



PREPARING INNOVATIVE LEADERS FOR GLOBAL IMPACT

Graduate School of Management  
Department of Marketing  
University of California - Davis

# **Re-Thinking Digital**

*Lessons for America*

**Fall Quarter 2024**

MGT/P/B 490BV 001 FQ 2024 (CRN: 50457, 50458, 50459)

**Instructor:** Kay Peters, Visiting Professor of Marketing  
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**Course Webpage:** follows  
**Office Hours:** Please arrange a meeting via email and give some advance notice.  
We then meet via Zoom or in person.

**Please note:**

**This is a 2-credit course comprising 20 hours of teaching in 7 classes (7 days).**

**Why should you take it? Well, do you know these firms:**

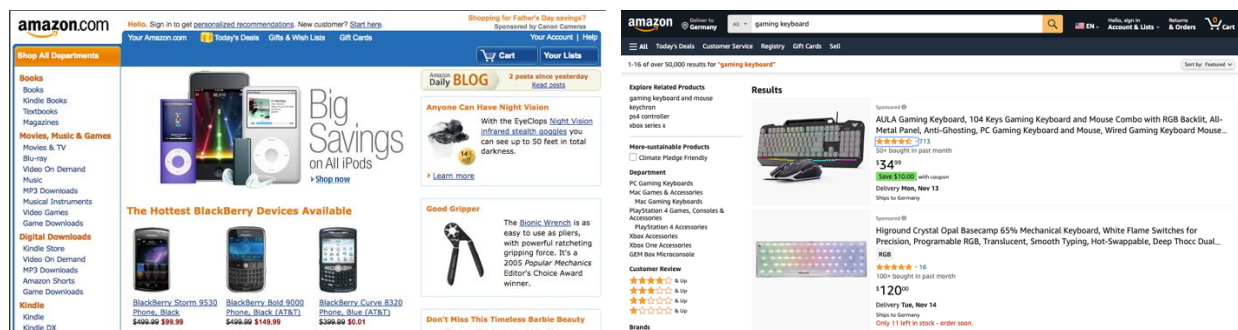


**You should – they are re-inventing digital and may knock your door soon...**

## Course Description

In a first wave of digitization, we developed computing power. The initial promises for leaps in productivity were great, but quickly led to the famous Solow Paradox: Economist Robert Solow said in 1987 that the computer age was everywhere except for the productivity statistics. That was partly resolved in early 1990s.

In a second wave, the western world invented the internet and sparked a global revolution across all industries. First leaps in digitization led to the creation of new powerhouses like Google, Amazon, Facebook, Apple and the like. Most of the western world's web ecosystem is still financed through advertising. However, substantial progress has been slowing recently. For example, Amazon's website looks almost like 20 years ago (2008 vs today)?



In 2018, McKinsey explored the next upcoming round of digitization, comprising “the latest digital technology—such as cloud computing, e-commerce, the mobile internet, artificial intelligence, machine learning, and the Internet of Things—that is moving beyond process optimization to fundamentally transform business models, alter value chains, and blur the borders of industries.” Again, digitization isn’t stimulating productivity growth—yet?

In comparison to the Western world, there are impressive latest trends and offerings from China that are worth analyzing and learning from. You may have seen already the first messengers like SHEIN and TEMU. In China, most of the web eco-system is financed through services, only a fraction through advertising. Additionally, several spearheading Chinese firms are re-thinking complete value chains, not just replacing offline services with corresponding digital twins, but re-designing whole industries and implementing Artificial Intelligence (AI) at scale. If we do not learn quickly, we may face a totally new level of competition we would be unprepared for.

**Mastering this content will propel you to the sought after employee every organization currently tries to hire.**

## **Course Objectives**

This course emphasizes the need for preparing yourself and your business for the next generation of Digital. It aims to teach the principles involved in re-designing digital value chains in a holistic and ecosystem perspective. The specific objectives are outlined below:

1. Understanding the deep re-digitization of value chains,
2. Understanding the concepts and capabilities needed,
3. How to develop and implement a successful digitization strategy

This course will enable participants to develop their knowledge and skills to enhance their performance in an international and digital business environment. As outlined above, virtually all firms need to deal with the impact of digitization and global competition, turning this course into an important aspect when pursuing general management positions.

