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Driving factors of enterprise ecological strategy in the digital age: An empirical research of five Chinese enterprises

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Synopsis

In the world of today, where human society and businesses as a whole have achieved a high degree of ‘Connectivity’ between each other by the use of the Internet and other digital technologies, these technologies have revolutionized companies’ business models and modus operandi and effectively become the basis of the new economy. It is this ‘Connection’ that has inspired much change and innovations in the world of today. Connection, data creation and quantified data of human behavior can now be stored, analyzed and detected en masse, figuratively turning the population into clusters of numbers ripe for analysis. Concepts such as Participation, Big Data, Customer Equity and Social Economy have all become the core of competition. Chinese corporations will need to achieve a digital transition as soon as possible in order to survive in the digital age. The original competitive strategy models have become outdated due to the solidification of boundaries and clarification of industries, thus rendering them ineffective and impractical in the current state of affairs. On the other hand, we can observe the rise of a new group of corporations, a group that includes the likes of Apple, Tencent, MI and LeTV, that are constantly expanding their competitive borders. These companies’ public worth have soundly surpassed traditional firms, and this is only possible because of these corporations’ strategies, also known as ‘Ecosystemic Corporate Strategy models’.

This paper will attempt to explain and solve a few problems namely: 1. What is it that sets apart corporations such as Apple, MI, Tencent and LeTV from traditional corporations? Why are they valued so highly in the capital market? 2. What is the meaning of ‘Ecosystemic Corporations’ and ‘Ecosystemic Competitive Strategies’? What are their core components and what can of relationship do these components possess? 3. How should corporations achieve the transformation from the traditional to the digital using this ‘Ecosystemic Competitive Strategies’? 4. What inherent risks do ecosystemic strategies possess?

Ecosystemic business models, business ecosystems and ecosystemic competitive strategies are set to become the new trends in the business world in the face of rapid digitalization; this is supported by the development trends of strategic management theories. From a theoretical standpoint and practical applications, the construction of an ecosystemic strategy theory system is at hand. Most up to date research has only delved into the bare basics of theoretical discussion and has not produced any effective tools and models for practical application by corporations.

This paper uses knowledge-based views derived from post positivism. Structural interviews and questionnaires were used in the process of gathering data, with Tencent, Alibaba, MI, LeTV and Haier as the sample corporations in this paper. Summaries on the five corporations’ field experiences based on horizontal interviews are provided within this paper, with hypotheses on the relationships between the core components of ecosystemic competitive strategies in the digital era, of which were quantifiably examined by way of horizontal questionnaires targeted at the corporations’ stakeholders (executives, competitors and customers). This paper has a certain

amount of realism towards companies attempting to implement ecosystemic strategies of their own in the digital era.

Keywords: Strategic innovation, business model, ecosystemic strategies/models, digital strategies, internet strategies

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Contents

Confidentiality and Authorization Statement	II
Acknowledgements	V
Chapter I Introduction	1
1.1 Research Background	1
1.1.1 Digital age: new start for productivity revolution	1
1.1.2 Realignment patterns and strategic turning point in the Digital Age	3
1.1.3 Throw-out of Ecotype Strategies/Models of Digital Era	6
1.2 Problem Introduction	8
1.3 The significance of Research	9
1.3.1 Theoretical Significance	9
1.3.1 Practical Significance	10
1.4 Research Methods	10
1.4.1 Whole consideration of the Research	10
1.4.2 Methodological overview	10
1.4.3 Thesis Structure	11
Chapter II Case study from five sample corporations	13
2.1 An analysis on Alibaba’s ecosystemic strategy	13
2.1.1 Alibaba: An introduction	13
2.1.2 How Alibaba created its own ecosystem	14
2.1.3 The results of Alibaba’s ecosystematic strategies	16
2.2 An analysis on Tencent’s ecosystemic strategy	16
2.2.1 Tencent: An introduction	16
2.2.2 How Tencent created its own ecosystem	16
2.2.3 Tencent’s ecosystemic strategy implementation results	18
2.3 An analysis on MI’s ecosystemic strategy	19
2.3.1 MI: An introduction	19
2.3.2 How MI created its ecosystem	20
2.3.3 MI’s ecosystemic strategy implementation results	22
2.4 An analysis on LeTV’s ecosystemic strategy	23
2.4.1 How LeTV created its ecosystem	24
2.4.2 LeTV’s ecosystemic strategy implementation results	25

