

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

Program: PGDM - IB 2017 – 19 BATCH – IV TRIM

Subject: Strategic Management

(Final examination)

Maximum Marks: 50

Duration: 3 hours

Date: September, 2018

Notes:

1. Answer 4 questions

2. Question 1 and 2 are compulsory

Based on your analysis of the Gucci case, please answer the following questions.

Question 1 (15 marks), Question 2 (15 marks)

1. Perform a brief industry analysis of the luxury goods industry (**not company**) using the Porter model. Please structure your answer using bullets and/or paragraphs, and use concepts wherever required. Restrict your answer to a maximum of two sides.
2. Use value chain analysis to explain how De Sole turned around Gucci. Please use the following format. Restrict your answer to a maximum of two sides.

Stage of the value chain	Problem faced by Gucci	De Sole's solution	Impact on Gucci of De Sole's solution

Answer any 2 questions (20 marks total). Restrict your answer to a maximum of two sides.

3. Your company has reached the decline stage of its industry life cycle. Explain the four strategic options that you have in this industry, and the process by which you will decide which one to select.

4. Explain how you will use the following tools in implementing a cost leadership strategy:
a) Relative cost analysis, b) Relative analysis of WTP. Please use diagrams/graphs in your answer.

5. Explain how you will use the following tools in implementing a B2B differentiation strategy: a) Waterfall chart, b) Interlinked value chains of the supplier and customer. Please use diagrams/graphs in your answer.

6. In the embryonic and growth stages of the industry, what is the *Crossing the chasm* challenge that new firms face? What precautions should companies transitioning to the growth stage take to avoid falling into the chasm?