

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015 04659

MS-11 : STRATEGIC MANAGEMENT

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note : (i) *There are two Sections : Section-A and Section-B.*

(ii) *Answer any three questions from Section-A. All questions in Section-A carry 20 marks each.*

(iii) *Section-B is compulsory and carries 40 marks.*

SECTION - A

1. (a) Differentiate strategy with policies and tactics giving examples.
(b) Differentiate strategy with programmes, procedure and rules giving examples.
2. (a) What are different types of differentiation ? Explain each of them with the help of examples.
(b) Discuss the advantages and disadvantages of differentiation.
3. Describe Porter's five forces framework as the most widely used tool to analyze the competitive environment.
4. What do you understand by 'International Expansion' ? Discuss the different ways through which expansion into foreign markets can be achieved.

5. Write short notes on **any two** of the following :
- (a) Forms of organisation structure.
 - (b) Strategic alliance.
 - (c) Dimensions of leadership styles.
 - (d) Value chain.

SECTION - B

6. Read the following case and answer the questions given at the end.

CASE STUDY : SAMSUNG & APPLE : A UNIQUE PROPOSITION

Apple Inc sued Samsung Electronics claiming the South Korean firm's Galaxy line of mobile phones and tablets "slavishly" copies the iPhone and iPad, according to court papers, a move analysts say is aimed at keeping its close rivals at bay.

Apple is one participant in a web of litigation among phone makers and software firms over who owns the patents used in smart phones, as rivals aggressively rush into the smart phone and tablet market which the US firm jumpstarted with iPhone and iPad.

Nokia has also sued Apple, which in turn has sued Taiwanese handset maker HTC Corp.

Samsung is one of the fastest growing smart phone makers and has emerged as Apple's strongest competitor in the booming tablet market with models in three sizes but it remains a distant second in the space.

Its Galaxy products use Google Inc's Android operating system, which directly competes with Apple's mobile software. However, Apple's claims against Samsung focus on Galaxy's design features, such as the look of its screen icons, the lawsuit said.

John Jackson, an analyst with CCS Insight, said Samsung is essentially Apple's only real tablet competitor at this stage. "It's clear that they do not intend to let Apple run away with the category", Jackson said.

Samsung faces the challenge of moving beyond being a hardware company, clever at copying ideas, to becoming more creative, better adept at software, at a time when consumer gadgets are getting smarter all the time.

It has yet to come up with the kind of original, iconic, market-leading products that powered brands such as Apple's i-series or Sony Corp's Walkman. Nor has it taken the kind of initiatives in software that Google and Apple did to thwart Microsoft.

The lawsuit, filed on Friday, alleges Samsung violated Apple's patents and trademarks.

"This kind of blatant copying is wrong", Apple spokeswoman Kristin Huguet said in a statement.

Samsung said it would respond to the legal action "through appropriate legal measures to protect our intellectual property."

"Samsung's development of core technologies and strengthening our intellectual property portfolio are keys to our continued success," it said in a statement.

Retaliation

Hit by a lawsuit from Apple last week, Samsung returned the favor yesterday, countersuing the iPhone and iPad maker over claims of patent infringement.

In its suit filed in Seoul Central District Court, Samsung claims that Apple is violating five different patents. Samsung has also filed a suit in Tokyo, citing two patent infringements, and another in Mannheim, Germany, citing three instances of infringement.

A statement on the Samsung Web site says that the company is "responding actively to the legal action taken against us in order to protect our intellectual property and to ensure our continued innovation and growth in the mobile communications business."

Symbiotic Relationship

Apple has reportedly become Samsung's biggest customer in a move that can boggle the mind. How can Apple, a rival of Samsung's electronics unit, also be the largest customer? And how long can this scenario go on?

According to the Korea Economic Daily, Apple is poised to buy \$7.8 billion in components from Samsung. These components range from liquid crystal displays, application processors and flash memory used in the iPhone and iPad.

If you bring this up in conversation, the Apple - Samsung relationship can become a headscratcher. Apple's iPhone battles Samsung's Galaxy phones. The Galaxy Tab takes on the iPad. Meanwhile, Samsung's tablets can't match the iPad on price - even though the Korean electronics provider has many parts lying around the company.

How is this Apple - Samsung thing even possible ? Apple certainly wouldn't sell components to Samsung if the roles were reversed. If you carry this line of thinking out to an extreme Apple could squash Samsung with its own parts. It's strange.

Questions :

- (a) Describe the strategies adopted by Apple to become the leader in the smart phone market.
 - (b) How can Samsung Electronics Counteract Apple to capture the market ? Explain with relevant R and D strategy that it can pursue.
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