UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2025 SEMESTER

COURSE CODE	:	ECB30903
COURSE NAME	:	DIGITAL TRANSFORMATION MANAGEMENT
PROGRAMME NAME	:	BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN MANAGEMENT AND ENTREPRENEURSHIP / BACHELOR OF BUSINESS ADMINISTRATION IN MARKETING (HONOURS)
DATE	:	1 JULY 2025
TIME	:	2.00 PM – 5.00 PM
DURATION	:	3 HOURS

INSTRUCTIONS TO CANDIDATES

1. **Please CAREFULLY read the instructions given in the question paper.**
2. **This question paper has information printed on both sides of the paper.**
3. This question paper consists of **TWO (2) Sections; Section A and Section B**.
4. Answer **ALL** questions in **Section A** and choose **ANY THREE (3)** from **Section B** .
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. **This question paper must not be removed from the examination hall.**

THERE ARE EIGHT (8) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

Analyze digital transformation impacts customer experience and provide **TWO (2)** examples of how companies have enhanced customer engagement through digital transformation.

(10 marks)

Question 2

Evaluate **TWO (2)** roles of customer centricity in digital transformation and explain how companies can leverage digital tools to improve customer satisfaction and loyalty. (10 marks)

Question 3

Evaluate how digital transformation facilitates business model innovation, and assess the effectiveness of **TWO (2)** companies that successfully transformed their business models using digital technologies. (10 marks)

Question 4

Analyze the 'Reinventor Approach' in digital transformation by comparing it with traditional transformation strategies, and identify the key factors that contribute to its success.

(10 marks)

SECTION B (Total: 60 marks)

INSTRUCTION: Answer only THREE (3) questions ONLY.
Please use the answer booklet provided.

Question B1

Pensonic Powers Forward with Digital Transformation to Stay Ahead in Malaysia's Appliance Market

Kuala Lumpur, April 2025 – Pensonic Holdings Bhd (PHB), one of Malaysia's leading home appliance manufacturers, is accelerating its digital transformation journey to stay competitive in the fast-evolving consumer electronics market. Under the leadership of its new CEO, Datuk Dixon Chew Chuon Jin, the company is embracing innovation to modernize operations, enhance customer engagement, and increase profitability.

A central part of Pensonic's strategy involves a strong focus on digital marketing. The company has launched a new campaign by collaborating with a network of social media influencers—dubbed "Pensonic Friends"—to promote its products, especially through TikTok. This move aims to capture the attention of younger, tech-savvy consumers and raise brand visibility among digital-native audiences.

"Today's consumers are constantly online, and we want to meet them where they are," said Chew. "By leveraging digital platforms, we can tell the Pensonic story in a more interactive and relatable way."

In addition to marketing, the company is also reviewing its operational model. Pensonic recently implemented a RM6 million inventory write-down to remove slow-moving products, helping the business refocus on high-demand, energy-efficient, and smart home appliances. This restructuring is expected to reduce costs, boost productivity, and strengthen long-term shareholder value.

Furthermore, Pensonic is exploring the potential of e-commerce expansion and data analytics to improve customer insights. The company plans to integrate Internet of Things (IoT) features into future product lines, reflecting its commitment to innovation.

As Malaysian consumers continue to embrace digital lifestyles, Pensonic's transformation underscores its ambition to remain a relevant, forward-thinking brand in a highly competitive landscape.

a) Evaluate **FIVE (5)** potential benefits of Pensonic's collaboration with social media influencers for its brand. (10 marks)

b) Analyze how the RM6 million inventory write-down could impact Pensonic's financial health and operational efficiency. (5 marks)

c) Propose **TWO (2)** additional digital strategies Pensonic could adopt to further its transformation journey. (5 marks)

Question B2

Malaysia's Strategic Move into Chip Design to Propel Digital Transformation

In a significant step towards bolstering its digital economy, Malaysia has entered into a $250 million agreement with Arm Holdings to acquire chip design blueprints over the next decade. This initiative aims to develop local capabilities in semiconductor design, a critical component in the burgeoning fields of artificial intelligence (AI) and data centers.

Economy Minister Rafizi Ramli announced that the deal encompasses intellectual property for seven advanced chip designs and includes training programs for 10,000 engineers. The government's objective is to establish ten local chip companies, each projected to generate between $1.5 to $2 billion in annual revenue.

This move aligns with Malaysia's broader strategy to attract global technology investments. The country has recently seen significant commitments from tech giants such as Microsoft, Nvidia, Google, and ByteDance, indicating a robust growth trajectory in its tech infrastructure. Additionally, plans are underway to construct Southeast Asia's largest integrated-circuit design park, further cementing Malaysia's position in the global semiconductor industry.

