

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

MASTER OF SCIENCE IN MARKETING

STRATEGIC MARKETING – CBU 5101

SUPPLEMENTARY EXAMINATION – MARCH 2013

TIME ALLOWED: 3 HOURS 15 MINUTES

INSTRUCTIONS TO CANDIDATES

Answer question **one** and any other **three** questions from section B.

INFORMATION TO CANDIDATES

- (i) Section A carries **40** marks.
- (ii) Questions may be answered in any order.
- (iii) Credit will be given for the use of appropriate examples.
- (iv) This paper contains **seven** questions.

SECTION A

Question 1

The Lexmark

The Lexmark is a leading printing and imaging solution provider. Lexmark sells its products to customers in over 150 countries around the world. Lexmark caters to both business and consumer segments through products which are specially designed for both the home and the office. Lexmark sells dot matrix, Inkjet and Laser printers and other related printer supplies such as ink cartridges and toners. Lexmark is the third largest manufacturer of inkjet printers and fifth largest manufacturer of laser printers in the world. In the recent years, there has been a significant growth in the laser printer market. Lexmark has comparatively low presence in the Laser printing market.

Lexmark's product portfolio consists of single function printers, photo printers and all-in-one printers. Though Lexmark's portfolio is not as comprehensive as HP, its printers have attractive features and are priced lower than that of the competitors. Through research and development (R&D), Lexmark continuously develops new printer technologies and improves existing technologies. R&D focuses on continuously increasing product performance; ease of use and at the same time lowering the production cost. Lexmark has seven R&D centres around the world and holds over 4000 patents in countries all over the world. Lexmark's R&D efforts are aimed at developing Laser printer technologies, wireless printers and multifunction printers. In the recent years, the revenue and the operating income of Lexmark has significantly decreased whereas that of the competitors such as HP and Canon has increased. The printer market is very competitive. Lexmark competes with large competitors such as HP, Canon and Epson who together with Lexmark cater to 80% of the global printer market. Further, convergence in copier and printer technologies has brought in a number of new players into the printer market. This includes companies such as Xerox and Ricoh who were previously copier companies. Around 80% of Lexmark's revenue is from mature markets such as US and EU. Although Lexmark has presence in the fast growing markets, it has comparatively a very low market share of these markets.

Growth in re-manufacturers of after-market supplies which includes ink cartridges and toners has created more competition. These manufacturers purchase empty cartridges and toners from the users and, refill and sell them for a lower price than that of the original cartridge manufactures. This has reduced the sales of Lexmark's cartridges and toners. Today, due to the increased use of mobile products such as laptops and other handheld computing devices, there is a growing demand for wireless networks and related peripherals including wireless printers. A wireless network enables wireless access to Internet, printing devices and provides connectivity for other wireless devices. Wireless networks are gradually becoming more popular in home and offices. Further, web printing is another important feature which is becoming popular in printers. Printing

websites is not an easy task because printing a web page normally prints unnecessary and lengthy advertisements in the webpage. This has created requirements for facilities that can print only texts on the web page.

(a) Conduct a SWOT analysis that Lexmark can use in its marketing planning process. **(15 marks)**

(b) What should be the objectives of Lexmark going forward and why? **(5 marks)**

(c) What are the strategic options available to the company to achieve these objectives and which ones would you recommend? **(15 Marks)**

(d) How should the company position itself in light of the changing technology in the printer market? **(5 marks)**

SECTION B

Question 2

Mr. Dubs, the owner of Sleep Ezzy Motel, attended a marketing workshop where he learnt that the route to customer retention is by providing customer value and satisfaction. He is however, not sure how this can be achieved and has approached you for assistance.

(a) Explain to Mr. Dubs, what he can do to deliver customer value to his customers. **(10 marks)**

(b) What are the benefits that are likely to accrue to Mr. Dubs in having satisfied customers? **(10 marks)**

Question 3

Discuss Porter's generic competitive strategies, showing how an organisation can use the strategies in creating a competitive advantage over its rivals. **(20 marks)**

Question 4

(a) Discuss the factors that a company should consider in analysing an industry's attractiveness and profitability. **(10 marks)**

(b) Using an industry of your choice as an example, explain how strategic group profiling can be used to analyse the nature of competition in an industry. **(10 marks)**

Question 5

'The 2013 Africa Cup of Nations (AFCON) will provide opportunities to various companies in marketing their brands'. Discuss how the Zimbabwe Tourism Authority (ZTA), can use the marketing mix to tap into the opportunities provided by AFCON 2013. **(20 marks)**

Question 6

Examine the use and application of the GE matrix in developing marketing strategies. **(20 marks)**

Question 7

Discuss the principal strategy implementing tasks that a marketing manager should apply in implementing market driven strategies. **(20 marks)**

END OF EXAMINATION