2.5 An analysis on Haier’s ecosystemic strategy.....	26
2.5.1 Haier: An introduction	26
2.5.2 How Haier created its ecosystem	26
2.5.3 Haier’s ecosystemic strategy implementation results	28
Chapter III Literature Review	29
3.1 Research on Business Ecology in Strategic Theory.....	29
3.2 Exploration of Business Ecology in Business Models	34
3.3 Summary of Internet Business Theory	39
3.3.1 Metcalfe Law	39
3.3.2 Big Data	40
3.3.3 The Two-Sided Market and The Platform Strategy	41
3.3.4 Crowdsourcing	42
3.3.5 Cognitive Surplus.....	42
3.4 Research on Platform and Platform Strategy Theory	43
3.4.1 Platform and Platform Strategy.....	43
3.4.2 Platform Market Access and Platform Strategy Implementation	43
3.4.3 Business Model, Platform Model And Platform Business Model	44
3.5 Summary of Business Ecology Theory	45
3.5.1 Research of the Concept of Commercial Ecosystem	45
3.5.2 Study on Characteristics of Commercial Ecosystem	47
3.5.3 Research of theory application for business ecosystem.....	50
3.5.4 The lack of commercial ecosystem theory research	51
Chapter IV Research Design.....	52
4.1 Multi-case Research Methods and case selection	53
4.2 Grounded Theory.....	55
4.2.1 Origin of Grounded Theory	55
4.2.2 Approaches of Grounded Theory.....	55
4.2.3 Coding of Grounded Theory	56
4.3 Data Collection	57
4.4 Data Processing	60
4.5 Validity and Reliability	60
4.6 Questionnaire Survey and Statistical Analysis.....	62

Chapter V Research Process and Findings	63
5.1 Overview of Research Process	63
5.2 Research Process of Grounded Theory.....	64
5.2.1 Case of study.....	64
5.2.2 The Interview	64
5.2.3 Interview and Data Acquisition	67
5.3 Open Coding	68
5.4 Second grade coding – Axial Coding	73
5.4.1 Category 1: The ‘elements of an ecosystem’	74
5.4.2 Category 2: A way of creating beneficial ecosystem layouts	91
5.4.3 Category 3: The action of ‘organizing resources with levers based on customers’	93
5.4.4 Category 4: The implementation of the strategies most critical to a corporation’s evolution into an ecosystemic corporation.....	101
5.5 Grounded theory research results	107
5.6 The construction and hypothesis of the ecosystemic strategy mode’s characteristics	110
5.6.1 The formulation of hypothesis of ecosystemic strategy mode characters	110
5.6.2 Research hypothesis on the Ecosystemic Strategy Innovation characteristics model	111
5.7 Affirming hypotheses of innovative ecosystemic strategy models	114
5.7.1 Questionnaire design and data collection	114
5.7.2 Research analysis	115
5.8 Research conclusion	134
Chapter VI Conclusions and discussions	137
6.1 Main body of work	137
6.1.1 Article collection and sorting.....	137
6.1.2 Quantitative research process	137
6.1.3 Qualitative research process	138
6.2 General statement of conclusion	138
6.3 General points of innovation	140
6.4 Constraints and further research directions	141
6.5 Management implementation implications.....	141
6.6 Closing remarks.....	142

