

Alibaba's space in e-commerce



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Executive Summary

Jack Ma founded Alibaba, and the platform developed to becoming a giant in e-commerce. Alibaba is a grand site for B2B operations. It gives exporters a chance to post their products for buyers to browse through and make orders. The site has grown to become the most significant in China, and it is set to expand its operations in the global business arena. The impact of the company ensures the integration of online and offline shopping, implementation of suitable logistics, and application viable data transmission approaches to achieve its goals. Further, Alibaba focuses on transforming the world through technology. It offers services to various societies and groups that need it, especially the marginalized communities. Markedly, Alibaba focuses on extensive market penetration, domestic and global expansion, online retail innovation, and concentric diversion in a broader landscape.

Introduction

Alibaba is the leading e-commerce company in the world. The firm foresees the online and mobile marketplaces in both retail and wholesale trade (Jia & Kenney, 2016). Its corporate culture and vision are promoting sustainable development of society. Alibaba has opened up several e-business platforms for various operations by providing different innovative technologies enabling it to compete domestically and globally. The success of the company has been attributed to its founder and leader, Jack Ma, who is currently the richest man in China with a net worth of \$25billion (Tan et al., 2009). The company's operational strategies have enabled it to thrive on a

global scale through B2B platforms. It has been part of the success story of various Chinese factories, suppliers, and buyers. Its operations have been enhanced by its business group that involves seven subsections; Alibaba Small Business Operations, Taobao, Tmall, Alibaba International Business Operations, Juhuasuan, eTao, and Alibaba Cloud Computing. This article reviews the various factors critical in the enhancement of the operations of the company in the world's complex online trading.

The Scope of Alibaba's Operations

Alibaba provides a platform for various online business activities. The company, through alibaba.com, allows Chinese suppliers to connect with their clients. The platform is a mediator between buyers, sellers, and suppliers of various commodities. Alibaba's influence is far-reaching, considering it offers services in multiple nations, including the US, India, Pakistani, and Thailand (Huang et al., 2009). It is critical to note that most of the suppliers on the Alibaba platform are from China. However, there is an opportunity for different sellers to transact their business on the site despite their different nationalities. Either way, the firm earns from the margins of the transactions on the site. There are also membership premiums that enable it to charge its members, thus enhancing its earnings. The company offers low membership prices plus discounts and bonuses for its buyers; therefore, its burgeoning client base is inevitable. Qing et al. (2009) note that in three years, the membership of US buyers has risen from 2-7 million. With the rise in membership, the cross-border buyers make more than 10,000 orders daily (Qing et al., 2009). Therefore, the platform serves a significant number of clients on a rather large marketplace.

Alibaba as a B2B Platform

Alibaba offers the best B2B services that are evident in the various services that it delivers. It connects businesses considering the link between buyers and sellers of products and services. The company was the first to implement such a mode of business operation in China; thus, it gained significant influence in the area before any other company (Wu et al., 2010). Alibaba, on its B2B activities, gives a chance to the international buyers and domestic buyers to coordinate with the local suppliers forming a two-sided network. It is vital to note that Alibaba expands its activities by first focusing on one side of the business operation. For instance, the company has often focused on the buyers' team to ensure it captures the attention of both sides of the platform. In this case, the company offers low prices in the form of a subscription fee for the buyers. This attracts the buyers and exposes them to more suppliers that are reliable, and this promotes the customer base. Hence, there is an increase in suppliers who take care of client needs. This supports an overall network of operations. This approach has been useful for the company since it now has a global impact.

The Competition in E-Commerce

The online space is open to various developers that need to implement their operations to enhance online trading. Alibaba has a fair share of competitors that also aim at promoting economic globalization. The development of internet technology and networking allows various companies with often one target market to compete for opportunities to survive. In China, Made-In-China.com and GlobalSources.com also channel B2B operations (Wu et al.,

2010). However, Alibaba has the edge over the companies considering the strategies that it has put in place to achieve the largest market share.

Factors Enhancing Alibaba's Operation

Economic and network globalization allows an increase in business competition because the world is highly dynamic, and there are changing customer needs. In this case, Alibaba has managed to maintain its position in the business world. It has been able to operate under the tech pressure, thus maximizing its sales and profitability. One of the strategies that Alibaba has implemented is the delivery of its service to its clients at a fair price (Huang et al., 2009). The company can achieve the delivery of quality services at lower costs because of the type of technology it engages in its operation. This directly relates to the platform's type of payment platform, Alipay. The online payment platform for Alibaba safeguards all online transactions and monitors all activities ensuring that there are minimal cases of fraud. This payment platform offered by Alibaba is ideal since it allows the tracking of goods and services as a third party holds the payment money. Therefore, the least risk and trading costs are promoting the activities on Alibaba. com.

