INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - DECEMBER 2025

PROGRAMME: MBA
YEAR/SEM: YEAR 1/SEMESTER 1
COURSE CODE: MBA 712
NAME: INNOVATION AND MARKETING

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

ATTEMPT ALL QUESTIONS IN THIS SECTION

Question 1:

Ugandan AutoTech Ltd (UAT) is a 50-year-old company that historically manufactured high-precision mechanical components for the automotive and transport industry in Uganda and East Africa. For decades, its competitive advantage was based on superior product quality and efficient production processes (sustaining innovation).

However, with the growing interest in Electric Vehicles (EVs), fleet telematics, and connected vehicles in Uganda, many of UAT's traditional mechanical components are becoming less relevant.

To respond, UAT invested in a new division focused on Integrated Vehicle Data Platforms (IVDPs). This platform collects, analyses, and sells real-time vehicle performance and fleet management data to logistics companies, transport unions, insurance firms, and repair shops across Uganda.

The shift represents a radical, service-based innovation, requiring:

- New technical skills (software, data analytics, cloud infrastructure).
- A restructured organizational hierarchy to accommodate software development and data sales.
- A different approach to marketing and customer engagement, focusing on subscriptions and value-added services rather than physical components.

Management Challenges Identified:

- Cultural Resistance: Senior mechanical engineers resist the shift, arguing, "We are mechanics, not software salespeople."

· Marketing Strategy: The traditional sales team struggles to market a data-driven service. They are unfamiliar with segmenting customers for subscription-based offerings.

· Pricing: Management debates between a value-based pricing model (charging based on savings or efficiency gains for fleet operators) and a cost-plus pricing model (based on software development costs).

Basing on the information in the case of Ugandan AutoTech Ltd (UAT) Ltd:

a) Use the Schumpeterian framework of creative destruction and Christensen's model of disruptive vs. sustaining innovation, to analyse UAT's shift from mechanical components to IVDPs and justify your classification of the innovation type. **(10 marks)**

b) Identify the key organizational inhibitors within UAT that could slow down the adoption of platform innovation. Propose two actionable strategies to transform the organizational culture into one that supports radical innovation.**(6 marks)**

c) Outline a suitable market segmentation approach for the IVDP subscription service in Uganda. Propose a clear positioning statement that communicates the unique value proposition to fleet operators, logistics companies, and insurance providers. **(6 marks)**

d) Critically evaluate the two proposed pricing strategies (value-based pricing versus cost-plus pricing) for UAT's subscription service. Recommend and justify which strategy the company should adopt to maximize long-term profitability and market acceptance in the Ugandan context. **(8 marks)**

e) Discuss how organizational structure and leadership style can act as primary promoters or inhibitors of radical innovation in a large company. Provide examples of structural designs (e.g., cross-functional teams, innovation labs, or autonomous business units) that are effective in fostering experimentation and risk-taking. **(10 marks)**

Question 2:

NileFresh Beverages Ltd is a medium-sized Ugandan company known for producing fruit juices sourced from local farmers. For over a decade, the company has competed primarily on affordability and availability. However, with new, aggressively innovative competitors entering the market offering healthier, premium, and tech-enabled beverage solutions the company's market share has started to decline.

In response, NileFresh's management team launched an innovation programme aimed at revitalising the company's product offerings, production processes, and customer experience. The programme proposed several initiatives, including:

- Introducing a new line of sugar-free juices infused with natural herbs.
- Implementing automation technologies in bottling and quality control to reduce waste and improve efficiency.
- Developing a mobile app that allows customers to track product origins, earn loyalty points, and customise orders.

However, progress has been slow. Internal departments resist change due to fear of job loss, limited innovation skills, and a culture focused on short-term sales targets rather than long-term strategic development. Budget constraints, lengthy approval processes, and lack of top-management coordination have further hindered the innovation programme. Competitors, meanwhile, continue to introduce new flavours, eco-friendly packaging, and personalised nutrition options.

Management now wants to understand the types of innovation being proposed, why innovation efforts are stalling, and how the firm can improve its innovation process to stay competitive. Using the case of

NileFresh Beverages Ltd:

a) Identify and classify the types of innovation proposed by the company and provide justification for each classification. **(15 marks)**

b) Analyse the major barriers to innovation that NileFresh is experiencing. Discuss how these barriers relate to organisational culture, resource constraints, leadership, and market conditions. **(15 marks)**

c) Propose a structured process innovation strategy that NileFresh can adopt to improve operational efficiency and enhance competitiveness. Include key steps, stakeholder roles, and enabling factors. **(10 marks)**

SECTION B

ATTEMPT ANY THREE QUESTIONS IN THIS SECTION

Question 1:

Ugandan mobile money operators face intense competition, with new fintech startups entering the market every year. Critically evaluate the role of innovation as a source of competitive advantage in the Ugandan fintech sector. Discuss how firms can develop an organisational culture that supports continuous innovation. **(20 marks)**

Question 2:

The rise of electric motorcycles (boda-bodas) and ride-hailing apps in Uganda has disrupted traditional transport services. Using relevant Ugandan examples, critically analyse how disruptive innovation reshapes industry structures. Explain why established transport and logistics firms often struggle to respond effectively. **(20 marks)**

Question 3:

Digital technologies such as AI, big data, and automation are increasingly being adopted by Ugandan e-commerce platforms and agritech startups. Analyse the opportunities and challenges these technologies create for marketers operating in Uganda. **(20 marks)**

Question 4:

A Ugandan beverage company wants to launch a new sugar-free juice. Critically assess the role of diffusion of innovation theory in explaining the adoption of this new product by urban and rural consumers. What are the theory's limitations in today's digital and mobile-driven market environment? **(20 marks)**

Question 5:

Using examples from Uganda, such as mVisa or local agritech platforms, analyse how companies can use open innovation strategies to accelerate product development and enhance market competitiveness. **(20 marks)**

Question 6:

Ugandan banks and telecommunication companies are increasingly

involving customers in co-creating mobile services and loyalty programs. Evaluate the importance of customer co-creation in product and service innovation, and discuss the potential risks and benefits in the Ugandan context. **(20 marks)**

Question 7:

A Ugandan agricultural input company wants to introduce a new fertilizer brand. Examine the role of marketing research in reducing uncertainty in innovation decisions. Explain why even strong research does not always guarantee innovation success. **(20 marks)**

Question 8:

Ugandan beverage and dairy firms face challenges when introducing premium products. Critically examine the challenges associated with pricing innovative products in Uganda. Compare strategies such as penetration pricing, price skimming, and value-based pricing. Use relevant illustrations to justify your argument. **(20 marks)**

Question 9:

Multinational companies such as Unilever and Coca-Cola operate in Uganda with adapted product lines. Critically evaluate the impact of globalisation on innovation and marketing strategy, and explain how these firms adapt innovations for culturally diverse Ugandan markets. **(20 marks)**

Question 10:

Ugandan mobile network operators frequently introduce new data bundles that may compete with their existing packages. Examine the risks and opportunities associated with product cannibalisation when launching innovations within established product lines. **(20 marks)**

Question 11:

Using examples from Ugandan startups and SMEs, analyse how companies can measure the success of innovation using both financial and non-financial performance metrics. Which metrics are most appropriate for early-stage innovations in Uganda? **(20 marks)**

Question 12:

Ugandan agritech platforms and fintech startups often form partnerships with banks, mobile operators, and NGOs. Analyse the

role of partnerships, alliances, and ecosystems in driving innovation, and discuss how firms can manage tensions in collaborative innovation environments. **(20 marks)**