

Entrepreneurship on the example of the company alibaba group holdings limited

[Business](#), [Industries](#)



Entrepreneurship is likely to get a boost in a particular social culture, a society's values, religious beliefs, customs, taboos influence the behavior of individuals in a society. The entrepreneur is a role performer according to the role expectations of a society. An example would be that protestant work ethic encourages hard work which encourages entrepreneurship.

To further explain this theory we shall look at Jack Ma and the company Alibaba that he founded. Alibaba Group Holdings Limited is a Chinese ecommerce, retail conglomerate that was founded in 1999 that provides sales services via online portals as well as electronic payment services. First and foremost let us establish why Alibaba is an entrepreneurial venture, Alibaba is an ecommerce platform offering sales services, it is entrepreneurial because it found a way to avail goods from all over the world to anyone with a cellphone and internet connectivity.

This solved the problem of ease of access of a variety goods on a global scale, in a new, creative and innovative way. To better understand the impact of the sociological theory through Jack Ma let us take a brief look at his life. Jack Ma was born in 1964 in Zhejiang province, before he became the CEO of Alibaba as a young man Jack learned English from foreigners that he would take around the city for free in order to get a chance to practice spoken English. Later on in his life as he was trying to get a degree in English he failed three times until he finally passed (Erismann, 2015).

In his earlier years Ma faced a lot of rejection due to his many failures, he gives the example of the time he applied for a job at KFC and out of a pool of twenty four interviewees he was the only one not to get a job. In this sense

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he illustrates the situational factors common amongst some entrepreneurs whereby poor socio-economic circumstances encourage them to develop their own solutions . These social situations that he was in his earlier life have helped him shape personality traits that have been critical in his ability to start such successful enterprises.

This back story of Jack Ma is meant to show the effects of social culture on entrepreneurship, looking at the sociological theory we talk about the impetus for entrepreneurship which includes aspects such as negative displacement and between things. Looking at Jack Ma's history it appears there is a time where he was in between things, from unemployment to employment that is when he unsuccessfully searched for China online while at a friends house, this encouraged him to use his innovative mind to set up a company based on online marketing and ecommerce. Jack has grown this company from his humble socioeconomic background to the point where Alibaba raised 1.5 billion dollars in its initial public offer in New York stock exchange in 2007.

Initially Alibaba focused on the Chinese market and it reinvested whatever it earned back into the community, this can be seen as an enterprise level entrepreneurial strategy though Ma said he felt a responsibility to the community and not just through sourcing local suppliers and creating employment. His style of entrepreneurship, is common with that of other very successful entrepreneurs and has always had this element of social idealism, again perhaps reflecting Chinese communality. Jack Ma also has

passions that reflect his interest in promoting the welfare of his company through his fight against killing of sharks for their fins (Warren, 2009) .

Let us now look at the entrepreneurial strategies employed by Alibaba, the first would be in the business level which is that the firm invests heavily in research with the aim of identifying business growth opportunities and analyzing threats and weaknesses to its operating dynamics. Alibaba's early entry to the market has largely contributed to the firm's success and their ability to adapt and anticipate consumer trends has motivated client appeal and consumer loyalty. Due to their strongly founded integrity and trust culture, the company has managed to overcome the initial reluctance by people towards online transactions giving them a positive outlook (Schepp & Schepp, The Official Alibaba. com Success Guide: Insider Tips and Strategies for Sourcing Products from the World's Largest B2B Marketplace, 2009).

The firm has a very clear approach to its strategic development based on time, risk, emotion , money and situation. These elements refer to how the company plans to create value for the customer. This model is used to compare Alibaba with traditional incumbent companies in terms of customer service, for instance that whereas more traditional companies take time to make physical visits or to develop and deliver catalogues, Alibaba have the advantage of providing instant online information, much of which they source from their very own customers. Their plans are molded around the institutions values that are stated in their mission and vision statement.

These values are displayed as a pyramid with the customer featuring at the apex then embracing change is the next after customer first, this is symbolic

off the importance of innovation to the company. This is key in their entrepreneurial strategy.