

Case study assignment: SHOPEE

1. Objectives of the case work

- to understand the background of retail e-commerce industry in India;
- to understand the imperative(s) to internationalize young firms in a technology industry;
- to assess the advantages and disadvantages of rapid international expansion;
- identify the importance of non-market factors (versus market factors), especially in an emerging economy, and
- evaluate the various options for a young company to achieve growth, and recommend an appropriate course of action given the turbulent environment and the company's strengths.

2. Assignment questions

1. Please, examine the growth drivers of the Indian retail e-commerce industry;
2. Analyze the factors that explain Shopee's rapid international growth;
3. Examine the network effects and their consequences for platform business model internationalization in the case of Shopee;
4. Provide your assessment of Shopee's international expansion strategy;
5. Analyze the concerns and pressures associated with a). Shopee's decision to stay in India, b). Shopee's decision to exit India;
6. Assess the viability of strategic actions taken by Shopee in India and develop your recommendations for the company regarding Shopee's future international strategy.

3. Analysis

Begin your case study analysis with examination of the retail e-commerce industry in India – what are the key supply- and demand-side trends in the industry, who are the leading players in the industry, what are the categories of products offered by the key players. To understand the background of retail e-commerce industry in India you could use Michael E. Porter's "Five Forces Model". Analyze and compare Shopee's strengths and weaknesses with those of the competition.

Then, analyze the factors that explain Shopee's rapid international growth. While conducting this analysis, consider and examine the types of network effects and their consequences for platform business model internationalization in the case of Shopee.

Continue with assessment of Shopee's international expansion strategy. Analyze the motives and objectives behind the internationalization decisions. Reconciling with existing internationalization theories, what internationalization pattern(s) has the company been following? What are the strengths and weaknesses of the international expansion strategy adopted by Shopee?

Then, analyze the concerns and pressures associated with a). Shopee's decision to stay in India, b). Shopee's decision to exit India. Identify the importance of non-market factors versus market factors for a company strategy in emerging markets. Finally, assess the viability of strategic actions taken by Shopee in India and develop your recommendations for the company regarding Shopee's future international strategy.

To facilitate your analysis, you could use the following reading material:

Frynas, J.G., Mellahi, K. (2015) *Global Strategic Management*. Oxford University Press: Oxford. / Lasserre, P. (2007) *Global Strategic Management*. Basingstoke: Palgrave Macmillan (2 ed. or later)

Stallkamp, M. & Schotter, A. (2021) Platforms without borders? The international strategies of digital platform firms, *Global Strategy Journal*, 11: 58-80.

Reeves, M., Levin, S., & Whitaker, K. (2018) Leaping before the platform burns, *Boston Consulting Group*, <https://www.bcg.com/publications/2018/leaping-before-platform-burns-increasing-necessity-preemptive-innovation>

Kalish, S., Mahajan, V., & Muller, E. (1995) Waterfall and Sprinkler New-Product Strategies in Competitive Global Markets, *International Journal of Research in Marketing*, 12(2): 105-119.

Grant, A., Haider, Z., & Levy, A. (2021) How global companies can manage geopolitical risk. <https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/how-global-companies-can-manage-geopolitical-risk>

Dhawan, R., West, S. (2019) The CEO as Chief Geopolitical Officer. KPMG. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2018/03/the-ceo-as-chief-geopolitical-officer.pdf>

4. Group case study report

Your group case study report needs to consist of three parts: (1) Introduction, (2) Analysis, and (3) Solution. In the introduction, describe the case in brief, provide a description of broader economic and industrial context the case takes place in, and outline the objectives and structure of your analysis. In the analysis, follow the steps guided by the *Assignment Questions* provided in section 2. In the solution chapter, provide managerial recommendations and conclusions driven by your in-depth case analysis.

The length of the report should not exceed 5 pages (font 12, line spacing 1,0, reference style APA). The report is due by midnight on 26 November 2023 (Sunday) and should be submitted only once by any of the group representatives through MyCourses.

5. Group case study presentation

The results of your group case study analysis are going to be presented in the class on 30 November 2023 (Thursday). You will have 20 minutes to present your work. The structure of the presentation could be the following: (1) Summary of the case, (2) Analysis, (3) Solution.

The discussion of the case is going to be facilitated by a group of opponents, i.e. another case study team assigned by the course instructors.