



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Consumer Intelligence and Information Systems
DEPARTMENT	Marketing
CAMPUS(ES)	APB
MODULE NAME	Marketing 4A
MODULE CODE	BBH44A4
SEMESTER	First
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Supplementary Summative Assessment Opportunity July 2019

ASSESSMENT DATE	July 2019	SESSION	08:00 – 11:00
ASSESSOR(S)	Dr T Mofokeng		
MODERATOR(S)	Dr B Stiehler-Mulder, Dr C Synodinos		
DURATION	3 hours (180 min)	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	4
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QUESTION PAPER

INFORMATION/INSTRUCTIONS:

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- This is a closed-book assessment.
 - Read the case study
 - There are 7 questions. Read the questions carefully and answer only what is required.
 - Number your answers clearly and correctly as per the question paper.
 - Use headings and subheading - no marks allocated headings or subheading.
 - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
 - Question paper must be handed in at the end of the assessment.
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CASE: Google's Strategy in 2012: John E. Gamble: University of South Alabama

Google was the leading Internet search firm in 2012, with a nearly 67 percent market share in search from home and work computers and a 95 percent share in searches performed from mobile devices. Google's business model allowed advertisers to bid on search terms that would describe their products or service on a cost-per-impression (CPI) or cost per-click (CPC) basis. Google's search based ads were displayed near Google's search results and generated advertising revenues of more than \$ 36.5 billion in 2011. The company also generated revenues of about \$1.4 billion in 2010 from licencing fees charged that wished to install Google's search appliances on company intranets and from a variety of new ventures. New ventures were becoming a growing priority with Google management since the company dominated the market for search based ads and sought additional opportunities to sustain its extraordinary growth in revenues, earnings, and net cash provided by operators.

In 2012, Google was pursuing a cloud computing initiative that was intended to charge the market for commonly used business productivity applications such as word processing, spreadsheets, and presentation software from the desktop to the Internet. Information technology analysts believed that the market for such applications – collectively called cloud computing- could grow to \$95 billion in 2013. Google had also entered into alliance with Intel, Sony, DISH Network, Logitech, and other firms to develop the technology and products required to launch Google TV. Google TV was launched in the U.S. in 2011 and would allow users to search live network and cable programming; streaming videos from providers such as Netflix, Amazon Video On Demand, and YouTube; and recorded programs on a DVR. The company also launched its Google+ social networking site in 2011 to capture additional advertising opportunities. However, Google Plus is be discontinued by end of April 2019 as it was a bit of a failure in the market.

Perhaps the company's most ambitious strategic initiative in 2012 was its acquisition of Motorola Mobility for \$12.5 billion, which put it in the hardware segment of the smartphone and tablet computer industries. Analysts following the transition saw the move to acquire Motorola Mobility as a direct attempt to mimic Apple's strategy used for the iPhone and iPad that tightly integrated hardware and software for its most profitable and fastest growth products. Google had launched its Android operating system for mobile phones in 2008 and allowed wireless phone manufactures such as LG, HTC, and Nokia to produce Internet-enabled phones boasting features similar to those available on Apple's iPhone. By 2012, Android was the leading smartphone platform with a 50.9 percent market share.

While Google growth initiative seemed to take the company into new industries and thrust it into competition with companies ranging from Facebook to Microsoft to Apple, its CEO Eric Schmidt, saw the new venture as natural extension of the company's mission to "organise the world's information and make it universally accessible and useful". In April 2012, he explained the company's wide ranging strategic initiatives by commenting "In some ways we have run the company to let 1,000 flowers bloom, but once they do bloom you want to put together a coherent bouquet".

Source: Thompson, A, Peteraf, M; Gamble, J and A.J Stickland III. Copyright 2012. Crafting & Executing Strategy: The Quest for Competitive Advantage: Concepts and Cases. 19th ed. McGraw Hill.

ANSWER ALL THE FOLLOWING QUESTIONS

QUESTION 1

[8 MARKS]

1.1 Describe the **five (5)** Ps of strategy (5 marks). [5]

1.2 Marketing management of Google must be aware of the technological changes and be involved in various ways. Describe **three (3)** of those ways (3 marks). [3]

QUESTION 2

[17 MARKS]

2.1 Discuss the **six (6)** different proactive and reactive response strategies that organisation can follow in reaction to changes in the environment (6 marks). Provide an example for each response strategy for Google's responses to changes in the environment (6 marks). [12]

2.2 Discuss the **five (5)** online competitor analysis tools that can assist the organisation in obtaining more insights into the businesses of the competitors (5 marks). [5]

QUESTION 3

[26 MARKS]

3.1 Describe the **five (5)** step-approach of how to use the resource-based analysis (5 marks). Provide an example at each of the steps of the Google resource-based analysis (5 marks). [10]

3.2 Describe the **eight (8)** various external and internal sources of sustainable competitive advantage (8 marks). Provide example of each source of sustainable competitive advantage for a company such as Google (8 marks). [16]

QUESTION 4

[17 Marks]

4.1 Describe the **seven (7)** advantages of being a pioneer (7 marks). [7]

4.2 Discuss the **five (5)** strategies a challenger may opt for when attacking the market leader (5 marks). Provide relevant examples of strategies that followers of Google can opt for in their attacks (5 marks). [10]

QUESTION 5

[9 Marks]

5.1 Explain the differences between vertical differentiation and horizontal differentiation (2 marks). Provide example of each type of differentiation that Google can use (2 marks). [4]

5.2 Discuss the **three (3)** aspects of general approach to differentiation (3 marks). [3]

5.3 Explain the **two (2)** distinct directions that an organisation can take in order to earn profit using a low-cost strategy (2 marks). [2]

QUESTION 6

[15 Marks]

6.1 Using the **seven (7)** market entry strategies available to exporters, describe how Google can employ each entry strategies in the global market (7 marks). Application only. [7]

6.2 Describe the **four (4)** component criteria used for strategy evaluation (4 marks). Provide example of each component criteria in the evaluation of Google's strategy (4 marks) [8]

QUESTION 7

[8 Marks]

7.1 Explain the **eight (8)** reasons for significance and benefits of strategy evaluation and control (8 marks). [8]

END

Total = 100 marks