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Master of Commerce 2nd Semester
(2055)

BUSINESS POLICY & STRATEGIC MANAGEMENT

(Same for USOL Candidates)

Paper : M.C. 206

Time Allowed : Three Hours] [Maximum Marks : 80

Note :— Attempt *five* questions in all, selecting at least *one* question from each Unit. Each question carries equal marks.

UNIT—I

1. Explain the strategic management process in detail. 16
2. (a) Define Strategic Management. Discuss the evolution of Business Policy and Strategic Management.
(b) Mintzberg's 5Ps. 10+6
3. What are the different forces that shape the competition in the industry ? Also explain its application in real life with respect to any industry. 16

UNIT—II

4. What are the generic strategies proposed by M.E. Porter ? Explain the benefits and risks associated with selecting and implementing each of the generic strategies. 16
5. Write short notes on any of the following *two* topics :
(a) Strategic intent and strategy formulation.
(b) Corporate Social Responsibility.
(c) Vision, mission and purpose. 8+8

6. What are functional level strategies ? Explain Marketing strategies and policies. 16

UNIT—III

7. (a) What do you mean by corporate culture ? Explain the functions of corporate culture.
(b) McKinsey's 7S framework. 10+6
8. (a) What are the symptoms of malfunctioning of a strategy ? What are the reasons for it and how it can be overcome ?
(b) Differentiate between strategic control and operational control. 10+6

UNIT—IV

9. In this age of internet, business is compelled to adopt new business models as well as tailor strategies accordingly. Explain the statement. 16
10. Case Study : Burnol : The Burn Specialist :

Burnol is one of the oldest antiseptic cream brands in India. This 65 year old brand still holds tremendous brand recall among the Indian consumers. Burnol has changed hands many times in its existence in the Indian market. The first brand owner was Boots and the brand was acquired by Knoll. Later Reckitt and Piramal bought the brand from Knoll. In 2002 the brand was acquired by Dr. Morpean Labs. This constant change over of this brand from one company to another has virtually undermined the equity of this heritage brand. The Indian antiseptic cream market is estimated to

be around Rs. 210 crore. The market is dominated by Boroplus from Emami which commands a market share of around 60%. Burns market is specialised market with a size of Rs. 30 crore. Burnol had a generic status in this market.

Burnol during the heydays had a strong demand in the market. It was perceived as a “must have” in households and offices in the first-aid boxes. Although in households, there is rare incidents of burns, Burnol was kept as an essential first aid medicine. The market still remains the same. The homemakers still deal with fire and there is still a perceived need for such a burn specialist at home. Despite the market remaining unchanged, Burnol was pushed to a negligible presence because of reasons not of its own. Burnol was positioned as a burn specialist from day one. Customers also associate this brand with burns. The fact is that Burnol is an antiseptic cream that could be used for burns as well as cuts just like other antiseptic creams. Burnol was positioned so strongly that the association has become embedded in the mind of the customers. Even the name reinforces the positioning of this brand. During its life cycle, the brand had tried to change over from being a burn specialist to an all purpose cream but it was a mistake. Customers refused to accept the repositioning and the whole exercise was a failure.

When Dr. Morpean relaunched the brand with the positioning based on being “Burn specialist”, the customers reacted favorably to it. Burnol was promoted as a “must have” at every home. The brand was not able to garner its potential share in the market for

reasons related to the brand owners. Either some of the companies who owned this brand were in financial crisis or the brand was not in their core marketing plan. Because of these two reasons, the brand promotion was virtually nil and this apathy reflected in the market share of this brand. Although Morpean labs initially pushed the brand, the financial health of the company is limiting the brand promotion to a great extent. Morpean had initiated major repositioning campaign and even changed the product to a more acceptable cream composition. The brand will remain a niche brand for the following reasons.

Unlike other antiseptic creams, the incidence of small burns is rare and hence the usage of this product is limited thus causing little or no repurchase. This creates stagnation in the sales of this brand. Since Burnol is very much embedded as a burn specialist, the extension of this brand to other uses is virtually non-existent because customers will not or may not accept such an extension. The factors outside the control of the marketer are severely hindering the brand growth. With lot of money for promotion, one can see this brand regaining its lost position in the market.

Read the above case and answer the following questions :

- (a) By using a SWOT analysis outline the failure of Burnol.
- (b) What was the type of strategy Burnol adopted at the time of failure ?
- (c) Help the company in working out a suitable strategy for the success of Burnol.
- (d) Explain your opinions regarding the future of Burnol in India.

$$4 \times 4 = 16$$