## **Class Format and Administration**

Classes are organized in the following way:

1. In-class lectures
2. In-class discussions
3. Group Case Analysis & Group Case Presentations

Classes consist of lectures, discussions, and case work. Lectures provide the concepts and tools. In-class discussions are based on the assigned reading material, lectures, and case work. The cases will furnish real-world examples of how concepts and tools are applied in practice. Additional information will be given in the first class (**do not miss it**).

## **Prerequisites**

- Prior Courses: No formal requirements.
- Recommended Courses:  
Core: Organizational Strategy and Structure, Marketing Management  
Electives: New Product Development, Marketing Strategies, Entrepreneurship Clinic, Management of Innovation, Management of Information Systems, Digital Marketing
- Technology: Laptops for assignments and class work; Canvas (LMS)

Courses on Strategy, Digital (Eco-) and Information Systems, and New Product Development may facilitate a better access and learning of the topics covered.

## **Workload**

For every hour in class in a week, please allow approximately 2 hours of readings (individual) and case work (in team) as workload.

For the first classes, readings will dominate your workload. As you get the readings way ahead of the first class, you can spread the workload across multiple weeks.

For the weekly classes, teamwork on the case studies will dominate your workload. Please note that all teams work on all case studies. Each team will be assigned a single case study per week. The work across cases / weeks can be balanced out within your team. The peer evaluation helps to ensure equal workload within the team across the time span of the course.

## **Course Requirements and Grading**

The course requirements and their contribution to the overall grade are as follows:

<b>1. Individual Class Participation</b>	<b>40%</b>
<b>2. Group Case Presentations (Group Grade)</b>	<b>40%</b>
<b>3. Peer Evaluation within Groups</b>	<b>20%</b>

### **Grading: Letter**

#### ***Class Attendance and Participation (40%)***

Attendance is crucial for learning. This course is structured to help develop your interest and ability to think about the use of information technology in today's organizations. You should plan to be actively involved -- this means attending class, being attentive, and participating in class activities.

**Please make sure to miss no more than 2 hours of class.**

#### ***Group Case Presentations (40%)***

As the course aims to enable participants to analyze realistic scenarios and subsequently devise and implement appropriate solutions, the team case work is key. Team memberships will hold for the entire course. Grading will be based on the analytics as well as the suggested solution, their presentation, and the team's contribution to class discussion.

About 2-3 PPT slides per assignment question are expected. Do not summarize the case content. Provide and explain your insights, conclusions, and managerial recommendations.

Late assignments will receive a grade penalty depending on the delay. In case you face personal challenges meeting deadlines, please communicate early and proactively to facilitate a fair solution.

Depending on the final size of the class, each group presentation will be limited to leave sufficient time for in-class discussion. Case Presentations are due via Canvas in PPT format.

**Please note – not all groups work on all cases.** Groups are assigned a single (1) case per class/week, but groups work on different cases in each week. The discussion is jointly to learn across cases and groups on each topic. You prepare all cases (reading, thinking), but work on one per week. Here are the submission due dates to CANVAS:

Case SHEIN vs Zara	Fri, Oct 4, 2024, at 11pm
Case SHEIN: Ultrafast Fashion	Fri, Oct 4, 2024, at 11pm
Case Pinduoduo: 300m+	Fri, Oct 11, 2024, at 11pm
Case Pinduoduo 824m	Fri, Oct 11, 2024, at 11pm
Case Ping An: Digital Ecosystem	Fri, Oct 18, 2024, at 11pm
Case Ping An: Tech Giant (A) (B) (C)	Fri, Oct 18, 2024, at 11pm
Case Ping An: Good Doctor	Fri, Oct 18, 2024, at 11pm
Case Competing with Dragons	Fri, Oct 25, 2024, at 11pm
Case Alibaba vs JD.com	Fri, Oct 25, 2024, at 11pm
Case Alibaba Group Fostering...	Fri, Oct 25, 2024, at 11pm
Case Alibaba, Tencent, and Amazon	Fri, Oct 25, 2024, at 11pm
Case TikTok's AI Strategy	Fri, Nov 8, 2024, at 11pm
Case Turbulent Times for TikTok's...	Fri, Nov 8, 2024, at 11pm
Case Paypal Market Leadership	Fri, Nov 15, 2024, at 11pm
Case Ant Financial (A) (B) (C)	Fri, Nov 15, 2024, at 11pm
Case WeChat Ecosystem	Fri, Nov 15, 2024, at 11pm

**Note: Your team will be assigned 1 case per week. You read all cases for each week.**

***Peer Evaluation on Group Case Work (20%)***

The case studies are teamwork. We may have 3-5 students per group. Part of the overall individual grade for each student depends on an anonymous rating by their group peers at the end of the course.

