



**BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES**

**2<sup>nd</sup> SEMESTER (BATCH: 2019-21)**

**CLASS TEST - I**

**Corporate Strategy (18MBA208)**

**Total Marks : 30**

**Time: 1.30 Hours**

**I. Answer the following: (Answer All)**

**10x1=10**

**II. Short Notes (Any Two)**

**5x2=10**

**III. Long Questions (Any One)**

**10x1=10**

\*\*\*\*\*



# **BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES**

**2<sup>nd</sup> SEMESTER (BATCH: 2018-20)**

## **CLASS TEST - II**

### **Corporate Strategy (18 MBA 208)**

**Total Marks : 30**

**Time: 1.30 Hours**

**I. Answer all the questions: (1x10=10 marks)**

**A. Explain the terms briefly:**

1. Cost leadership
2. Competitors rivalry
3. Core competency
4. Outbound logistic
5. Function strategy

**B. Answer in brief:**

1. Why industry analysis is relevant for both corporate level and business level?
2. How capabilities and competencies are related to each other?
3. How do organizational capabilities lead to competitive advantages?
4. Highlight the relevance of technological development in Porter's value chain model with suitable illustration.
5. How do you relate the primary and supporting activities under the value chain model?

**II. Answer any two: (5x2=10 marks)**

1. Explain Porter's Value Chain Model in light of the e-commerce industry.
2. Building blocks of competitive advantages
3. Suggest five force strategies for DTH companies after TRAI regulations.

**III. Case study (Compulsory): 10 marks**

Whirlpool India is a part of the century old MNC, Whirlpool Corporation, that is a global manufacturer and marketer of home appliances with its headquarters at Michigan, US. It is claimed to be the world's largest white goods company, a status it reached in 2006. Whirlpool Corporation had sales of \$19 billion, more than 69,000 employees, operating in 130 countries and having more than 70 manufacturing and technology research centres around the world in 2013. Among its 11 major brands are Whirlpool, Maytag, and Kitchen Aid that are produced in 13 countries. The initial internationalization of Whirlpool Corporation began in 1958 when it entered Brazil. Serious efforts came in the 1980s when it started adopting an aggressive strategy to be a world-class company.

India was identified as a growth market some-time in the late – 1980s. Entry into India was made through a joint venture with TV Sundaram (TVS) Group to produce automatic washers at Pondicherry. In 1995, Kelvinator of India Limited was acquired to facilitate entry into the refrigerator market in India. Majority ownership in the joint venture with TVS led to emergence of Whirlpool of India Limited in 1996. Whirlpool Asia South, head-quartered at Gurgaon, India, overseas from Nepal to Australia. The vision of Whirlpool India is stated as: 'Best branded consumer producers... in every home around the world'. The mission statement is "Create demand and earn trust everyday".

Whirlpool India is one of the popular brands of home appliances in India. The business portfolio of the company consists of four lines: air treatment, fabric care, food preparation, and food-stream solutions. The product portfolio includes air conditioners, microwave ovens, refrigerators, and washing machines.

The manufacturing facilities of Whirlpool India at Faridabad and at Ranjangaon near Pune are dedicated to making refrigerators and at Pondicherry for washing machines. India also hosts the Whirlpool's technology / product development centre. The company website was re-launched in 2006 and made more interactive, providing a forum not only for information but also for performing the sales functions.

Whirlpool has transformed itself from an accomplished manufacturer to a consummate marketer a process that is said to be achieved through brand building framework that aimed at building excellent brands and engendering customer loyalty. The brand positioning based on the theme: 'Whirlpool; designed to delight' aims at product leadership by focusing on the customer through product design and intuitive technology that responds to the way she uses the company products. The company had been following the responsive approach since long by initiatives such as making Whirlpool 'your partner in homemaking'. It came up with innovations in products based on customer convenience and making them suitable to the Indian context. For example, its refrigerators have incorporated quick chill design, movable trays, space for large bottles, and capacity to withstand heavy loads --- all features unique to the requirements of a typical Indian household.

Distribution and after-sale service of products are critical factors for success in the white goods industry Whirlpool operates in. It has launched a series of project named 'Akraman' (attack) to streamline sales and distribution through aggressive sales push to extend the reach of the products. Brand shop initiatives have also been implemented to improve distribution. E-commerce is in the initial stages where the website has been revamped and a mobile version is being launched. Direct-to-Home (DTH) channel distribution is being implemented through service partners.

The consumer durables or the white goods industry in India is a growing industry albeit at a slow rate. There is overcapacity in the industry. There are strong competitors such as the industry. There are strong competitors such as the multinationals LG or Samsung and strong domestic players such as Godrej and Voltas. It's a tough market for the best of marketers. The Indian consumer is hard-to-convince and demands value for money and is not swayed easily by the hype built around products through advertising campaigns.

The period 2011-14 has been lackluster for the consumer durables industry in general and Whirlpool has faced challenges in lower revenues and profitability forcing it to adopt defensive strategies. With improving business environment, the strategies are transforming to aggressive with the aim at achieve Rs.100 billion turnover by 2019, a target that may seem quite challenging to achieve. Focus is on new products with better performance and features aimed at market leadership backed by a brand that is perceived as young, dynamic, and international.

### **Questions:**

1. Analyze the case to identify the type of generic business strategy or strategies Whirlpool India is adopting.
2. In your opinion, what is the stage of industry development in the consumer durables industry in India? Depending on your answer, comment on whether Whirlpool India's generic business strategies are appropriate.

\*\*\*\*\*