**Question 1**

**(i)**

UBER’s revenue model is transaction-based in which the services offered are towards customers who makes a one-time payment. The customers usually order a grab driver and pay a certain amount of cash and the interactions ends. UBER’s revenue belong to a type of brokerage as they earn their money through hooking up the users with a driver and earning profit through their interaction. Netflix is skewed towards recurring revenue in which the payments are received for continuing services. Users subscribes to Netflix and is allowed a huge catalogue of selections of entertainment. However, they have to renew their subscription monthly in order to access their services. UBER and Netflix had different approach towards their revenue model as UBER caters towards brokerage fees while Netflix relies upon monthly subscriptions.

**(ii)**

Microsoft’s revenue model is through offering monetised solutions through licensing of their software. Their software typically requires payment and license keys to work and the product keys will expire in a few years. Microsoft earns their profit through recurring revenue as users will have to renew their products in order for them to function. YouTube relies heavily upon advertising for their revenue. Each video on the platform typically contains advertisements for a product that is sponsored by the advertised company. YouTube earns profit through forcing the viewers to watch advertisements and each advertisement consumed will net YouTube profit. Microsoft relies heavily upon licensing their software products while YouTube caters toward advertisement for their revenue stream.

**b)**

CRM relies heavily on four concepts which is customer retention, customer satisfaction, top customers and customer consent. Local banks often differentiate new and old customer by providing private and priority banking through the existence of special counter or services when handling old customers. The different treatment of the top customers result in customers relying more on the local banks due to their special services. Local banks also consistently offer special birthday packages to identify long-term customers so they feel attached when using the bank. These simple display of good will causes customers to think favourably of the banks. Local banking also reduces and simplify the process and procedure of application for loan or mortgage specifically for old customers. This display of trust results in customers feeling respected. The local banks also interact differently with old customers as they provide feedbacks and resolution when required. This will result in customers feeling appreciated as their concerns are being addressed.

**Question 2**

**(i)**

The first factor which doomed blackberry to its current state is **its failure to innovate** the current market. Despite being an early innovator in the smartphone market, they failed to continue innovating and relied on archaic technology which still features physical keyboards. Consumers had since moved on from such lack of innovation and their failure to improve came too little too late.

The second factor which caused Blackberry to fail is the **poor management of product** in the current industry. Its foolish decision to unveil a flagship smartphone six year after iPhone set the trend to come, Blackberry priced its phone relatively close towards those of the popular iPhones. This is a disaster as the Z10 series which lacked current features and priced unreasonably lost out completely competitively.

The third factor is due to **poor brand marketing**. Blackberry retained a few early adopters and early majorities despite its many flaws. The flagship Z10 failed to carry the company as there are virtually no benefits in purchasing an overpriced phone with lesser feature. Coupled with the perception of a broad adoption of iPhone and Android platforms, the remains of the userbase scattered as the marketing did little to reverse the situation.

**(ii)**

I. **Management (3 marks)**

The management team bears many responsible for the failure of BlackBerry as they were once the leading market leader but had grown conceited as a result. The failure to request innovation and continued pushing of outdated phones is what caused them to lose their leading position in the market. Despite barely catching up to the market with their new smartphone series, they chose to price it similarly to the popular iPhone brand and got completely outclassed. The poor display of leadership and decision making had led BlackBerry to its current state.

II. **Innovation (3 marks)**

The failure to innovate is very apparent as BlackBerry still sold phones with physical keyboard as their main selling point when iPhone released. BlackBerry took six years to catch up with their primary competitor and still fall behind in terms of operating system and user friendliness. This failure to innovate resulted in the loss of sales and loss of costumers.

III. **Marketing (3 marks)**

The marketing failure that is BlackBerry can be seen as the perception of BlackBerry as an outdated company is very present in the business plan. Blackberry’s insistence in using physical keyboard resulted in them using old technology that had not been updated to the latest. Despite the release of their new Z10 modern smartphone, the marketing team failed to attract any customers with its lacking operating system and unpolished user experience. The marketing team also failed by marketing itself as a premium product without the features needed to support it.

**(b)**

As a new smartphone company, the main pricing strategy will be competitive pricing. By offering a similar product but with a cheaper price tag, we can target the consumer base that belongs to the budget market. This allows us to tap into a certain niche of a market while still remaining relevant as the competitive pricing will result in us earning revenue without directly competing with the top dogs and their premium pricing.