employees to use the BlackBerry platform, an assumption that has weakened over time.

Third, companies need to consider all potential competitors. Both RESEARCH IN MOTION and Apple are guilty of focusing too much on each other, and being slow to recognise the growing threat from the Android platform.

RESEARCH IN MOTION will have to compete both with the style and finish of the iPhone, as well as the open-source driven flexibility and lower cost of Android.

The verdict.
RESEARCH IN MOTION's multi-pronged approach should help it prevent further declines in market share and consolidate its position.

In recent years, avid BlackBerry users were tempted by the iPhone. Now, the BlackBerry line has all the multimedia functionality of the competitors, along with its core strength of security.

The company's recent marketing strategy showcasing the multimedia and social networking functionality of devices also suggests that RESEARCH IN MOTION is serious about expanding its consumer market share.

Finally, RESEARCH IN MOTION is making a serious attempt to enter the tablet market. While it is unlikely that the PlayBook will overtake the iPad in terms of volume sales, it could be the Apple's most credible challenger as it is aimed at RESEARCH IN MOTION's core business users.

SECTION A   [CASE STUDY QUESTIONS]   [75 Marks]

QUESTION 1   [10*3=30]

RIM was a power player within the telecommunications industry. This space is incredibly competitive. Perform an industry analysis for RIM by analysing the three key environments.

QUESTION 2   [25]

There are many stakeholders involved or affected by RIM and it is therefore important that these stakeholders are identified and taken into account. Use a table to perform a stakeholder analysis for RIM.

QUESTION 3   [20]

Competitive positioning is essential when trying to attain competitive advantage. Draw and discuss the BCG matrix for RIM.

SECTION B   **[GENERAL QUESTIONS]**   **[25 Marks]**

QUESTION 4 [15]

Draw and discuss the concept of corporate reputation management.

QUESTION 5 [10]

Discuss five strategic relationships by giving examples.

TOTAL MARKS: [100]

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