By investing in chip design and fostering local talent, Malaysia aims to reduce dependency on foreign technology and enhance its competitiveness in the global digital landscape. This strategic focus on semiconductor development is expected to drive innovation, create high-value jobs, and position the nation as a key player in the digital economy.

a) Analyze **FOUR (4)** opportunities that digital transformation creates for businesses, highlighting how these opportunities can influence different aspects of business operations and growth. (10 marks)

b) Evaluate **TWO (2)** initiative aligns with Malaysia's broader digital economy strategy, considering its potential impact on national goals and digital growth. (5 marks)

c) Apply **TWO (2)** concepts of national technological development to explain the potential benefits Malaysia may gain from developing its own semiconductor design capabilities. (5 marks)

Question B3

inDrive: Redefining Ride-Hailing Through Digital Innovation

inDrive, a global ride-hailing platform, has emerged as a formidable competitor to industry giants by leveraging digitalization to innovate its business model. Founded in Yakutsk, Russia, in 2012 by Arsen Tomsky, inDrive was born out of a desire to combat fare exploitation by taxi cartels in extreme weather conditions. The company's unique approach allows passengers and drivers to negotiate fares directly through its app, promoting transparency and fairness.

This peer-to-peer pricing model differentiates inDrive from traditional ride-hailing services that rely on algorithmically determined fares. By empowering users to set and agree upon prices, inDrive fosters a sense of autonomy and trust among its user base. The platform's low commission rates, starting at 0% and gradually increasing to around 10%, have attracted a growing number of drivers, thereby expanding service availability for passengers.

inDrive's digital strategy has facilitated rapid international expansion, now operating in over 888 cities across 48 countries, including underserved markets in Central Asia, Africa, and Latin America. With more than 200 million app downloads, it has become the world's second-most popular mobility app after Uber. The company's success underscores the potential of digital platforms to disrupt traditional industries by prioritizing user empowerment and equitable practices.

CEO Arsen Tomsky envisions inDrive as more than a ride-hailing service; he aims to challenge conventional capitalist models by building a profitable enterprise rooted in social justice. By addressing systemic inequalities through technology, inDrive exemplifies how digitalization can drive business model innovation while promoting ethical values.

Based on the article above, answer the following questions:

a) Analyze the central focus of Toyota's digital transformation strategy in manufacturing and how it influences their production processes and operational efficiency. (5 marks)

b) Evaluate the role of Artificial Intelligence (AI) in Toyota's manufacturing process, considering its impact on productivity, quality, and decision-making. (5 marks)

c) Analyze the key benefits Toyota gains from its digital transformation efforts in manufacturing and explain how these benefits contribute to its overall operational performance. (5 marks)

d) Evaluate how Toyota utilize the Internet of Things (IoT) in its manufacturing operations, focusing on its effectiveness in improving process efficiency and data-driven decision-making. (5 marks)

Question B4

Magazine Luiza: Digital Transformation in Retail

Magazine Luiza, a Brazilian retailer, embarked on a digital transformation journey by embracing e-commerce and digital technologies. The company's CEO recognized the potential of digital platforms to expand sales and enhance customer engagement. This strategic shift positioned Magazine Luiza as a leader in the digital retail space in Brazil

Objective of the study: This article aims to highlight the aspects that drove the implementation of digital transformation on Magazine Luiza and contribute to the development of the digital transformation theory. The study aims to highlight the aspects that drove the implementation of digital transformation at Magazine Luiza and contribute to the development of digital transformation theory.Revista do Conhecimento

Relevance/originality: Information technology (IT) offers opportunities for businesses to automatize operations and change business strategies (Henderson & Venkatraman, 1999), but it is still not clear for every business how to embrace technology (Drnevich & Croson, 2013).

Methodology/approach: Using a case study, we analyzed the main aspects of the digital transformation of the Brazilian retailer Luiza Magazine, which achieved a 43,000% increase in its share price between 2015 and 2020, mainly due to innovations enabled by IT.

Main results: We identify that some of the main aspects of the company's digital transformation have not been properly studied in the literature, such as the use of a bimodal IT structure and the use and interconnectivity between traditional and new technologies in innovative and even disruptive ways.

Theoretical/methodological contributions: This study contributes to the literature by analyzing empirical data on the pillars that support the implementation of digital transformation in an organization, which can be used as input to theory development on digital transformation.

Social/management contributions: The digital transformation of Magazine Luiza resulted in a large increase in the market value of the company. This, aligned with the company's expansion and increasingly better results, suggests that technology has the potential to change the company's strategy and lead to its success, corroborating Bharadwaj's (2013) view.

Key Findings:
The company achieved a remarkable 43,000% increase in its share price between 2015 and 2020, primarily due to innovations enabled by information technology.

The adoption of a bimodal IT structure allowed for the coexistence of traditional and new technologies, facilitating innovative and disruptive approaches.

The interconnectivity between legacy systems and modern digital platforms played a crucial role in the company's transformation.

Theoretical Contributions: The article provides empirical data on the pillars supporting digital transformation in organizations, offering insights for theory development in this domain.

Practical Implications: The digital transformation of Magazine Luiza resulted in a substantial increase in the company's market value, suggesting that technology can significantly alter a company's strategy and lead to its success.

a) Design **TWO (2)** marketing campaign that would promote Magazine Luiza's digital transformation initiatives to attract new customers. (5 marks)

b) Imagine you are a consultant for Magazine Luiza. Propose **TWO (2)** new strategy to further enhance its digital transformation, considering the current retail trends. (5 marks)

c) Evaluate **FOUR (4)** effectiveness of Magazine Luiza's digital transformation strategies in improving its competitiveness in the retail sector. In your answer, discuss both the positive and negative aspects of the transformation, providing evidence to support your evaluation. (10 marks)

END OF EXAMINATION PAPER