

Chapter 1

Introduction

1.1 Alibaba culture

(1) Brand mark

Alibaba founder Jack Ma felt all over the world people know the story about "Alibaba", and most of the language in a similar pronunciation, so named the company Alibaba. E-commerce is a global business, so we also need the name of a global people are familiar with. Alibaba means "open sesame", meant our platform opens the door of wealth for a small business.

(2) Mission

There is no difficulty to do business.

(3) Vision

The first platform to share data

Happiest enterprises

“Live for 102 years”

Alibaba Group has a large market information and statistics, to fulfill our commitment to SMEs, we are trying to become the first free market data for all users of enterprise, want to let them through the analysis of data, grasp the market opportunities, and then adjust the strategy, expand the business. We also hope to be the happiest enterprise employees, and become a company of "live" in 102, spanning three centuries.

(4) Values

Customer first: the customer is food and clothing parents

Teamwork: share the share, ordinary people do ordinary things

Embrace change: embrace change and innovation

Integrity: honesty and integrity, and magnanimous

Passion: optimistic, never give up

Professional: professional dedication, excellence

1.2 Alibaba development course

In September 1999, Jack Ma, led by 18 founders apartment in Hangzhou was formally established in the Alibaba Group, the group's first website Alibaba Wholesale Trade Markets around the world is English. In the same year, Alibaba Group focused on domestic wholesale trade of China trading market (now called a "1688").

In October 1999, Alibaba Group raised \$5 million from several investment institutions.

In January 2000, Alibaba Group, Softbank from several investment institutions such as the financing of \$20 million.

In September 2000, organized the first West Lake Forum among Alibaba Group in the Internet business and opinion leaders to discuss important issues in the industry.

In December 2001, Alibaba surpassed 1 million for the number of registered users.

In December 2002, Alibaba Group for the first time to meet the annual positive cash flows.

In May 2003, Taobao shopping website founded Ma the apartment.

In February 2004, Alibaba Group raised \$82 million from several line investment agency, to become the largest Chinese Internet old at the time of private financing.

First held in June 2004, Alibaba Group Alifest, held during the first 10 give him the award ceremony.

In July 2004, Taobao let buyers and sellers of release instant text, voice and video communication the PC version of the communication software Ali Wangwang.

In December 2004, Alibaba Group affiliates third-party online payment platform, Alipay.

On August 11, 2005, Alibaba and Yahoo announced that the two sides have signed a cooperation agreement, Alibaba acquiring Yahoo China all their assets, and Yahoo's \$1 billion investment, and enjoys the Yahoo brand and technology in China's exclusive use right; Yahoo won the economic interests of the 40% and 35% of the votes.

In October 2005, Alibaba Group over China Yahoo.

Launched in July 2006, Taobao University courses, to buyers and sellers to provide electronic business training and education.

On October 30, 2006, Alibaba Group of local community platform Koubei completed strategic investment.

On January 9, 2007, Alibaba Group announced in Shanghai company, Ali Software was formally established.

In November 2007, alibaba network co., LTD., the Hong Kong stock exchange main board listed. During the same month, alibaba group set up online advertising platform ali mother.

In April 2008, taobao launch a service focus on third-party brands and retailers of taobao mall.

On June 4, 2008, alibaba group to integrate its Chinese yahoo and public praise net set up yahoo's reputation company.

On September 4, 2008, alibaba group announced its taobao and ali mother combined development. Alibaba group to set up a research and development courtyard at the same time.

On July 22, 2009, alibaba group announced its ali software companies with ali institute official originally belonging to the alibaba group, the combined company name is still ali software.

On August 21, 2009, alibaba group announced a word-of-mouth network China yahoo down into taobao.

On September 10, 2009, alibaba group, celebrating the 10th anniversary of the creation, ali cloud computing was established. During the same month, alibaba announced the acquisition of China's leading Internet based service providers nets in China.

In March 2010, alibaba change the China market for the name of the "1688". In the same month, taobao launched group-buying bargain.

In April 2010, alibaba launched a global speed sell tong, let Chinese exporters direct contact with the global consumer and trade.

