

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –III-EXAMINATION – WINTER-2022

Subject Code: 1539501**Date:24/01/2023****Subject Name: Strategic Management****Time:10:30 AM to 1:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	Briefly explain the below mentioned terms (a) Emergent Strategy (b) Strategic Intent (c) Key Success Factors (d) Core Competence (e) Leveraged Buyout (f) Transnational Strategy (g) Financial Control	14
Q.2	(a) Evaluate the Industrial Organization Model of Strategy as a model for earning above average returns. What are the limitations of this model? (b) Analyze the Automobile Industry in India with the help of PESTEL Framework	07 07
OR		
	(b) Explain the generic business strategies as identified by Michael Porter with relevant examples	07
Q.3	(a) Analyze the concept of Value Chain with an example as an important tool for competitive advantage in Strategy (b) Recently NDTV India has been acquired by Adani Enterprises Limited for its foray into the Information business. Discuss Acquisitions as an important tool of Corporate Strategy in light of this example. What are some of the problems associated with acquisitions?	07 07
OR		
Q.3	(a) Shrey Industries Limited is a major player in the soaps and detergents market in India. It has also its presence in the chemicals sector, majorly into the raw materials which are inputs in the soap and detergent manufacturing. To expand and grow at a fast pace, it is evaluating options of diversification of its business portfolio. Discuss some of the strategies available for guidance on Diversification for Shrey Industries (b) Evaluate the foreign market entry options available for a firm which plans to use International Corporate Strategy for its business expansion	07 07
Q.4	(a) Milton Friedman has been quoted as saying that the only corporate social responsibility for a business corporation is to maximize its profits for the shareholders. Any executive who talks too much about CSR must be fired immediately. Discuss the concept of Corporate Social Responsibility in light of this observation.	07

- (b) Evaluate the role of a Strategic Leader in the Strategy Implementation Process. Outline some characteristics of a Strategic Leader from the above evaluation. **07**

OR

- Q.4** (a) Explain the concept of Strategic and Corporate Entrepreneurship with the help of an example **07**

- (b) Investigate the concept of Blue Ocean Strategy for present day business corporations. What strategies do you suggest for shifting from red ocean strategy to blue ocean strategy? **07**

- Q.5** Read the case below and answer the questions at the end of the case.

For years it has been evident that fibre and DTH would give tough competition to cable in India where regulatory overload has mutilated an already warped industry structure. OTT added fuel to the fire. From Rs 27,000 crore in 2010, cable's share of subscription revenues is now estimated at Rs 13,000 crore.

Vishal Vijayrao Khodke is unhappy. The 38-year-old owner of RCN Digital in Amravati, Maharashtra, had 14,000 homes on his cable TV network in 2015. That is when the region began digitising. People who did not want to spend on set-top boxes dropped out, leaving him with 11,500 homes. In 2019 came the New Tariff Order that complicated channel choices and increased prices, pushing him down to 8,000 homes. Khodke's average revenue per user, or ARPU, from cable is now Rs 118 a month, down from Rs 150. He has had to reduce his staff from 130 to 60. Why would a customer pay Rs 250 a month for cable? He has a lot of alternatives — OTT (over-the-top), mobile, Freedish," says Khodke. The pandemic brought some good news: growth in television viewership and a rise in homes seeking cable internet. Khodke now has 450 homes that use the cable to get Google, MX Player etc and pay upwards of Rs 400 per month for it. Khodke's story is one of India's once-thriving cable TV business.

"Cable is dying," says Jagjit Kohli, CEO of Digicable. He was among the thousands of young men who slung the first few wires across Mumbai in the mid-eighties to create the world's second largest television market by TV homes after China. Star, Zee, Sony and Sun were among the hundreds of broadcasters that fuelled TV's growth along with cable for almost three decades. Now, "cable as a standalone video service is on a structural decline," says Mihir Shah, vice president, Media Partners Asia..

OTT added fuel to the fire. Cable's survival lay in it becoming a provider of broadband internet. This also pushes up ARPU by two times or more, reckons Manoj Madhavan, editor, Satellite & Cable TV Magazine. The \$104-billion Comcast, a cable company, is one of the largest broadband providers in the US. It is on a Comcast connection that a majority of Americans watch Netflix or Amazon Prime Video, among other apps. In India, Akshaya Diginet in Chennai and Seven Star in Mumbai are among the healthier multi-system operators (MSOs). They are profitable and growing because a rising proportion of their homes now buy internet-enabled cable.

These are but local, standalone exceptions. The number of cable homes with broadband is estimated at 21 million; that is about 80-90 million people. This is split among dozens of small MSOs. In a market with 750 million broadband consumers, not a single cable company is an internet provider on a national scale.

MSOs were happy to go with the flow as long as they did not have to invest and got a share of revenues. Local operators made their money from the taxes they saved by under-declaring their actual reach. “Everybody just looked at how much they could take out of the business; nobody really invested in it,” says Tony D’Silva, former head of Sun’s DTH business and also head of Star’s distribution for many years. The Telecom Regulatory Authority of India (TRAI) added to this by introducing price-control, on what is clearly not an essential commodity, early on in 2004.

This further incentivised the whole “let me get my share mentality”. Digitisation, mandated in 2011, forced some transparency, but in larger cities. In small towns and rural India, either people fell off the cable grid or millions of boxes lay inactive. Neither the MSO nor the operator had the wherewithal to service these with software and call centres. Then came the New Tariff Order in 2019. “Until 2018, commercial arrangements between most MSOs and LCOs (local cable operators) were on a post-paid and fixed-fee basis. “With the tariff order, the entire value chain shifted to a pre-paid system,” says Shah. The pain of collecting money in advance from subscribers and sharing with MSOs and broadcasters meant you couldn’t hide people falling off the grid easily. This deterred investment. In October 2021, this was changed via a notification. Fernandes reckons it could help ease the way for foreign investment. “Five years from now cable will metamorphosise. Its biggest advantage is that it has wire into homes,” he says. The question is: who owns this wire? Broadcast Audience Research Council data shows TV homes rose from 183 mn in 2016 to over 210 mn in 2020, pushing up the TV business from Rs 59,400 crore to Rs 68,500 crore.

Much of this rise has, however, gone to other distribution technologies (DTH, DD Freedish or to broadband providers such as Airtel and Jio). The number of cable homes fell from 115 mn to under 100 mn; analysts put the figure closer to 70 mn. From Rs 27,000 crore in 2010, cable’s share of subscription revenues is now estimated at Rs 13,000 crore in 2021.

- (a) Discuss and Explain the factors responsible for the decline of the Cable TV industry **07**
- (b) How can the Cable TV industry re-invent itself and remain relevant for the customers? **07**

OR

- Q.5**
- (a) Evaluate the role of the industry regulator TRAI and the government in this case. Did it help the cable TV industry? **07**
 - (b) Analyze the threat by the new entrant OTT platform in this industry **07**
