

Team 11 Executive Summary

Being the leading company in the e-commerce industry in China and created the largest US IPO (US\$21.8 billion) in history, the Alibaba Group (Alibaba) today has expanded its business not only domestically but also internationally. This paper analyzes the key factors that contributed to Alibaba's success.

When looking at the external environment, Alibaba benefited from a series of external driving forces, such as the *Exchange Rate Reform in 1994*, *Increasing market demand*, and *Growing Governmental Support*. Furthermore, the ecommerce industry was considered very attractive through the analysis of the Porter's Five Forces model. On the other hand, Alibaba has a large market share and excellent relationship with its partners which have made them outstanding in the starting line and be able to maintain its competitive advantage against its rivalries. What is more, there were many opportunities, for example a rising demand and investment in ecommerce portals, which further promoted Alibaba's business. With these key internal resources and competences and external opportunities, Alibaba leveraged a *broad and low cost strategy*.

In addition, Alibaba has maintained a well-established and healthy inter-organizational relationship with other companies. This is exemplified by 2 case studies, Cainiao Logistics and Ant Financial Services Group. Furthermore, in order to be competitive in international markets, Alibaba has developed and followed a *long-term and region-oriented strategy* to expand its e-payment business in the global market. The company has been partnered with other local firms in countries in Asia and Europe to open up different channels of e-payment businesses by attracting the increasing number of Chinese tourists.

Throughout Alibaba's organization lifecycle, internet and technology has played an essential role for its development and growth. Due to the increasing number of stakeholders in Alibaba's business ecosystem, efficient and effective data management has become more and more important. Additionally, Alibaba has utilized the advantage of information technology to transform the company from original B2B business to C2C and B2C businesses, and eventually formed a strong ecosystem at its mature stage.

Another factor that has contributed to Alibaba's success today is its culture, which promotes the company to embrace, respect and nurture employees. Its mission of to support the development and connection of small and medium businesses, and to provide job opportunities exhibits Alibaba's ethical attitudes towards the society.

With all these key factors, Alibaba has grown to be the world's largest retailer in the world.
