

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

POST GRADUATE DIPLOMA IN MANAGEMENT

Third Trimester; PGDM/PGDM (SM)/ PGDM (M); (Batch 2016-18)

END TERM EXAMINATION-April 2017

Course Name	Strategic Management-I	Course Code	GM 401
Max. Time	120 minutes	Max. Marks	40

Instructions: All Questions are compulsory.

Q1. "FedEx will produce superior financial returns for shareowners by providing high value-added supply chain, transportation, business and related information services through focused operating companies. Customer requirements will be met in the highest quality manner appropriate to each market segment served. FedEx will strive to develop mutually rewarding relationships with its employees, partners and suppliers. Safety will be the first consideration in all operations. Corporate activities will be conducted to the highest ethical and professional standards".

Analyze the mission statement of FedEx Corporation, given above, with respect to the Nine Desired Components of a mission statement and comment. (5 Marks)

Q2. Tata group firm Titan recently said it would foray into women's ethnic wear segment on a pilot basis. "The company has since inception been exploring opportunities in personal lifestyle categories. One such category is special occasion ethnic wear for women, which will now be piloted for understanding consumer attitudes and preferences," Titan Company Ltd said in a BSE filing. It further said: "The pilot, which may include setting up a few stores, is expected to last about 12 months at the end of which the company will take a decision on the future course of action." At present, Titan has presence in several personal lifestyle categories including jewelry under Tanishq brand, eyewear under Titan Eye Plus brand and watches under Titan brand. For financial year 2015-16, Titan reported net profit of Rs 705.85 crore compared with Rs 823.07 crore in the previous year. Titan's net sales in the year ended March 31, 2016, stood at Rs 11,176.9 crore as against Rs 11,791.04 crore in the previous fiscal year.

A. Discuss the grand strategies proposed to be adopted by Titan? (5 Marks)

B. Suggest any five implementation strategies including market segmentation, channel of distribution, advertising strategy. (5 Marks)

Q3. The proposed merger between Vodafone and Idea Cellular is likely to create the biggest player, ahead of Bharti Airtel, in the Indian Telecom Industry. The merger is expected to create cost, revenue, and geographical synergies for the merged behemoth, but how it would affect the Indian Telecom Industry is yet to be ascertained. With Reliance Jio's aggressive posturing and the ongoing talks of Tata Teleservices joining hands with the merged entity of RCom-Aircel and MTS, the ground will be open for a tough battle.

Suggest grand strategies, with justification, for Reliance Jio. You may use any one of the matrices (SWOT/ TOWS Matrix, BCG Matrix, IE Matrix, SPACE Matrix, Grand Strategy Matrix, choosing factors and allocating weightages and ratings as per your subjective decision, wherever required) to suggest grand strategies for Reliance Jio (10 Marks)

Q4. Read the Case 'HUL to launch mass-market herbal goods to take on Patanjali's Ayurveda line' and answer the questions at the end of the case.

Hindustan Unilever, India's largest consumer goods company, is launching a raft of Ayurvedic personal care products aimed at the product portfolio of Baba Ramdev-led Patanjali, the surprise successful challenger of the multinational company's market dominance. Patanjali has become a Rs 5,000 Crore Company within a decade. Although still small compared with HUL's Rs 30,000 Crore plus revenue, Baba Ramdev's company has caught the attention of all fast-moving consumer goods giants. The yoga guru-turned-FMCG player has not been reticent about his ambition. In April this year, he had said Patanjali could beat multinational giants such as Unilever (HUL's parent), Colgate and Nestle.

HUL, the maker of Lux, Dove and Rin, will launch around 20 products - toothpaste and skin cream to soaps and shampoos - under its existing Ayurveda brand Ayush. Ayush was launched in 2001 as a premium brand but had lost momentum by 2007. Now, the positioning will be mass market -price points between `30 and `130. HUL has taken on a desi challenger in this fashion before. In mid-1980s, Ahmedabad-based Karsanbhai Patel's Nirma, a detergent brand, toppled HUL's Surf from the shelves of middle class and lower middle class Indian homes. The Indian unit of the Anglo-Dutch FMCG Company rolled out Wheel, a low-priced option. Nirma vs Wheel market battles, as well as the advertising wars, have entered Indian corporate folklore. Given Hindustan Unilever's determination to take on Patanjali, and the latter's aggressive future plans, 2017 may see another classic corporate battle in the FMCG space.

"Ayurveda is a growing trend...", said Sandeep Kohli, Executive Director, Personal Care, HUL. "Lever Ayush is designed to attract and retain consumers with authentic Ayurveda based offerings". Patanjali's rise has led to others exploring the Ayurveda and herbal products space. L'Oreal launched a hair care range under Garnier Ultra Blends made with "natural ingredients". Colgate brought Cibaca Vedshakti to the market. HUL's personal care business accounts for nearly half its sales and 60% profits, mainly due to a large portfolio of premium products. Herbal products account for 6-7% of HUL's personal products segment. However, growth in this sub-segment is twice as fast as the segment average. Analysts say herbal products in India do better as mass-market products. "Herbal in India, a price sensitive market, plays better in the mass segment than in premium, which is quite small," said Abneesh Roy, Senior Vice-President, Edelweiss Financial Services. He added that since Ayush had a premium positioning earlier, mass-market pricing might have "very good rub-off effect".

HUL has been reporting tepid volume growth in India, largely due to severe slowdown in rural demand. During its September quarter performance call with analysts, HUL said market conditions have softened in India. Analysts feel Patanjali has a big challenge to meet too - coming close to HUL's formidable rural distribution network. HUL has a network of roughly 8 million outlets. Patanjali has a network of 10,000 'Aarogya Kendras' run by 'Patanjali Chikitsalaya', apart from selling its products to nearly a million kirana stores.

- A. Conduct Porter's Five Forces Analysis of the 'Herbal Products Industry' in India. (5 Marks)
- B. Comment on repositioning of the products under 'Ayush' Brand done by HUL. (5 Marks)
- C. Using Porter's Generic Strategy Model, specify the generic strategy Patanjali is following and your comments on suitability of the generic strategy. (5 Marks)