References.....	143
Appendix.....	146
Appendix A: Interview records and outline	146
Appendix B: Interview summaries	147
Appendix C: Concepts and frequency derived from open coding.....	168
Statement	173
Personal resume and academic achievements	174

List of Figures

Figure1- 1 When customer age meets real-time age (Source: Forrester Research).....	1
Figure1- 2 Annual global GDP growth rate (Source:McKinsey research report)	3
Figure1- 3 Technical routes of research.....	10
Figure 2- 1 An overview of alibaba’s ecosystem.....	14
Figure 2- 2 Chinese mobile app daily usage times	18
Figure 2- 3 Partial overview of smart hardware companies mi has incubated and invested in	21
Figure 2- 4 Partial overview of mi’s investments in real estate, home furnishing and rental industries	22
Figure 2- 5 Letv’s base ecosystem layout.....	25
Figure 2- 6 Haier u+ smart home control system platform.....	23
Figure 2- 7 Xiaowei incubation platform.....	24
Figure 3- 1 The six elements of wei zhu’s business model	37
Figure 3- 3 Two-sided market.....	40
Figure 3- 4 The components of a business ecosystem	45
Figure 4- 1 Research design overview	51
Figure 4- 2 Coding process	55
Figure 5- 1 Research process	62
Figure5- 2 Open coding steps	66
Figure5- 3 Coding on atlas.ti	67
Figure 5- 4 Uhomeos	74
Figure 5- 5 The value of alibaba people	75
Figure5- 6 The three main platforms of tencent's crowd startup space	79
Figure 5- 7 Tos+ smart hardware open platform	79
Figure 5- 8 Yingyongbao	81
Figure 5- 9 Letv's ecosystem	82
Figure 5- 10 Beneficial ecostructural layouts	87
Figure5- 11 Tencent's investment body	91
Figure 5- 12 Alibaba's ecosystem	92
Figure 5- 13 Mi's ecosystem companies	95
Figure5- 14 An overview of companies letv has invested in.....	95
Figure 5- 15 Letv ecosystem layout.....	98
Figure 5- 16 Letv ecosystem sharing system	99
Figure5- 17 Breakthrough growth as enabled by ecosystemic strategy models.....	103
Figure5- 18 The ecosystemic strategy model: the able model.....	104
Figure5- 19 The formulation of the main hypotheses of the able model.....	105
Figure5- 20 Hypotheses model of ecosystemic strategy models’ characteristics.....	107
Figure 6- 1 The model of innovative characteristics of ecosystemic strategy companies in the digital age.....	132

List of Tables

Table 3- 1 Commercial Ecosystem 4P3S 7-dimension Analysis Model	47
Table 4- 1 Glimpse of case enterprise for case study	54
Table 4- 2 Paradigm comparison	55
Table 4- 3 Enterprises and executives involved in interviews.....	58
Table 4- 4 Techniques for establishing the validity and reliability in case study research	61
Table 5- 1 Detailed Information of Interviewees (Public Speeches Included).....	64
Table 5- 2 The Interview Process Guided by Grounded Theory	67
Table 5- 3 Description of relations among Concepts.....	69
Table 5- 4 Categories and Concepts	70
Table 5- 5 Definition description, property and dimension of the Categories.....	72
Table 5- 6 Conceptual model of the“elements of an ecosystem”	90
Table 5- 7 Typical model of the ‘layout of a beneficial ecosystem’	92
Table 5- 8 A model on organizing resources with a lever strategy based on customers	100
Table 5- 9 A model of critical evolution strategies.....	106
Table 5- 10 Table of categories and core categories.....	107
Table 5- 11 Questionnaire sample information	114
Table 5- 12 Analysis methods.....	115
Table 5- 13 SPSS Reliability analysis	117
Table 5- 14 KMO and Bartlett’s Test 1	118
Table 5- 15 KMO and Bartlett’s test 2.....	118
Table 5- 16 Ecosystemic strategy mode characteristics test results	134