



Hack og crack en Kina-case

Program

17.15-17.30 Velkommen og introduktion til case-formatet

17.30-19.00 Case-cracking

19.00-19.20 Præsentationer

19.20-19.30 Dommervotering

19.30-19.45 Annoncering af vinder og feedback.

19.45- Reception/Mingling

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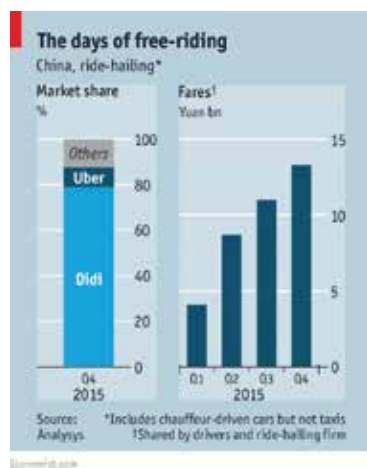


While the US tech hub, Silicon Valley is known as the place to be for a start-up, hubs are mushrooming globally. In the policy document, Made in China 2025 (中国制造2025), Beijing picked 17 hubs for innovation and with the July 8 announcement of a three-step road map to lead in artificial intelligence by 2030.



Startups, especially in tech, are the new big business. In 2017 it is estimated that more startups will launch than the previous 4 years combined. However, with 90% failing, it is a high-risk market.

Named the world's most valuable startup, Uber entered the Chinese market with a launch in Beijing in 2014. Offering chauffeured car-hailing services through car rental companies, Uber China focused on top-notch service and on one of its competitive advantages: the international presence of Uber would make it helpful for users to consistently use Uber when travelling abroad (Hong 2014).



In 2016, "Uber gives app" as a The Economist headline read and so Uber handed over its China operations in turn for a stake and a seat in the board of directors. Consequently, some innovation experts observed that "Uber failed because Didi is a better company" (Vaitheeswaran 2016).

Today, Uber's failure to succeed in China has become a subject for study as was eBay when the company was out-competed by Taobao. Despite these cases of foreign companies failing big in China, many entrepreneurs remain attracted to the Chinese market.

U B E R

- Product test of chauffeur-driven cars in 2013 in Shanghai
- Private-car services
- 11.5% market share
- Baidu-backed
- Google-maps based in the beginning
- Credit-card payment



- Product launched taxi-hailing
- Chauffeured services, bus, mini-vans, guided tours, taxi-hailing, car pool
- 80.2% marketshare
- Alibaba, Apple, Tencent-backed
- Local map-system
- WeChat-pay

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Choose one of the following approaches.

1)

Would you recommend a startup/tech company/any company to enter the Chinese market? Why? What advice would you give to a startup/tech company/any company wishing to enter the Chinese market? Why are these the advices important?

2)

What does this case tell us about the Chinese consumers? How does your knowledge of China fit into this case? In other words, what could you have told Uber? And why do you think Uber made those decisions?

3)

What made Didi successful? Did Didi have advantages that Uber didn't have? If yes, which, and why are these advantages that you want to highlight?

4)

How does the Chinese social/cultural/political landscape affect (foreign) businesses and business opportunities?

5)

How would you determine 1), 2), 3), or 4)? Please explain your methodological approach.

Examples of further readings

A Short History of Uber in China: Was it a failure?

<https://www.forbes.com/sites/shlomofreund/2016/08/15/a-short-history-of-uber-in-china-was-it-a-failure/#3708f35b3386>

China's Didi Chuxing is raising up to \$6 billion at a valuation of over \$50 billion

<https://techcrunch.com/2017/04/27/didi-chuxing-to-become-worlds-second-highest-valued-startup/>

China's Got a Huge Artificial Intelligence Plan

<https://www.bloomberg.com/news/articles/2017-07-21/china-artificial-intelligence-plan-seeks-59-billion-industry>

Made in China: The making of a high-tech superpower and consequences for industrial outcomes

https://www.merics.org/fileadmin/user_upload/downloads/MPOC/MPOC_Made_in_China_2025/MPOC_No.2_MadeinChina_2025.pdf

Uber gives app

<https://www.economist.com/news/business/21703409-chinas-didi-chuxing-and-americas-uber-declare-truce-their-ride-hailing-war-uber-gives-app>

Where is China's Silicon Valley?

<http://www.scmp.com/tech/start-ups/article/2106494/where-chinas-silicon-valley>

World dominance in three steps: China sets out road map to lead artificial intelligence by 2030

<http://www.scmp.com/tech/enterprises/article/2103568/world-dominance-three-steps-china-sets-out-road-map-lead-artificial>

Why Uber Couldn't Crack China

<http://fortune.com/2016/08/07/uber-china-didi-chuxing/>