



EXAMINATION JUNE 2018

DEPARTMENT OF BUSINESS MANAGEMENT

MODULE : **COMPETITIVE INTELLIGENCE**
CODE : **BMK9X03**
DATE : **JUNE 2018 EXAMINATION EQUIVALENT**
SUBMISSION TIME : **23:55**
TOTAL MARKS : **100**

EXAMINER(S) : **Mr CJP Niemand**
(EXTERNAL) MODERATOR: **Dr M-L Kühn**
NUMBER OF PAGES : **FOUR PAGES**

THIS IS A FINAL ASSESMENT OPPORTUNITY AND THE REQUIRED DOCUMENTATION MUST BE SUBMITTED BACK INTO BLACKBOARD NO LATER THAN 23:55 ON THE DUE DATE.

INSTRUCTIONS TO CANDIDATES:

- Read the following case study, all questions are based on the case study.
- All documents must be typed in MS Word using Arial 12pt, 2cm margins and 1.5 line spacing.
- Please answer all the questions.
- This is an open book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Structure your answers by using appropriate headings and sub-headings.
- All final exam documents will be submitted to the plagiarism software Turn-It-In.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

Competitive Intelligence assessment

Case Study – Spotify enters South African market

N Dladla

Moneyweb

13 March 2018

Global music streaming provider Spotify is set to launch its services in South Africa on Tuesday, marking its entry into Africa, where there is a rapid uptake of smartphones and improving telecommunications infrastructure.

The Swedish company, launched in 2008 and available in more than 60 countries, is the biggest music streaming company in the world and counts services from Apple, Amazon.com and Alphabet's Google Play as its main rivals.

The South Africa launch comes as Spotify prepares for a direct listing of its shares on the New York Stock Exchange, which will allow investors and employees to sell shares without the company raising new capital or hiring Wall Street banks to underwrite the issue.

"We believe South Africa is a wonderful country to start in," Spotify managing director in Middle East and Africa Claudius Boller told Reuters on the sidelines of the launch.

"We looked at the technology landscape, we looked at the maturity and actually South Africa is seen globally as a very important music market."

Spotify also has aspirations to branch out into the rest of Africa, Boller said, without committing to timelines or geographies.

An increase in connectivity across South Africa, helped by higher investment in infrastructure, as well as a growing uptake in credit cards and bank accounts has drawn global video and music streaming providers.

Its music streaming market is dominated by players such as Apple Music, Google Play, France's Deezer and Simfy Africa, with only a few local operators such as mobile phone operator's MTN and Cell C with MTN Music+ and Black.

Internet and entertainment firm Naspers also recently launched music streaming platform Joox, from China's Tencent, in which it holds a 33 percent stake.

In its filing to list its shares, Spotify said its operating loss widened to 378 million euros (\$465.32 million) in 2017 from 349 million euros

Considering the aspirations of Spotify to branch out in Africa, answer the following questions:

Question 1:

Predict, based on your CI experience, what business decisions or actions Spotify faces, (when branching into Africa), in the next 6 months where CI could make a difference? (List 5 decisions/actions). [Length of answer – not more than 1,5 pages]

[10]

Question 2:

The article indicates the presence of five (5) competitors in the market. Identify and compare three (3) players in this market by utilising the principles of Competitor Analysis. The following subsections should be summarised in your answer:

- Background information
- Products and services
- Marketing activities
- CI Capacity
- Strategy

[Length of answer – 2 to 3 pages]

[20]

Question 3:

Applying what you have learned from the Competitor Analysis in Question 2, formulate five specific questions (Key Intelligence Topics) that you want to understand or investigate about each of the listed competitors.

[Length of answer – 2 to 3 pages]

[20]

Question 4:

Compare five sources of competitive information that you believe you need to consult to address the issues listed in Question 3. The comparison of the sources should include:

- The potential insight/s that will be gained from the source.
- Ease of access.
- Usefulness of the source and reasons why you perceive it to be useful.

[Length of answer – 1 to 2 pages]

[15]

Question 5:

Analyse and justify two analysis tools that you will use to analyse competitive information sourced for the issues/questions listed in Question 3. Your answer should include a detailed discussion of the FAROUT system.

[Length of answer – 3 to 4 pages]

[35]

[100]

---o0o---