



Cinépolis in India: A Business Adventure in Bollywood (A) *

1. Introduction

For Alejandro Ramírez Magaña, the CEO of Cinépolis, that day did not end as expected. Invited by the Stanford Graduate School of Business, he was supposed to just give a seminar for the students of the Stanford Sloan Master's program. However, he left California with more than just another public speaking experience. He left with a great business idea.

The talk went well and after it, few students from India approached Mr. Ramírez. "They told me that there was a great potential for Cinépolis in India," recalls Mr. Ramírez. The business plan was prepared. "I presented it to my board; they approved it," says Mr. Ramírez.

Venturing outside of Mexico is not something new to Cinépolis, the fourth largest chain of cinemas. However, so far, the company operated only in Latin American countries. India seems to be a completely different type of game. How should Cinépolis prepare and execute a business strategy for an entry in the market that seems so different from the familiar Mexican environment? Does Cinépolis have enough resources and capabilities for such a business adventure? What is the future ahead and how to determine whether the entry is successful or not? How to deal with unexpected obstacles and cultural differences which can hinder the growth? These are the questions that Mr. Ramírez had to ponder with his team.

2. Motion Picture Industry

Between the initial idea for a new movie and the time that movie-goers can enjoy that movie, there are three key stages: production, distribution, and exhibition. Different types of players appear at each stage. There are major studios, so-called "The Big Six" (Warner

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