Alibaba. com allows its clients to receive the different types of products and services that they require. Customers can demand specific and customized products on the platform, and they can obtain whatever they desire. Through the site's AliSourcePro, clients can send their requests, and their tailor-made services be presented as expected. The process of making the demands is easy and is done within two business days, whereby the clients can receive diagrams and designs of their requests as well as the quotations. This type of

flexibility is significant for Alibaba since there are no other platforms that can offer such services (Huang et al., 2009). Relatively, with this approach to achieving the varied needs of clients, Alibaba gets the chance to enhance the types of services that it can offer to its diverse client base. This move increases its innovation capabilities, promoting the diversity of products that it supplies. Hence, in providing personalized services to its clients, Alibaba enhances its product base and client base at ago.

The quality of services on the Alibaba platform is top-notch because clients must always be given the best to maintain their partnership with service providers. Alibaba awards suppliers with badges, whereby a 'gold supplier' is the best in delivering customer service. The company often evaluates the products of different companies to ensure that they only engage the best in a bid to guarantee client satisfaction. This explains why investors will always look for specific services from particular companies. In the end, both the seller side and the buyer side increase, thus enhancing the operations of Alibaba. com. This mode of delivery of services promotes trust and reliability, and the subjects will often maintain their relationship and contact through the site to ensure they achieve their goals as expected. Thus, both sellers and buyers will stick to the platform instead of shifting.

Alibaba operates in an integrated ecosystem that allows it to handle its issues and enhance its growth in the world's market space. The company has modified its services to ensure that both its sellers and buyers enjoy a positive buying and selling experience (Huang et al., 2009). With this, the company has expanded its domains, allowing the handling of different tasks within the company. For instance, there is the Alimama domain that is

predominantly on the advertising space whereby users can post varied positions for the advertisers to choose. Either way, the company embraces Big Data Analytics that is ideal in outsourcing information regarding its clients. This approach is significant in enabling the operators of the site to determine the type of services that can be relevant for the client base. Either way, the information is vital in allowing the company to understand the most pertinent advertisement platforms to help in improving their operations. Additionally, Alibaba launched the China Smart Network (CSN) for logistic purposes in the firm. Different logistic networks were involved in ensuring that the company has the most effective system in terms of parcel turnover for customer deliveries. Thus, Alibaba institutes the best services within which they allow the achievement of the most viable competitive position in the online marketplace.

Tech for Change Initiative

Alibaba, through its subsidiary, Alibaba Cloud enhances cloud-computing services in online operations and its e-commerce ecosystem. Alibaba Cloud has taken the initiative to come up with a plan to ensure enterprises, startups, and young entrepreneurs have a chance to solve social and humanitarian challenges. The Tech for Change Initiative by Alibaba Cloud is relevant in tackling various issues surrounding education, economic development, and environmental changes. As it stands, Alibaba aims at empowering the community through technology (Erisman, 2016). Over time, the company, through Alibaba Cloud, has engaged in various community activities that are relevant in improving the lives of locals in the country. For instance, they have often been involved in small business enterprises (SMEs)

to improve the lives of young entrepreneurs. Either way, the company has often offered cloud and intelligent services to ROYBI, a robotics company that enhances early childhood education. Further, the company has collaborated with CareFun, a Chinese AI company firm that develops virtual patients that are used in training medical practitioners. These developments are significant in ensuring that different communities improve considering contemporary development in the tech field.

The most significant Tech for a Change initiative is the support of female education across the world. The program targets marginalized communities by providing them with STEAMED (Science, Technology, Engineering, Arts, Mathematics, Entrepreneurship, and Design) education. The program is set to give the women cloud-computing resources and free online training on multiple subjects. The availability of technology in the marginalized areas is a move that is significant in improving lifestyles through enhancing employability, promoting education, and eradicating challenges in healthcare. Nonetheless, it is critical to note that with technology, there is an increase in creativity among its users. Therefore, it becomes useful in modifying the world to being a better place.

Turnaround Strategy for Alibaba

Alibaba has been in e-commerce for over a decade, and its strategies for achieving its goals have been critical. The company makes its influence through its commitment to corporate values and cultures. It is essential to note that China has a potentially opaque and volatile business impression as compared to Western countries (Kavadias et al., 2016). This leaves Alibaba

at the risk of losing its credibility to its competitors. With this, any misunderstanding in the business operation will be used against the company. Even so, in enhancing the operations of the company, Alibaba works intending to support all its stakeholders; customers, suppliers, businesses, and third-party service providers. The company operates within the values of prioritizing the client, embracing teamwork, supporting positive change, enhancing the integrity, and promoting passion and commitment in its operations (Kavadias et al., 2016). This approach to improving business operations is critical in ensuring that Alibaba maintains its top position in the global scale.

Alibaba Group strongly focuses on its target group to enhance its activities. The Chinese marketplace is the basic one and contains the buyers and suppliers that operate locally. There is also the global market that is determined by the use of the English Language. This universal market mainly contains exporters and importers. Alibaba attends to these markets to ensure that it controls their operations as well as give them the necessary support for its sustenance. It is critical to note that China is the most populated world in the world, with over 560 million internet users that spend at least 20 hours a week online (Barczyk et al., 2011). The company supports the internet market provided by the locals, thus achieving its goals in the region. Additionally, Alibaba focuses on small and individual business enterprises that have the potential of enhancing the use of e-commerce. This focus on the local marketplaces helps in identifying different needs of consumers, thus leading to the achievement of its profitability and influence.

