

Case Background

- UTV wants to expand internationally
- Not enough resources to do so without partners
- The Content Dilemma
 - Worldwide TV rights
 - Acquire for global TV
 - Market local & license to content local business in each
- Hungary TV is an Indian fully owned video network but of the 4th largest Disney has a place within the Indian market
- Marketing Friction
 - Local content to reach an audience
 - US market's great reputation
 - Marketing: TV is very primary for brand building

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Problem Statement

Should UTV consider a strategic alliance with Disney to expand its reach in Hungary TV?
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Disney S.W.O.T	
Strengths <ul style="list-style-type: none"> High production investment Global reach Content creation Brand name Highly respected in US 	Weaknesses <ul style="list-style-type: none"> Highly competitive market Local content creation Highly regulated market Highly regulated market
Opportunities <ul style="list-style-type: none"> Expand in emerging market Highly respected in US Highly regulated market 	Threats <ul style="list-style-type: none"> Highly competitive market Highly regulated market Highly regulated market

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Poles apart on PZU (B)

Agenda

- Introduction
- UTV
- Disney
- Content
- Marketing
- Conclusion

UTV Overview

- Debut 1990
- Operating mainly in India
- 1st multi-channel TV in India
- Global movie distribution network
- Use to focusing on Television Content production
- Now Operates in: Post production, Broadcasting, Film production and distribution...

Disney Overview

- Debut in 1923 in the USA
- World wide company
- Leader in entertainment
- Content production mainly from North America and exported
- 4 main segment of activity
- 35.5 billion revenue over the last year



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UTV S.W.O.T	
Strengths <ul style="list-style-type: none"> Local content creation Local content creation Local content creation 	Weaknesses <ul style="list-style-type: none"> Local content creation Local content creation Local content creation
Opportunities <ul style="list-style-type: none"> Local content creation Local content creation Local content creation 	Threats <ul style="list-style-type: none"> Local content creation Local content creation Local content creation

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Options Generated

Option 1

- Exchange UTV shares for more control of Hungaria TV

PROS	CONS
<ul style="list-style-type: none"> Hungaria TV control Partnership with Disney International Platform Disney's marketing expertise 	<ul style="list-style-type: none"> Reduction market share Disney might reduce offer Hungaria TV cultural change

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Options Generated

- Option 2
- Selling out Hungaria TV & increase investment in all other verticals.

PROS	CONS
<ul style="list-style-type: none"> Fastest growing industry No loss of revenue from Hungaria TV Resource reallocation in all verticals 	<ul style="list-style-type: none"> Loss of 1/3rd channel market Increased production costs Increased piracy

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Options Generated

Option 3

- Rejection of proposal and focus on internal operations.

PROS	CONS
<ul style="list-style-type: none"> Control over assets Operational efficiency Local content creation Strong cultural experience 	<ul style="list-style-type: none"> Slow growth No local experience Local content creation Strong cultural experience

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Implementation

6 Months Plan (Short-Term)

- Negotiation
- Division of capital to departments
- Equipment assessment

18 Months Plan (Long-Term)

- Disney production plant in India
- Relationship development with Disney
- Set up UTV office in Disney HQ

Recommendations

	1	2	3	4	5	6	7	8	9	10	11	12
Net	10	10	10	10	10	10	10	10	10	10	10	10
Cost	10	10	10	10	10	10	10	10	10	10	10	10
Profit	0	0	0	0	0	0	0	0	0	0	0	0

Goal -> Create a collaborative partnership

Poles apart on PZU (B)

Agenda

- Problem Statement
- UTV Overview
- UTV SWOT
- DISNEY Overview
- DISNEY SWOT
- Options Generated
- Recommendations
- Implementation

UTV Overview

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Case Background

- UTV wants to expand internationally
- Not enough resources to do so without investors
- The Call from Disney
 - Wanted 14.9% of shares
 - Acquire Hungama TV
 - Wants local influence to enhance their business in India
- Hungama TV is an Indian kids channel which rivals that of the kids channel Disney has in place within the Indian market

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- Underlying Factors
 - Need capital to invest in expansion
 - US market is great opportunity
 - Hungama TV is very promising for future interests

Problem Statement

"Should UTV consider a strategic alliance with Disney, at the cost of losing Hungama TV?"

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UTV S.W.O.T

Strengths

- Great capacities to produce programs
- It has good Knowledge of the local market
- Owns a quickly growing new Channel (Hungama TV)

Weaknesses

- UTV's overall profits fell almost Rs.20 million
- It completely moved out of the B2B business
- Lack of finances to further grow in the other locations
- UTV was slow at realizing their potential

Opportunities

- Expand into international markets through partnership with foreign studio.
- Indian TV industry is expected to grow at 18 % annually.
- Prospects of including dubbed material.
- Kids segment was worth Rs 4.5 billion

Threats

- It had a low international presence.
- Investment requirements and risk in the content creation business were low.
- Evaluating the potential of the movie was very difficult

Disney S.W.O.T

Strengths

- Multibillion dollar company
- Good brand image
- Diversified in activities
- International market knowledge
- Already well established in India

Weaknesses

- North American Centered
- Lack partnership locally
- Minimal culture adaptation
- Weak against local competitors

Opportunities

- Expand to a new country
- Reach a fast growing market
- Strengthen positions

Threat

- Piracy
- Risk to miss a good opportunity
- Rising competition
- Rising Production Cost

Options Generated

Option 1

- Exchange UTV shares for more control of Hungama TV

PROS

- Hungama TV control
- Partnership with Disney
- International Platform
- Disney's marketing expertise

CONS

- No decision making power
- Disney might refuse offer
- Potential UTV cultural change

Options Generated

Option 2

- Selling out Hungama TV & increase investment in all other verticals.

PROS

- Fastest growing industry
- No loss of revenue from Hungama TV
- Resource reallocation to all verticals.

CONS

- Loss of kids channel market
- Increased production costs
- Increased piracy

Options Generated

Option 3

- Rejection of proposal and focus on internal operations.

PROS

- Control over assets
- Organizational structure improvement
- No organizational culture change

CONS

- Slow growth
- No field experience
- Lack international expansion experience