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The marketing and management strategy of Alibaba Group

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Abstract

In recent years, an upsurge of E-commerce has been set off in the world. Although the specific conditions of different countries based on the forecast of world economic development, governments are all paying more attention to the development of E-commerce. E-commerce has become a new driving force for economic growth. With the bursting of the bubble economy, most sites have been eliminated. Through constantly enriching its contents and services, Alibaba Group gradually makes itself a well-known E-commerce website and becomes the leader in the world. Coinciding with their value proposition and business ideas has been their timing in the history of the economic growth of China that has served to fuel their incredible growth. Firstly this paper reviews Alibaba's development, then analyzes its marketing strategies and the management, its inspiration to the development of the E-commerce. Finally it provides some proposals for its future development.

Keywords: marketing, strategy, management, Alibaba Group

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Introduction

Founded in 1999 by Jacky Ma in Hangzhou at eastern China, Alibaba.com has three major marketplaces. The company's English language international marketplace Alibaba international (www.alibaba.com) serves to bring together importers and exporters from more than 240 countries and regions. The China marketplace Alibaba China (www.1688.com) is developed for domestic business-to-business trade in China. And Taobao is China's most popular business-to-consumer and consumer-to-consumer trading site with more than 20 million registered users. In addition, Alibaba.com offers a transaction-based wholesale platform, AliExpress (www.aliexpress.com), which allows smaller buyers to buy small quantities of goods at wholesale prices. And Alibaba.com has achieved award after award in recognition of its achievement and impact on e-commerce, including "Best of the Web" by Forbes Magazine for seven consecutive years, the most popular B2B website by Far Eastern Economic Review, and other awards, including China Excellent Business Website and China Best Commerce Website. Alibaba.com is frequently quoted as one of the top five websites in the world along with Yahoo, Amazon, eBay and AOL, by domestic and international media.

As one of the China's most successful e-trade service suppliers, practitioners and pioneers, Alibaba has built an effective information bridge between Chinese SMEs and overseas buyers and a boundless market for its individual businessmen by providing its distinctive high quality personalized services at reasonable prices with multi-dimensional marketing channels, novel dissemination and promotion methods. Alibaba has created a miracle in China's e-marketing in the 21 century after only 15 years' development. It has a strong brand building and excellent marketing strategy in the Chinese market and now they are becoming global with several of their expansion planning and strategic expansion planning. They are one of the most emerging online market place for the SMEs and small business enterprise that is helping the new and developing entrepreneurs to grow their business around the world. They have also come up with their IPOs for the fund raising, that shows their future planning are again high and they are continuously working over their dreams and vision to make them on the top in e-commerce listings in fortune 500 companies.

In this thesis, I attempt to study the marketing and management strategy of Alibaba

Groups, and to learn its overseas strategy, the company structure and the development of Alibaba Group. Finally, I analyze the reasons for the success of Alibaba Group. As a famous company, the marketing and management strategies of Alibaba Group are worth our thinking and emulating.

Conclusion

Alibaba's e-commerce marketing strategies have made it so successful in just a short period that there is no other company that can overtake them at the moment. Planning to be a company like Alibaba is easy but becoming like Alibaba is another thing. Jack Ma has profoundly influenced the success of Alibaba. Jack Ma once said it's not about the list of privilege but the story of opportunity that has made him a successful person even though he doesn't know much about technology. As one of the China pioneer e-trade service platform, Alibaba has built a strong connection between SMEs in China and oversea buyers with a boundless marketplace by providing the high quality services at a reasonable price with various business marketing channels and promotions. Alibaba has significantly attracted large base of consumer with the help of the large population in China. Online business is not new to everyone since years ago, but Jack Ma has created a miracle that gives China a huge impact until today, the e-marketing in the 21st century has become the largest online e-trade platform in the world. However, there are still some improvements for the Chinese e-market in terms of the protection of intellectual property rights in China and the reinforcement of supervision over e-commerce are still in a hard nut to crack for the China law enforcement and authorities.

The Proposals for Alibaba Regarding the fraud scandal at and the cases of fake products sold at after the aftermath of depressing global economic situation, i would like to make the following proposals for Alibaba's future development.

1) Further subdividing the target clients according to their industries and categories. Alibaba is a hodgepodge where there are all conceivable kinds of products and goods offered by its clients or members. Sometimes it is so difficult for overseas buyers to find the product at Alibaba that they turn to other e-trade enterprises for business information. This has made it necessary for Alibaba to further subdivide its target clients in order to stop its target clients from turning to other e-trade enterprises for business information.

2) Adopting a new price strategy and a new fee-charging pattern to attract more members. Alibaba should further divide its China Suppliers and Trustpass members into different ranks or categories so that different fees may be charged on the basis of their categories or ranks. For instance, Alibaba can charge a standard China Supplier a high annual fee while it may charge a

junior China Supplier a comparatively discount fee.

3) Building up the Customer Relationship Management (CRM) system to reduce the difficulty in trading. The core idea of the CRM is to find out what the clients think about and how to meet their needs so as to increase its sales volume and improve its management and operation. The relationship among the clients of Alibaba is complicated as it involves different languages, cultures, customs, laws, technologies and so on. Only by using the personalized CRM system can Alibaba meet different demands from their clients by following their different customs to reduce the difficulty in trading.(M. Xia, W. Zhang, “ On the Effect of China International Trade resulted from Electronic Commerce and Countermeasures,” Journal of Yunnan Finance & Economics University, May,2007)

4) Using the REAL names at Anyone selling products online must use their REAL names and should apply to the competent authorities, namely the local business administration departments for business licenses with their ID numbers so that their business operation can be effectively supervised.

5) Reinforcing legal education to and supervision over Alibaba’ s staff, members or users or China Suppliers at and traders at especially regarding the protection of intellectual property rights, the cultivation of brand names for China’ s SMEs and the importance of creditability of businesses.

Alibaba Group are achieving their objectives in an integrated manner with their strategic planning and competitive strategic enhancement. But this is not the end, they have also realized it and they are now moving to the global market for their international expansion rather keeping them within the Chinese market. They have got a great response in the Chinese market and which is one of the mostly populated marketplace. This indicates a good sign for Alibaba Group and supporting to the new objectives for the global expansion of their business in the international market. They are also working towards this goal and that is why they have come up with their IPOs recently and they have been able to raise the funds from the public for their international expansion. Now it’ s the time to move ahead with their strategic enhancement and planning to make their dream true and alive.

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