The Acquisition and Integration strategy of Alibaba

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Alibaba aims at dominating the global space through its various operations. The company looks forward to transforming the retail industry through the integration of multiple activities, including online and offline shopping, logistics, and data transmission on a single value chain. In China, Alibaba already holds the top position in the online business, and it hopes to remain to be a significant player in the new and global economic environment (Srnicek, 2017). In achieving its aims, the company is strengthening its online presence by engaging various parties. For instance, the company is currently working with Suning Commerce and Intime Retail to achieve its objectives. This move is relevant in enhancing the integration of online operations with brick and mortar shopping. In the same vein, the company has an application; Qianniu that currently has more than 6 million users. The app is essential in boosting the business operations between merchants and consumers of various services. The use of Alipay is also critical in supporting Alibaba's business activities. The firm has increased its security operations on the payment gateway to ensure it meets international standards. The logistics section also works towards improving the operational networks to meet client needs effectively (Srnicek, 2017).. This also relates to the idea of supporting small and medium enterprises that focus on integrating their online presence in business. All these operations are significant in enhancing the achievement of business goals with digital tools.

Markedly, Alibaba targets various operational activities to broaden its retail landscape and consumer base. The company has had a fair deal of challenges in exploring the global market despite dominating the Chinese market. Currently, the company has its eyes on the Indian market, where it

aims at setting up e-commerce operations and online payment platforms. Either way, Alibaba targets the US market by introducing Alipay through its merchants. However, the market in the European region is highly competitive, thus the slow growth rate in the area. Nonetheless, there are often several counterfeit products that are sold through the platform, making the company gain minimal trust among different users in the region. Therefore, global growth, despite being challenging, is one of the critical goals that Alibaba ought to achieve besides gaining a large client base.

In addition, Alibaba's Cloud Computing plays a vital role in supporting the sustenance and development of the online retail ecosystem. The cloud scheme of the company is critical in helping merchants to improve their sales and marketing productivity on various platforms (Wu et al., 2010). Cloud computing and big data are basic in achieving a robust online presence. Alibaba utilizes these operations in promoting cloud infrastructure, thus enabling businesses to market their products and reach the consumers quickly.

The Challenge to Alibaba's Expansion

The main problem facing Alibaba is the different cases of fraudulent activities carried out through the platform. One can be scammed through the site in various ways. The most common forms are payment frauds and the delivery of defective or damaged merchandise (Barczyk et al., 2011). Payment frauds are often evident when the email of an individual is hacked, and details changed to effect the transfer of funds to the hacker's bank account. This challenge is common, and in most cases it is hard to trace the

scammers. Either way, the delivery of substandard merchandise is also typical because not all suppliers take their time to countercheck the needs of the clients. Also, it happens that the profit margins of the consumers are narrow; thus, they can at times deliberately deliver goods anyhow since they believe that their incentives are not enough. With these experiences, it is essential to note that there is a big challenge that Alibaba ought to look into to salvage its reputation.

Solution to Alibaba's Challenge

Online commercial operations are subject to most of the challenges that involve fraud. Alibaba ought to put in place strategies to protect its users from the fraud activities that may often target them. The most consistent approach towards reducing the cases of fraud is ensuring that the users use the site according to the stated instructions. Offering guidelines on how to handle given situations on the website is ideal in guaranteeing smooth operation. This is also relevant to the payment platform of Alibaba, Alipay. The users of the services need to have knowledge on how to surf through the site to reduce their exposure to fraudsters. Either way, the Fair Play Fund is available to ensure that clients receive the services that meet their expected standards. The platform helps in providing that there is compensation for losses incurred during the transactions. Nonetheless, there ought to be enough information regarding the operations to act as evidence for the shortcomings of the goods. Significantly, the best way to avoid the challenges on the errors during transactions is to offer clients with ideal tutorials to smoothen their service delivery.

Conclusion

In the contemporary world, there are various developments, especially in the tech sector. This has induced the prevalent changes in economic globalization, progress in technology and networking, and a revolution in the business sector. Alibaba is an excellent example of companies that have excelled in e-commerce thus far. Considerably, despite the challenges in the online platform, Alibaba has managed to lay strategies to guarantee its success in B2B operations. From factors like introducing a secure payment platform, Alipay, to the implementation of its cloud computing, among other developments, the company has managed to thrive in the business world. Either way, the company has worked hard towards transforming marginalized societies through technology. However, in light of the developments, the company has faced challenges like cases of fraud and the existence of fake merchandise that hinder its sufficient growth. Alibaba is continually developing its systems to curb the problems in a bid to attain the aspired global influence. Nonetheless, Alibaba is a critical player in e-commerce and is set to transform the global online retail industry.

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