

### Case Background

- UTV wants to expand internationally
- Not enough resources to do so without partners
- The Cartoon Disney
  - Worldwide TV channels
  - Access to global TV
  - Access to global content and business in India
- Hungary TV is an Indian fully owned channel but out of the 4th largest Disney has a stake within the Indian market
- Marketing Partner
  - Local content to reach target audience
  - Local market's great reputation
  - Marketing TV is very promising for brand building

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### Problem Statement

Should UTV consider a strategic alliance with Disney to expand its Disney TV? TheCaseSolutions.com

### Disney S.W.O.T

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Highly diversified portfolio</li> <li>Global leadership</li> <li>Clear brand identity</li> <li>Highly profitable</li> <li>Highly respected in India</li> </ul>	<ul style="list-style-type: none"> <li>Highly diversified portfolio</li> <li>Highly profitable</li> <li>Highly respected in India</li> <li>Highly profitable</li> <li>Highly respected in India</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Expand in emerging market</li> <li>Highly profitable</li> <li>Highly respected in India</li> </ul>	<ul style="list-style-type: none"> <li>Highly profitable</li> <li>Highly respected in India</li> <li>Highly profitable</li> </ul>

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# UTV and Disney: A Strategic Alliance (A)

## Agenda

- Introduction
- UTV
- Disney
- Agenda
- Options
- Recommendation
- Implementation

### 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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By: Jason Su, Samuel Wang, Ashwin Sagar, Kevin Mueller, and Etienne Leatham

### UTV S.W.O.T

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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"> <li>Hungaria TV control</li> <li>Partnership with Disney</li> <li>International Platform</li> <li>Disney's marketing expertise</li> </ul>	<ul style="list-style-type: none"> <li>Reduction market power</li> <li>Disney might reduce offer</li> <li>Individual TV content change</li> </ul>

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

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### Options Generated

#### Option 3

- Rejection of proposal and focus on internal operations.

PROS	CONS
<ul style="list-style-type: none"> <li>Control over assets</li> <li>Operational efficiency</li> <li>Low investment</li> <li>Strong cultural experience</li> </ul>	<ul style="list-style-type: none"> <li>Slow growth</li> <li>No best experience</li> <li>Less international experience</li> </ul>

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### Recommendations

	1	2	3	4	5	6	7	8	9	10
UTV	10	15	20	25	30	35	40	45	50	55
Disney	5	10	15	20	25	30	35	40	45	50
Option 1	15	20	25	30	35	40	45	50	55	60
Option 2	10	15	20	25	30	35	40	45	50	55
Option 3	5	10	15	20	25	30	35	40	45	50

Goal -> Create a collaborative partnership

### 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

# UTV and Disney: A Strategic Alliance (A)

## Agenda

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

## UTV Overview

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By: Jason Su, Samuel Diep, Ashwin Sagar, Kevin Mueller, and Etienne Danton

# 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