**Class Rules*****Academic Honor Code***

There are several individual level assignments in this course. You are expected to complete the assignments on your own, without help from your peers – i.e., you are not permitted to work with others on any aspect of the individually graded coursework. In case you have questions regarding the material or assignments, I'm available either in my office, by phone or email and will be happy to answer your questions.

Please read <http://sja.ucdavis.edu/files/cac.pdf> for details.

***Use of Electronics in Class***

You are allowed to use your laptop/tablet in class – however this use is conditional. You cannot use your laptops for any other activity other than those pertaining to the class. Hence, surfing, emailing, chatting, facebook visits and other related activities are not allowed. If such activity is observed in class, then laptop privileges will be revoked. Smartphone/phone use is not allowed in class – you are welcome to step out of class, with my permission, if you need to answer a call.

**Course Material**

These items will be included with the Equitable Access program and should be available in the Bookshelf tool in Canvas.

<b>Textpak (HBS):</b>	<b>Title</b>	<b>Code</b>	<b>Activity</b>
Porter/Magretta	The Five Forces	8889BC	Reading
Kumar/Mittal/Joshi	Zara in China India	SMU300	Reading
Zhu et al.	Pinduoduo	620040	Reading
Zhu et al.	Ping-An: Pioneering...	620068	Reading
Palepu et al.	Ant Group (A)	122003	Reading
Luo/Chen	SHEIN vs ZARA	HK1327	Case
Fong/Wan/Huang	SHEIN: Ultrafast Fashion	HK1378	Case
Zhou/Lau	Pinduoduo: 300m+...	HK1167	Case
Tuli/Lim	Pinduoduo 824m	SMU040	Case
Greeven et al	Ping-An: Digital Ecosystem	IMD1040	Case
Yu/Feng/Orlick	Ping-an: ...Tech Giant (A)	IMD1072	Case
Yu/Feng/Orlick	Ping-an: ...Tech Giant (B)	IMD1073	Case
Yu/Feng/Orlick	Ping-an: ...Tech Giant (C)	IMD1074	Case
Mi/Kim/Mauborgne	Ping An Good Doctor	IN1724	Case
Li	Competing with Dragons: Amazon in China	HEC204	Case
Chen/Pan/Huang	Alibaba vs JD.com: Strategies, Business Models, ...	CB0069	Case
Park/Thao	Alibaba Group: Fostering an E-Commerce Ecosystem	W16858	Case
Yang et al.	Alibaba, Tencent, and Amazon as E-Commerce Platforms	W15355	Case
Davis/Vo/Yang	TikTok's AI Strategy	IN1587	Case
Zhang/Haggerty	Turbulent Times for TikTok's Platform Strategy	W24908	Case
Pappalardo et al.	Paypal: Maintaining Market Leadership in Dig. Payments	IN1862	Case
Zhu et al.	Ant Financial (A)	617060	Case
	Ant Financial (B)	618041	Case
	Ant Financial (C)	618042	Case
Bai/Liu	The WeChat Ecosystem	CB0275	Case

**Provided on Canvas from UCD library (Reading)**

You can also access these with the provided links through library using the VPN.

Hambrick/Frederickson	<a href="#">Are you sure you have a strategy?</a>
Barney	<a href="#">Firm Resources and Sustained Competitive Advantage</a>
Porter	<a href="#">What is Strategy?</a> [Search for, “AN 9611187954”]
Porter	<a href="#">The five competitive forces that shape strategy</a> [Search for, “AN 28000138”]
Porter/Millar	<a href="#">How Information gives you Competitive Advantage</a>
Galbraith	<a href="#">Organizing to Deliver Solutions</a>
Galbraith	<a href="#">StarModel</a>
Jacobides/MacDuffie	<a href="#">How to drive value your way</a>
Wessel et al	<a href="#">The Problem with Legacy Ecosystems</a>
Ovans	<a href="#">What is a business model?</a>
Johnson et al.	<a href="#">Reinventing your business model</a> [Search for, “AN=35386627”]
Galbraith	<a href="#">Organization Design Challenges resulting from Big Data</a>
Zeng/Williamson	<a href="#">The Hidden Dragons</a>
Ghemawat/Hout	<a href="#">Tomorrows Global Giants</a>
Holmström	<a href="#">From AI to Digital Transformation</a>
Brock/Wangenheim	<a href="#">Demystifying AI</a>
Huang/Rust/Maksimovic	<a href="#">The Feeling Economy – Next Gen AI</a>
Huang/Rust	<a href="#">Engaged to a Robot? The Role of AI in Service</a>
Sjödin et al.	<a href="#">How AI capabilities enable business model innovation</a>
Angström et al.	<a href="#">Getting AI implementation Right</a>
Hopf et al.	<a href="#">Organizational Implementation of AI</a>



