

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

MSc STRATEGIC MARKETING MANAGEMENT

MAIN PAPER

MSM 123: CONTEMPORARY MARKETING

INTAKE 4: FIRST YEAR SECOND SEMESTER

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Answer Question **1** and any other **two**.

Question 1

Managing innovation by Google

Most companies face significant challenges in terms of innovation. The products and services that generate current income must be continually replaced by new and improved offerings to customers. The advantage that many companies have in terms of skilled labor and a strong market position is about to disappear as other nations, after radically increased investments in education and research, are emerging not only as efficient goods producers but also as new centers of knowledge and innovation.

We know with a high degree of certainty that the primary reason why large and previously enviable companies lose steam and finally cease to exist is that they are not able to keep pace with the rapid development that is now largely exponential rather than linear. To significantly strengthen the capacity for innovation, it is necessary to consider the increased reliance on employees' creative abilities and be prepared to challenge conventional management and organizational models.

How Google manages innovation

Google has challenged conventional management thinking and may well be the present-day counterpart to General Motors in the 1920s and Toyota in the 1980s with regard to management innovation. In 2012, only fourteen years after its establishment, Google had already been distinguished as one of the world's most valuable brands for five years running, according to Brand Finance Global 500. The same year, Google reported sales of 50 billion dollars and almost 11 billion dollars in gross profits. Today, Google is considered one of the world's most innovative companies.

Google: An inside view

In 2010 I got a unique chance to observe *from the inside* how Google works and how its management model in various ways supports innovative energy at the company. From an external perspective, the company seemed to have successfully combined two arguably rather different competencies: engineering skill in computer science and scientifically based expertise regarding human capital. The conclusion was that Google has built an *unorthodox management model that is based on six management principles*.

- *Dynamic capabilities*. The company's ability to integrate, develop, and reconfigure internal and external competencies in order to meet rapidly changing surroundings.
- *A continuously changing organization*. If you delay taking action until problems arise, you will act too late. The organization should be permeated with a proactive approach to change.
- *A people-centric approach*. The company is people-centric, focusing on the individual and liberating his or her innovative power. This principle is based on a belief that people want to be creative and that a company must provide them with a setting in which they can express their creativity.
- *An ambidextrous organization*. Continuous innovation must combine two different forms of organizational logic within the same organization. These are *daily production*, which works best with a conventional planning-and-control approach, and *innovation*, which requires greater freedom, flexibility, and a more open attitude toward experimentation.

- *An open organization that networks with its surroundings.* A company can be more or less open to integration with its surroundings. Continuously innovative companies have permeable limits and have a constant and conscious exchange of information with their surroundings.
- *A systems approach* to work differs from the conventional linear way of working. A systems approach requires a holistic view and understanding of the whole corporate system (that is, the organization) and how the different components in the system influence each other

Source: March 7, 2014 by Annika Sheiber

Required:

Provide a report explaining the new marketing practices that have been used by Google in order to improve its market dominance. [40]

Question 2

‘Branding has the power to improve performance of a business.’ Discuss this statement focusing on any four variables that are improved through branding a business. [20]

Question 3

Write a report on new marketing mixes that have helped in transforming operations in a service industry. [20]

Question 4

‘Companies that are not using virtual reality will not survive in the future.’ Discuss the relevance of this statement in contemporary marketing. [20]

Question 5

As a just hire consultant in a retail business advise the management on any four ways that can be used to promote network marketing. [20]

END