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Third Semester MBA Degree Examination, Dec.2013/Jan.2014

Strategic Management

Time: 3 hrs.

Max. Marks: 100

**Note: 1. Answer any THREE full questions from Q.No.1 to Q.No.6.
2. Q.No.7 and Q.No.8 are compulsory.**

1.
 - a. Define strategy. (03 Marks)
 - b. What are long term objectives? Explain the qualities of long term objectives. (07 Marks)
 - c. Discuss the strategically relevant components of a company's external environment. (10 Marks)
2.
 - a. What are the three competitive generic strategies? (03 Marks)
 - b. What is resource based view (RBV) of a firm? What makes a resource valuable? (07 Marks)
 - c. Discuss the components of strategic management model. (10 Marks)
3.
 - a. What is turnaround strategy? (03 Marks)
 - b. Explain the BCG growth share matrix. (07 Marks)
 - c. Explain different types of strategic control. (10 Marks)
4.
 - a. What do you understand by the term strategic intent? (03 Marks)
 - b. Explain the value chain analysis for diagnosing a firm's strengths and weaknesses. (07 Marks)
 - c. Explain Porter's five force model. Use the model to analyze the telecom industry. (10 Marks)
5.
 - a. Explain three levels of strategy. (03 Marks)
 - b. What are the first mover advantages and disadvantages? (07 Marks)
 - c. What are the principal managerial components of strategy implementation process? (10 Marks)
6.
 - a. State any three benefits of benchmarking. (03 Marks)
 - b. What are distinctive competencies? What are the sources of distinctive competencies? (07 Marks)
 - c. What are the strategic options available for a company that decides to expand outside its domestic market and compete internationally? (10 Marks)
7.
 - a. The shoe manufacturer "NIKE" does not manufacture any shoes, instead it outsources them to countries like Thailand and India. What do you think are the reasons for this? State its drawbacks if any. (10 Marks)
 - b. Close up tooth paste used Glycerine instead of Calcium Carbonate as whitening agent and differentiated itself from all other tooth pastes. What according to you are the pre-requisites for differentiation strategy? What are the pitfalls of it? (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

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Case study:

In 2006-07 PTC food division decided to enter the fast growing (20-30% annually) snacks segment, an altogether new to it. It had only one national competitor – Trepsico's Trito. After a year its wafer snack brand Ringo, fetched 20% market share across the country. Ringo's introduction was coincided with the cricket world cup. The wafer snacks market is estimated to be around Rs.250 crores.

The company could take the advantage of its existing distribution network and also source potatoes from farmers easily. Before PTC could enter the market, a cross functional team made a customer survey through a marketing research group in 14 cities of the country to know about the snacks of eating habits of people. The results showed that the customers within the age group of 15-24 years were the most promising for the product as they were quite enthusiastic about experimenting new snack taste. The company reported to its chefs came out with 16 flavours with varying tastes suiting to the targeted age-group.

The company decided to target the youngsters as primary target on the assumption that once they are lured in, it was easier to reach the whole family. Advertising in this category was extremely crowded. Every week two-three local products in new names were launched, some times with similar names. To break through this clutter the company decided to bank upon humor appeal.

The industry sources reveal that PTC spent about 50 crores on advertisements and used all possible media print and electronic, both including the creation of its own website – WWW.Ringoringoyoungo.Com with offers of online games, contests etc. Mobile phone tone downloading was also planned which proved very effective among teenagers. The site was advertised in all dot com networks. EMTV, Shine TV, BEE TV and other important channels were also used for its advertisement, along with FM radio channels in about 60 cities with large hoardings at strategic places.

Analysts believe that Ringo's success story owes a lot of PTC's widespread distribution channels and aggressive advertisements. Humor appeal was a bid success. The 'RINGO' was made visible by painting the railway bogies paving across the states. It has also been successful to induce Lovely Brothers, Future group to replace Trito in Big Bazar and chain of food bazaars. PTC is paying 4% higher margin than Trepsico to Future group and other retailers.

Ringo gave Trepsico a run for its money. Trito's share has already been reduced considerably. Retail tie-ups, regional flavors, regional humor appeals have helped PTC. But PTC still wants a bigger share in the market and in foreign markets also, if possible.

Questions:

- a. Explain the theoretical frame work of SWOT analysis. (04 Marks)
- b. What are the strengths of PTC? (04 Marks)
- c. What are the weaknesses of PTC for entering into the branded snacks market? (04 Marks)
- d. What kind of marketing strategy was formulated and implemented for Ringo? What else need to be done by Ringo so as to enlarge its market? (08 Marks)

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