**OPTIONAL READINGS**

(These five items can be found in this coursepack, <https://hbsp.harvard.edu/import/1201118>, they are optional, so you can purchase which ones you want, or none of them)

**Additional Readings on Artificial Intelligence:**

- |  |                |
|--|----------------|
| 1. Welcome to AI [ <b>HBS Book, USD 15</b> ]<br>(Shrier 2024)  | 10731-PDF-ENG  |
| 2. Prediction Machines [ <b>HBS Book, USD 15</b> ]<br>(Agraval, Gans, & Goldfarb 2022)   | 10598-PDF-ENG  |
| 3. Fusion Strategy: How Real-Time Data and AI<br>Will Power the Industrial Future [ <b>HBS Book, USD 17.5</b> ]<br>(Govindarajan & Venkatraman 2024) | 10689-PDF-ENG  |
| 4. What Managers Should Ask About AI Models and Data Sets [ <b>HBS</b> ]<br>(Hoerl 2023)   | SR0166-PDF-ENG |
| 5. The Working Limitations of Large Language Models [ <b>HBS</b> ]<br>(Burtsev & Reeves 2023)  | SR0157-PDF-ENG |

**Additional Readings on Sustainability:**

**You can access these with the provided links through library using the [VPN](#).**

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|--|----------------|
| 6. <a href="#">Business as Usual Will Not Save the Planet</a><br>(Kremer, Agarwal, & Srinivas 2019)  | H050AC-PDF-ENG |
| 7. <a href="#">Beyond Greening: Strategies for a Sustainable World</a><br>(Hart 1997)  | 97105-PDF-ENG  |
| 8. <a href="#">The Performance Frontier: Innovating for a Sustainable Strategy</a><br>(Eccles & Serafeim 2013)                                   | R1305B-PDF-ENG |
| 9. <a href="#">The Circular Business Model</a><br>(Atasu, Dumas, & Van Wassenhove 2021)  | R2104D-PDF-ENG |
| 10. <a href="#">Why Sustainability is Now the Key Driver of Innovation</a> [search for “AN 43831035”]<br>(Nidumolu, Prahalad, & Rangaswami 2009) | R0909E-PDF-ENG |
| 11. <a href="#">How to Talk to Your CFO About Sustainability</a><br>(Whelan & Douglas 2021)  | R2101G-PDF-ENG |

## **Tentative Class Schedule**

<b>Class 1</b>	<b>Sep 29</b>	<b>Su 10am -12n</b>	<b>Zoom</b>
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### **Conceptual Essentials (1)**

#### **Strategic Concepts (1) – a subset of**

- Strategic Concepts
- Market Structure
- Value Chain Analysis & Design
- Strategic Capabilities
- Platform Strategy
- Digitization & Digital Transformation of Value Chains & Firms

#### **Introduction to China – a subset of**

- Strategic Approaches to Green Energy
- Strategic Approaches to Green Mobility
- Strategic Approaches to Health Services
- Strategic Approaches to Water Management
- Etc.

#### **Industry Examples from China on Re-thinking Digital – a selection:**

- Health Insurance: Aetna & Kaiser Permanente vs Ping An
- Retailing: Amazon & Zara vs Temu, Shein, & Kuaishou
- Payments: Bank of America & Paypal vs Alipay & WeChat
- Social Media: Facebook & Instagram vs TikTok
- ...

### **Application of Knowledge – Case Studies**

#### **Introduction to SHEIN & the Fashion Industry**

#### **SHEIN – Case Assignments**

- Luo/Chen                      SHEIN vs ZARA
- Fong/Wan/Huang            SHEIN: Ultrafast Fashion



Why is SHEIN such a strategic threat to Western fashion companies?  
What is SHEIN's strategic AI and hybrid Ecosystem advantage?

