

## Completed Case Studies

### Resolving Tencent QQ and Qihoo 360's World War II from the Perspective of Game Theory

*Professor Zhou Chunsheng and case researcher Yang Yan*

QQ and Qihoo 360: the former a key player in social media, the latter dedicated to internet security. Both experts in their respective market, how were the interests of internet users sacrificed to a war that risked knocking down the entire Chinese internet industry in a cloud of dust? This case explains the underlying causes of the conflict with game theory and explores problems in the competitive business environment of the internet industry.

### Alibaba's Yu'erbao from an American Perspective

*Professor Ouyang Hui and case researcher Yang Guchuan*

Yu'erbao appeared out of the blue in 2013, arriving in the wake of Alipay's major shake-up of China's money market financial instruments. However, by the end of May 2014, Yu'erbao had more than 100 million users and was worth more than 570 billion RMB. Is there now a bottleneck that will curtail its growth and what does its future hold in store? What impact will Yu'erbao have on commercial banking and the rest of the financial industry? An in-depth comparison with US payment innovation Paypal helps us understand the developmental context of Yu'erbao and future trajectories.

### The Payment "Pals" and the Chinese Interest Rate Market

*Professor Li Wei and case researcher Gu Chongqing*

As deposits have been moved to the "Pals" – online financial products that appear to have upset the balance in China's financial industry – banks capital costs have increased and reform has been accelerated in the interest rate market. China has long suppressed access to low-cost financing for the sake of stable bank spreads. Now the situation has switched, and the newly dynamic interest rate market is beginning to have an impact on the Chinese economy. How will financial markets react in the next few years?

## The CKGSB Business Confidence Index

*Professor Li Wei, researchers Gu Chongqing, Yang Yan, Yang Guchuan, Heather Mowbray*

Chinese private business is incredibly active, yet the market has until now lacked a survey to reflect the ups and downs of business sentiment in the sector. The CKGSB alumni base comprises predominantly private companies. Our monthly survey has produced a long-running index and monthly reports in English and Chinese on the CKGSB website and Caixin online.

## Ongoing Case Studies

### Tencent's Open Platform

*Professor Zhu Rui and case researchers Yang Yan and Zhou Yi*

From the tech industry's chief enemy to an open platform approach, the massive Tencent has made a complete volte face in terms of its capabilities and financial acumen. Tencent gives across a very different impression from three years ago. Initially using a closed system, Tencent has switched to an open platform? How does it work and how will the firm establish an ecology to sustain the platform? What ideas does Tencent have about shifting to a mobile platform and what are the risks of moving from PC to mobile technology?

### Xiaomi – Sales in a State of Dominance

*Professor Teng Bingsheng and case researcher Yang Yan*

In the three years since its founding in April 2010, mobile phone maker Xiaomi has reached 31 billion RMB in sales, and in August 2013, it gained a valuation of 10 billion USD. This kind of growth is out of reach for the majority of companies. As one of IT's first entrepreneurs, Lei Jun spent eight years struggling to make it in the industry, succeeding in bringing a company to market only on the fifth attempt. Now, as one of the country's most successful investors, Lei Jun has brought out the Xiaomi phone. What innovations have helped bring Xiaomi its success? Xiaomi's "Internet mindset" has been integral to its success, and is seen as an example of best practice in the mobile phone industry. But when sales settle down,

how can Xiaomi optimize its supply chain to drive competitiveness? This case looks in detail at the Xiaomi method to find out how the company makes its Internet mindset central to its strategy.

## United Way Worldwide's China Strategy

*Professor Zhu Rui and case researcher Heather Mowbray*

As one of the largest and most respected international NGOs, how did United Way Worldwide enter China and develop programs with local partners? How can NGOs learn from best practice to navigate their way towards greater professionalism and efficiency, thus increasing recognition and trust among donors? This case considers the issue of migrant education and how NGOs work towards improving opportunity for all.

## The P2P Model in China – the Cases of Yixin and Renrendai

*Professor Chen Long and case researcher Cui Huanping*

Because of shortcomings in the Chinese financial system, originating in the West, online transactions using the P2P model took off in China. This case compares Yixin and Renrendai to highlight contrasting and differentiated ways of going about P2P transactions. It discusses the current situation and the development hurdles that P2P focused companies face in China.

## Upcoming Case Studies

### DMD Fund versus China Dolls Center for Rare Disorders

*Professor Zhu Rui and case researcher Cui Huanping*

The recent Ice Bucket Challenge has drawn attention to the plight of sufferers of rare diseases in the West and the NGOs that seek to mitigate their symptoms and search for cures. As early as 2011, the China-Dolls Center for Rare Disorders, founded by individuals with Osteogenesis Imperfecta (OI), registered under the Beijing Civil Affairs Bureau as a non-profit organization. The Duchenne muscular dystrophy (DMD) Fund started in a similar way, and both have spent four years establishing themselves by registering, operating, fundraising and building effective teams. These two grassroots NGOs can help others

in their charity endeavors by shedding light on the challenges and solutions faced by such organizations.

## A Comparison of the Distribution of Chinese and American Internet Companies

*Professor Chen Long and case researcher Yang Yan*

In 2013, mergers and acquisitions took a strong role in the domestic market, and this was especially dazzling in the internet industry. Baidu, Alibaba and Tencent (BAT) are the brightest stars in their respective sectors, but as time has progressed, the boundaries between them have blurred and their impact on the overall pattern of the industry has grown. Via business development, mergers and acquisitions and investment, the cases of these three companies can be compared to explain current business structures and their corresponding historical logic. At the same time, with similar structures to America's biggest three internet firms - Google, Amazon and Facebook – we can identify the root causes of Sino-US differences.

## China's Money Supply Channels

*Professor Li Wei and case researcher Gu Chongqing*

30 years of reform and opening have seen several shifts in China's money supply channels, from open refinancing, to foreign exchange, and now to the newly created PSL, SLO and other monetary policy tools. This case explores the development of money supply channels in China's economy, focusing on how they have made an impact on the financial system.

## The Payment "Pals" and China's Financial Revolution

*Professor Li Wei and case researcher Gu Chongqing*

Payment "Pals" have exerted significant pressure on the Chinese finance sector since Yu'erbao's rapid emergence in 2013. Internet finance has not only improved financial returns for small investors, but has had a much bigger effect on financial management nationwide, by breaking down the high walls of Chinese financial repression. The government has profited from collecting long term inflation tax for its own financing use. The Payment "Pals" by providing a safe channel to access financial assets via the interbank market, have offered investors high interest, which has broken the pattern of government financial repression.