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COLLEGE

END OF SECOND SEMESTER EXAMINATIONS 2014/15

CENTRAL BUSINESS SCHOOL
DEPARTMENT OF MARKETING
CBMK 304 STRATEGIC MARKETING MANAGEMENT
JUNE 2017
TIME DURATION: **THREE (3) HOURS**

INSTRUCTIONS

Answer **ALL** Questions in Section A and any **THREE (3)** questions in Section B

Course Lecturers: KOFI BAKU, VICTOR ACHIRIGA & KUTU ADU

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SECTION A (Compulsory)

Read the passage and answer the questions which follow

CISCO'S ACQUISITION STRATEGY

Cisco Systems is the world wide leading supplier of networking equipment for the internet. The company sells hardware, (routers) software and services that make most of the internet work. Cisco was founded in 1980 by a husband and wife team who works in the computer operations department of Stanford University.

Cisco went public in 1984 and over the next decade, the company grew exponentially, led by new product launches such as patented routers, switches, platforms and modems –which significantly contributed to the backbone of the internet. Cisco opened its first international offices in London and France in 1991 and has opened a number new international offices since then. During the 1990s, Cisco acquired and successfully integrated 49 companies into its core business. As a result, the company's market capitalization grew faster than for any company in history- from \$1 billion to \$300 billion between 1991 and 1999. In March 2000, Cisco became the most valuable company in the world, with market capitalization peaking at \$582 billion or \$82 per share

Surviving the internet bust, the company reorganized in 2001 into 11 new technology groups and a marketing organization, which planned to communicate the company's product line and competitive advantages better than it had in the past. In 2003, Cisco introduced marketing messages, "This is the Power of the Network Now" The international campaign targeted corporate executives and highlighted Cisco's critical role in a complicated technological system by using a soft sell approach. Television commercials explained how Cisco's systems change people's lives around the world and an eight print ad spread did not mention Cisco's name until the third page. Marilyn Mersereau, Cisco's Vice President of corporate marketing explained, "Clever advertising involves the reader in something that is thought provoking and provocative and does not slam the brand name into you from the first page"

The year 2003 brought new opportunities as Cisco entered the consumer segment with the several home entertainment solutions, including wireless capabilities for music, printing, video and more. Since previous marketing strategies had targeted corporate and IT decision makers. The company launched a rebranding campaign in 2006, to increase awareness among consumers and help increase the overall value of the brand. "The Human Network" Campaign tried to humanize the technology giant by repositioning it as more than just a supplier of switches and routers and communicating its critical role in connecting people through technology. The initial results were positive. Cisco's revenue topped \$39.5 billion and Business Week ranked it the 18th biggest global brand.

With its entrance into the consumer market, Cisco has had to develop unique ways to connect with consumers. One recent development is Cisco Connected Sports a platform that turns sports stadiums into digitally connected interactive venues. The company already has transformed the Dallas Cowboys, New York Yankees, Kansas City Royals, Toronto Blue Jays, and Miami Dolphins stadium into “ the ultimate brand experience” and plans to add more teams to its portfolio. Fans can virtually meet the players through Tele presence, a video conferencing system. Digital displays throughout the stadium allow fans to pull up scores from other games, order food and vies local traffic. In addition, HD flat screen televisions throughout the stadium ensure that fans never miss a play even in the restroom.

Today, Cisco continues to acquire companies –including 40 between 2004 & 2009 – that help it expand into newer markets such as consumer electronics business collaboration software, and computer servers. These acquisition is in line with Cisco’s goal of increasing overall internet traffic, which ultimately drives demand for its networking hardware products. However, by entering into these new markets, Cisco has gained new competitors such as Microsoft, IBM, and Hewlett Packard. To compete against them it reaches out to both consumers and businesses in its advertising efforts including tapping into social media such as Facebook Twitter and blogs .

QUESTION ONE

- (a) Discuss any **five** strategic implications associated with the acquisition strategy being pursued by Cisco including any four recommendations to enhance her global competitiveness **(20 marks)**
- (b) CISCO entered the consumer market in 2003. Assess the impact of this rebranding strategy on her corporate performance **(20 marks)**

SECTION B (Answer any three (3) questions from this subsection)

QUESTION TWO

You attended a Seminar on Strategic Marketing Management. At a Students' forum you have been asked to explain the basic steps associated with the strategic marketing management process (20 marks)

QUESTION THREE

- (a) Explain in your own words the macroenvironment of marketing (2 marks)
- (b) Assess using PESTLE macro-environmental framework's impact on strategic marketing management practice (18 marks)

QUESTION FOUR

Using the Asset-Based approach, analyse any four (4) strengths and weaknesses of Central University including any four recommendations that will enhance the university's image and competitiveness (20 marks)

QUESTION FIVE

- (a) Why are strategic alliances important as a growth option. (5 marks)
- (b) Discuss any five advantages and disadvantages of strategic alliances (15 marks)

QUESTION SIX

Internal marketing is an essential ingredient for promoting a marketing oriented culture. With reference to an organization of your choice, discuss any five factors that militate against the promotion of internal marketing practice in the organization including any four strategic initiatives that will enhance a effective internal marketing practice (20 marks)