## Conceptual Essentials (2)

### Strategic Concepts (2) – a subset of

- Strategic Concepts
- Market Structure
- Value Chain Analysis & Design
- Strategic Capabilities
- Platform Strategy
- Digitization & Digital Transformation of Value Chains & Firms

### Introduction to China – a subset of

- Strategic Approaches to Green Energy
- Strategic Approaches to Green Mobility
- Strategic Approaches to Health Services
- Strategic Approaches to Water Management
- Etc.

## Application of Knowledge – Case Studies

### SHEIN & the Fashion Industry – Case Presentations & Discussion

- Luo/Chen                      SHEIN vs ZARA
- Fong/Wan/Huang              SHEIN: Ultrafast Fashion



### Introduction to TEMU (PDD) & the Retailing Industry

#### TEMU/PDD – Case Assignments

- Zhou/Lau                      Pinduoduo: 300m+...
- Tuli/Lim                      Pinduoduo: 824m



Why is TEMU such a strategic threat to Western retailers?  
What is TEMU's strategic AI and hybrid Ecosystem advantage?

## Conceptual Essentials (3)

### Strategic Concepts (3) – a subset of

- Strategic Concepts
- Market Structure
- Value Chain Analysis & Design
- Strategic Capabilities
- Platform Strategy
- Digitization & Digital Transformation of Value Chains & Firms

### Introduction to China – a subset of

- Strategic Approaches to Green Energy
- Strategic Approaches to Green Mobility
- Strategic Approaches to Health Services
- Strategic Approaches to Water Management
- Etc.

## Application of Knowledge – Case Studies

### TEMU (PDD) & the Retailing Industry – Case Presentations & Discussion

- Zhou/Lau                      Pinduoduo: 300m+...
- Tuli/Lim                      Pinduoduo: 824m



### Introduction to Ping An & the (Health) Insurance Industry

#### Ping An – Case Assignments

Ping An: Disruptive Artificial Intelligence in Finance & Insurance  
Greeven et al.                      Ping-An: Digital Ecosystem

- Yu/Feng/Orlick                      Ping-an: ...Tech Giant (A) (B)
- Yu/Feng/Orlick                      Ping-an: ...Tech Giant (C)



- Ping An: Disruptive Artificial Intelligence in Health Services  
Mi/Kim/Mauborgne                      Ping An – Good Doctor

Why is Ping An such a strategic threat to Western Insurance Companies?  
What is Ping An's strategic AI and hybrid Ecosystem advantage?

## Application of Knowledge – Case Studies

### Ping An & the (Health) Insurance Industry – Case Presentations & Discussion

Ping An: Disruptive Artificial Intelligence in Finance & Insurance

- Yu/Feng/Orlick                      Ping-an: ...Tech Giant (A) (B)
- Yu/Feng/Orlick                      Ping-an: ...Tech Giant (C)



Ping An: Disruptive Artificial Intelligence in Health Services

- Mi/Kim/Mauborgne                  Ping An – Good Doctor

### Introduction to Alibaba, JD, Tencent & the eCommerce Industry

#### Alibaba & Tencent – Case Assignments

- Li    Competing with Dragons: Amazon in China
- Chen/Pan/Huang                      Alibaba vs JD.com: Strategies, Business Models, and...
- Park/Thao                                Alibaba Group: Fostering an E-Commerce Ecosystem
- Yang et al.                                Alibaba, Tencent, and Amazon as EC Platforms



Why are Alibaba and Tencent such a strategic threat to Western eCommerce Companies?  
What are their strategic AI and hybrid Ecosystem advantages?

## **Application of Knowledge – Case Studies**

### **Alibaba, JD, Tencent & the eCommerce Industry – Case Presentations & Discussion**

- Li                                      Competing with Dragons: Amazon in China
- Chen/Pan/Huang                  Alibaba vs JD.com: Strategies, Business Models, and...
- Park/Thao                          Alibaba Group: Fostering an E-Commerce Ecosystem
- Yang et al.                          Alibaba, Tencent, and Amazon as EC Platforms



*Cases may spill over to next class*

### **Introduction to TikTok (ByteDance) & the Social Media (Commerce) Industry**

#### **TikTok – Case Assignments**

- Davis/Vo/Yang                      TikTok's AI Strategy
- Zhang/Haggerty                    Turbulent Times for TikTok's Platform Strategy



Why is TikTok such a strategic threat to Western Soc Media and eCommerce Companies?  
What is TikTok's strategic AI and hybrid Ecosystem advantage?

