



MBA DEGREE EXAMINATIONS: MAY 2018

(Regulation 2015)

Fourth Semester

MASTER OF BUSINESS ADMINISTRATION

P15BATE601 : Managing Innovation

COURSE OUTCOMES

CO1: Explain the strategic innovation process

CO2: Apply innovation concepts in intrapreneurial and entrepreneurial context.

CO3: Identify, evaluate, and resolve a variety of issues relating to poor innovative performance in large firms as well as entrepreneurial firms.

Maximum Marks: 100

Time: Three Hours

Case Study:-

PART A (1 x 20 = 20 Marks)

1. As the most renowned brand in the country, Tata Group has established itself in every industry, from fuel to fashion. So when it hopped on to the e-commerce bandwagon last year, with Tata CLiQ, it was bound to make noise. Unlike Flipkart and Amazon, which follow a managed marketplace model, TataCLiQ chose the omni-channel route. Its customers can buy products online, which can be delivered at or picked up from and returned in any of the 50 'phygital partner brands (not just the Tata brands like Westside or Croma).

Such a pure-play omni-channel marketplace is a rarity globally – even Walmart is a single retail chain. Yet, in one year, TataCLiQ has seen enviable growth. From 10 pieces a day in June 2016, TataCLiQ is doing more than 1,000 pieces a day in less than a year. They claim to have a repeat rate of 25 percent, while the industry standard for any platform in its first year is 15 percent.

Most retailers tend to think of online as just another channel they have to serve. But the rules and customer mindset are different for offline and online channels. Yet an omni-channel strategy was the need of the hour, according to Ashutosh, the CEO.

He says: “We have seen first-hand that customers are present offline and online. For instance, at Landmark, we always introduced new titles. Customers would check out the books at the store, and then immediately buy it online on their smartphones for cheaper rates,” he says.

Unlike Flipkart and Amazon, which boast of thousands of brands and lakhs of sellers, TataCLiQ has only about 800 brands and 1,000 sellers. Usually marketplaces on-board as many sellers as possible so that they will compete with each other and give great discounts for customers. But TataCLiQ focusses on brands with differentiation.

“Omni-channel is not just about making yourself available online and offline. You actually have to measure it down to orders, on customers that avail both channels, take it down to how data is integrated online and offline, whether you understand customer behavior offline as good as you do online”.

“If you understand a customer’s online browsing behavior, you can give her/him more customized recommendations. It is a complex task; but if done well, it will transform retail in India. Omni-channel is not just about making yourself available online and offline. You actually have to measure it down to orders, on customers that avail both channels, take it down to how data is integrated online and offline, whether you understand customer behavior offline as good as you do online. We focus on success by ensuring that all the systems work properly, that customer experience is seamless, and we don’t have any technology-related challenges,” says Ashutosh.

One of the reasons why omni-channel needs major preparation is the advanced technology it demands, as this platform needs to solve their sellers’ problems too.

Ashutosh explains: “Typically, in offline stores, there is always a physical system mismatch. For a kurta, even if the system shows a stock of two pieces, there may be only one. If the seller doesn’t find it, he will cancel the order. This happens because the inventory upload to our system was happening only once – at night. We changed it to inventory update every 15 minutes. Now the cancellations have reduced by half.”

What innovations do you see in the above case and the business model? (5 marks) CO2 K1

Is this a purely technology innovation? Reason your answer with suitable points from the case narration (5 marks) CO2 K4

Is the innovation and the business model sustainable? If you are the CEO, what steps will you propose to keep ahead of the curve and maintain the growth? Explain. (10 Marks) CO1 K5

Answer all the Questions:-

PART B (10 x 2 = 20 Marks)

2. Mention the seven myths that have been associated with innovation. CO1 K2
3. List out three barriers to innovation. CO1 K2
4. Mention some of the transformation in products or services in the past ten years. CO1 K2
5. What are the goals of innovation? CO1 K1
6. What do you understand by frugal innovation? CO1 K1
7. What is creative destruction? CO1 K1
8. Define Blue Ocean Strategy? CO1 K1
9. What is meant by red-ocean? CO1 K1
10. List down a few tools that can be used to bring out innovative solutions or products? CO1 K1
11. What is Value Innovation? CO1 K1

PART C (4 x 15 = 60 Marks)

12. a) Uber was founded in 2009 and is currently present in 60 countries and more than 300 cities. CO2 K5

Many believe it is innovative digital technology that allowed Uber to disrupt the taxi industry. It is not! Yes, Uber uses a responsive website and an app with features like GPS location and automatic credit card payment. But these have been standard technologies for many years – hardly innovative!

Construct their business model and also detail the value proposition for the customers of uber?

(OR)

b) Explain the Rogers innovation adaption curve and how we could use this effectively in our businesses CO2 K2

13. a) In todays environment how important is innovation. Why should we constantly innovate and what are the dangers for an organization when we do not innovate. CO2 K1

(OR)

b) Explain in detail Drucker's Seven Sources of Innovation Opportunity. CO1 K2

14. a) Explain the four types of innovation with suitable examples. CO1 K2

(OR)

b) Explain the Innovation Value Chain with a suitable example of a product or a service. CO1 K2

15. a) Explain the SCAMPER model with suitable example. CO1 K2

(OR)

b) Explain how the four actions frame work was used by Maruti for “Maruti 800” CO1 K2
