

GlobalMBA Cohort 2017/18: Abstracts of Global Business Team Projects

- **“Open Sesame: The Past, Present and Future of E-Commerce in China’s Retail Industry”**

Ming Chen, Katharina Puetz, Vanessa Smiatek, Katie Vogel, Homam Zituni

E-commerce and e-retail have contributed to China’s recent economic transformation and continues to play a vital role in its continued economic evolution. While China is the fastest growing e-commerce market in the world, foreign company entrance is limited. This paper examines the political, economic, technological, social and environmental aspects and their respective developments over the past several decades. We have outlined a possible trajectory of the further evolution in the previously mentioned areas. Examining those aspects we understood the strong interdependence of those areas. For business, good government relations are imperative as China utilizes state planning for its economy. It is vital to understand how to deliver a superior service to the customer and advanced technology through strategic alliances between businesses. To address the numerous existing and emerging environmental problems, the Chinese government incentivises companies to use e-retail as a sustainable solution. For e-commerce businesses, whether domestic or foreign, it is important to comprehend how they can bring value to the Chinese customer. It is important to recognize certain ecosystems within e-commerce and to consider cooperation with competitors if it brings added value to the Chinese market and consumers.

- **“The Impact of Digitalization on the Automotive Value Chain: Analyzing the Potential for German Automotive Companies”**

Lucas Boettcher, Jill Franskousky, Laura Lorson, Marcin Muranty, Christine Swartzberg

The megatrend of digitalization is disrupting industries around the globe today. This includes the automotive industry as one of the world’s most important industries which is already facing challenging times with the emerging importance of issues such as vehicle

emissions, electric cars or autonomous driving. To get a better understanding of how digitalization will reshape the entire industry and how value is created to maintain a competitive advantage throughout the digitalization changes, an analysis of the effects of digitalization on the automotive value chain today is provided. Due to the sheer size and fragmentation of the industry, the focus will primarily be on German automotive companies to provide a more in-depth focus on one specific segment. Therefore, this thesis will examine closely the trends changing the entire industry but also the current situation and role of the German automotive industry. In particular, the changes affecting the automotive value chain will be emphasized before analyzing each value chain step in relation to the digitalization impacts. The thesis concludes by giving an outlook of how the value network of the future potentially are going to look like based on the findings made throughout the research as well as an evaluation of the opportunities and challenges that arise for the German automotive companies.

- **“An Analysis of the Influence of Autonomous Driving on the Business Environment of the Automotive Industry”**

Laura Kirkman, Savannah Kowalski, Paweł Madany, Timo Schumacher

In the intent to analyze the impact of autonomous driving on the business environment of the automotive industry in the United States and Germany, it was found that the competitive landscape is about to change significantly. The entrance of new technology companies disrupts the relation of power and profitability among manufacturers, as ICT companies, car-hailing, and car-sharing providers will be seen throughout the coming decades. Traditionally, the automotive value creation of a vehicle consists mainly of the motor, interior, and chassis. With the rise of autonomous and electric driving, alternative powertrains, semiconductors, smart sensors, and batteries are becoming the most relevant value drivers. The increasing software relevance is twofold, with AI for autonomous driving capabilities on one side and data, service and mobility functions on the other. These trends lead to an era of software-engineered cars opening up many opportunities for carmakers and newcomers from a variety of sectors. This expansion of the business environment is expected to fundamentally affect transportation, the environment and media consumption. Furthermore, the car manufacturers of the future will rather form alliances with numerous firms than compete on its own, which allows them to cope with cost pressure and assure timely market maturity of autonomous vehicles ahead of competitors.

- **“Creation of a Road Map: The Conceptualization of the Online Payment Industry”**

James Ginn, Xuewei Guo

This thesis is designed to create a conceptualization of the Online Payment Industry, with the target audience being managers and business professionals. Two questions are posed to be answered by the paper, the first is if the Online Payment Industry exists in its own right by both official classification, and market characteristics, and the second is to address the lack of an official and universal definition of the Online Payment Industry. An extensive examination of the market, its major players, technologies, and components, is conducted in order to create the basic framework of the industry environment. An in-depth analysis of the constraints of the Online Payment Industry is done to explore the existing regulations, potential standardization, and international perspectives and how they affect the overall growth, evolution, and adoption of the industry worldwide. The industry is then reframed and classified as its own entity by concluding that the competitors of the ecosystem share similar supplier and buyers, and are at risk of related new entrants and substitutes. This, as well as the identification of the key, shared characteristics of businesses within the sector prove the Online Payment Industry is an individual industry with an effect on managerial strategies. In conclusion, a final definition of the Online Payment Industry is posed, isolating the scope, technology, major players, and reach of the disruptive global payment technology.

- **“Will Blockchain revolutionize the financing industry? An analytical review comparing IPOs and ICOs”**

Sarah Luce, Mansenie Joseph, Patryk Abramczyk, Filip Nasiadko, Clara Schwucht

Supporters of the blockchain technology claim that the new concept is revolutionizing society in the same way that the internet did many years ago. This phenomenon affects several industries with the financial industry seeing the most influence today. Therefore, in this paper, the disruptive effects of this technology and one of the main concepts to come out of it, namely Initial Coin Offering (ICO) are analyzed. In order to better understand the potential impact of the blockchain concept on the financial industry, an understanding of the present circumstances is needed. The most prominent and important characteristics of the finance industry will be outlined, including the description of international stock markets which provide the platform for shares issued in an IPO. In the description of IPOs, it is highlighted that companies have to fulfill numerous requirements prior to an IPO. Intro-

ducing the blockchain technology, it is shown that its decentralized characteristic leads to many advantages and opportunities. However, problems and limitations are examined as well. The blockchain based fundraising mechanism of ICOs is introduced thereafter. This establishes the base for a detailed point to point comparison of ICOs and IPOs focusing on aspects such as utility, costs, opportunities, regulations and success factors. It has been shown that the disruptive potential of ICOs relies heavily on the introduction of regulation. Furthermore, long-term performance of companies that already performed an ICO are another determinant factor. Independent of the development of ICOs, the findings show that blockchain's impact is likely to further increase and a transformative potential is proven.