**Application of Knowledge – Case Studies**

**Alibaba, JD, Tencent & the eCommerce Industry – Case Presentations & Discussion**  
*Cases may spill over to this class*

**TikTok & the Social Media (EC) Industry – Case Presentations & Discussion**

- Davis/Vo/Yang                      TikTok's AI Strategy
- Zhang/Haggerty                      Turbulent Times for TikTok's...

**Introduction to Alipay, WeChat & the Payment Industry**

- Pappalardo et al.                      Paypal: Maintaining Market Leadership
- Zhu et al.                                  Ant Financial (A), (B), (C)
- Bai/Liu                                      WeChat Ecosystem



**Why are Alipay and WeChat such a strategic threat to Western Finance Companies?**  
**What is their strategic AI and hybrid Ecosystem advantage?**

**Application of Knowledge – Case Studies****Alipay, WeChat & the Payment Industry – Case Presentations & Discussion**

- Pappalardo et al.                      Paypal: Maintaining Market Leadership
- Zhu et al.                                  Ant Financial (A), (B), (C)
- Bai/Liu                                      WeChat Ecosystem

**Wrap up**

**What we learned on Strategy & Re-Thinking Digital:**  
**Restructuring Hybrid Ecosystems across the Value Chain**

*Peer Evaluation*

*Course Evaluations*

### Statement on Accommodation

UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. All students who are interested in learning about how disabilities are accommodated can visit the [Student Disability Center](#) (SDC). If you are a student who requires academic accommodations, please contact the SDC directly at [sdc@ucdavis.edu](mailto:sdc@ucdavis.edu) or 530-752-3184. If you receive an SDC Letter of Accommodation, submit it to your instructor for each course as soon as possible, at least within the first two weeks of a course.

### Rights and Responsibilities

All participants in the course, instructor and students, are expected to follow the UC Davis [Principles of Community](#), which includes affirmation of the right of [freedom of expression](#), and rejection of discrimination. The right to express points-of-view without fear of retaliation or censorship is a cornerstone of academic freedom. A diversity of opinions with respectful disagreement and informed debate enriches learning. However, in this course, any expression or disagreement should adhere to the obligations we have toward each other to build and maintain a climate of mutual respect and caring.

You are expected to take UC Davis's [Code of Academic Conduct](#) as seriously as we do. You were given this code of conduct with explicit explanations of violations (e.g., plagiarism, cheating, unauthorized collaboration, etc.) and your responsibilities in regard to them during orientation, and you signed a statement affirming that you understand it. Academic conduct violations will not be tolerated, and your instructor will not hesitate to turn violators over to Student Judicial Affairs. If you are uncertain about what constitutes an academic conduct violation, please refer to the code linked above, contact your instructor, or refer to the [Office of Student Judicial Affairs](#).

All material in the course that is not otherwise subject to copyright is the copyright of the course instructor and should be considered the instructor's intellectual property.

### Safety and Emergency Preparedness

UC Davis has many resources to help in case of emergency or crisis. While reviewing campus [Emergency Information](#), you may want to register for UC Davis Warn Me and Aggie Alert, which will give you timely information and instructions about emergencies and situations on campus that affect your safety. If there is an emergency in the classroom or in non-Davis locations, follow the instructions of your instructor.

### Student Wellness

You deserve respect, and are encouraged to [practice self-care](#) so that you can remain focused and engaged; that might mean getting a drink of water, leaving to use the restroom, taking a moment to stretch, or doing something else you need to do to take care of yourself. Please be respectful of others by minimizing distractions when practicing self-care – especially in lab, field or studio settings where safety is imperative.

College life can be overwhelming at times but know that you are not alone if you're feeling stressed. For many of us, systems of oppression such as racism, sexism, heterosexism or cissexism may cause additional stress. Please remember to practice self-care and reach out for support if and when you need it.

You can visit [Virtual UC Davis](#) to find resources related to health and well-being, academics, basic needs (food and housing) and more.

### Disclaimer

Of course, any unexpected events might require elements of this syllabus to change. Your instructor will keep you informed of any changes.