

SECTION A (This question is compulsory)

Read the case study below and answer the following questions

Nokia Corporation was founded in 1865 in Finland. The company was formally known as Nordic Mobile Telephone (NMT). The company name was changed to Nokia in 1871. They built the first international mobile phone in 1981 and this marked the beginning of the mobile era.

The Rise of Nokia, Connecting People

- Nokia phone was used in 1991 for making the first GSM call.
- In 1992, they launched Nokia 1101, the first GSM handset which became an instant hit.
- In 1988, Nokia became the world leader in mobile phones.

Marketing Strategy

- Nokia's Marketing share grew to 74% in March 2006 from 61.5% in October 2005.
- In the colour phone category, market share jumped to 59.3% from 40.9%.

The fall of Nokia

Nokia used to own a large portion of market of smartphone before the iPhone came out in market in 2007. Their refusal to change and learn new things lost their survival and this ultimately led to their demise. It used to be the leader in its market whereas Samsung was nowhere to be seen. But, Samsung made the move at the right time and gained the success.

What Went Wrong?

The pioneer brand failed to respond to the completely changed smartphones with full touchscreen and application based operating system. The years passed and they did not keep up with the expectation of people and the consumers shifted. They remained their focus on the Symbian series. Until 2011, company did not make the leap of faith onto the Windows phone and due to their slow response they suffered such demise.

Nokia got acquired by Microsoft in 2013.

And as we conclude, we look forward to the statement made by Stephen Elop, Nokia's CEO in his speech when Nokia got acquired by Microsoft that "we didn't do anything wrong, but somehow, we lost". And, as far as the parameters on which success is measured, he was right

somewhere that they didn't do anything wrong, it's just that they were unable to adapt the change at the right time and so, lost. The unwillingness to embrace the needed marketing change when required was probably the main cause that turned these brands down. One needs to think and act holistically for growing the brand with time otherwise, if you do not change, you will definitely get removed from the competition.

[Source: <http://dsim.in/blog/2017/01/06/case-study-big-brand-failures-lessons-learn/>].

Question 1

1 (a) Nokia seemed to have suffered from biases that inhibit firms from innovating new business areas. Evaluate these biases and/ or curses that led to Nokia's demise. **(10 Marks)**

(b) Discuss how Nokia could have instituted best practices and continuous improvement by revitalising its stagnant and declining market. **(15 Marks)**

(c) From the case above, it is suggested Nokia had a dysfunctional management/ leadership style. Explain the typical characteristics of leadership in strategy execution and articulate with evidence, the lack of strategic leadership at Nokia. **(15 Marks)**

15/7 pm

SECTION B Answer any 3 questions. Each question carries 20 marks

Question 2

- a) Using specific examples, discuss the challenges that are faced by Zimbabwean companies employing Porter (1980)'s differentiation strategy to outperform competition. (12 marks)
- b) Under what conditions would a differentiation strategy work best? (8 marks)

Question 3

“Sustainable competitive advantage needs to be both meaningful and sustainable, while substantial enough to make a difference” (Aaker, 2008). Using an organisation of your choice, analyse the implications of the above statement in light of the current Zimbabwean environment. (20 Marks)

Question 3

Explain with examples how an understanding of the consumer's learning process might affect marketing strategy planning. (20 Marks)

Question 4

Discuss the importance of target marketing when analyzing organizational markets. How easy is it to isolate homogeneous market segments in these markets? (20 Marks)