In May 2010, alibaba group announced that 0.3% of the yearly income will be set aside for environmental protection funds, so as to promote the whole society pay close attention to environmental problems and support conservation activities.

The partner system was introduced in July 2010, alibaba group, in order to save its mission, vision and values.

In August 2010, alibaba to buy two American small business service e-commerce solutions provider Vendio and Auctiva. During the same month, mobile phone launched taobao client.

In November 2010, alibaba announced the acquisition of domestic export one-stop service provider a da tong.

On June 16, 2011, alibaba group announced the taobao split for three companies a new network, taobao, taobao mall.

In October 2011, getting from taobao spin-off, became an independent platform.

On January 11, 2012, taobao mall officially changed its name to "Tmall". During the same month, alibaba group, and to its funding, alibaba public foundation to

support the different categories of public welfare activities.

On June 20, 2012, alibaba network co., LTD. (code 1688) in the Hong Kong stock exchange delisted, alibaba privatisation end market.

On July 23, 2012, alibaba group, announced that it will adjust the company organizational structure, from a subsidiary of the original system is adjusted for enterprise group, the existing subsidiary business adjustment for taobao, a tao, Tmall, bargain, international business, small business and ali ali ali cloud seven business group.

In September 2012, alibaba group completed a preliminary on yahoo share buybacks and restructuring its relationship with yahoo.

In January 2012, taobao mall announced changes in Chinese called Tmall, strengthen its positioning platform.

On January 6, 2013, alibaba group announced its cloud and ali 2013 nets ali cloud merging into a new company, after the merger "2013 nets" brand will continue to keep, as ali cloud domain name service brand.

On January 10, 2013, alibaba group announced that existing business architecture and organization will adjust, set up 25 division, by the President (general manager) is responsible for the division.

In July 2013, alibaba group released ali intelligent TV operation system.

In August 2013, alibaba group park moved to hangzhou xixi.

In September 2013, alibaba group launched a social network mobile client.

In February 2014, as Tmall platform extending scheme Tmall formal launch of the international sales international brand directly to Chinese consumers.

In June 2014, alibaba group to complete the acquisition of companies to the mobile browser gifted as UC and integrate business. During the same month, alibaba group began to ali telecom service brand in China to provide mobile virtual network operators. During the same month, alibaba group to complete the acquisition of film and TV producers spread Chinese culture (now called "alibaba pictures group") about 60% stake.

In July 2014, alibaba group, the joint venture was established with Yintai O2O business development in China. During the same month, alibaba group completed investment in digital map company gold.

On September 19, 2014, alibaba group officially listed on the New York stock exchange, stock code "BABA".

In October 2014, alibaba group affiliates ants financial services group (referred to as "small micro financial services group") before formally established. During the same month, taobao travel became an independent platform was renamed "ah".

On January 13, 2015, media group, announced that alibaba group to strategic

investment and controls the media. Easy media remain independent operation, together with the marketing promotion platform alibaba ali mama, promote the development of digital marketing program in China, and gradually achieve big data marketing ability is blossoming.

On February 1, 2015, alibaba group, announced the formation of hk \$billion Hong Kong youth entrepreneur fund, the fund for non-profit nature.

On February 9, 2015, alibaba group announced in a \$590 million strategic investment meizu technology, did not disclose the specific stake.

On February 10, 2015, alibaba group announced with ant gold service group to restructure, ant gold service to pay treasure to the parent company.

On March 11, 2015, alibaba group announced its lenders ezobob global wholesale trading platform and the innovation and iwoca reached a strategic cooperation, to help the small and medium-sized enterprises in to the Chinese suppliers to buy goods on the platform, can be more convenient for working capital.

On April 15, 2015, alibaba group announced and hong kong-listed ali health information technology co., LTD., a final agreement. According to the agreement, alibaba will transfer Tmall online pharmaceutical business operating rights give ali health, in return for ali new shares and convertible bonds issued by the health and health will become the alibaba group, a subsidiary of ali.

Announced on May 14, 2015, alibaba group, has teamed up with yunfeng capital for domestic major logistics yuantong express enterprises to make strategic investment.

On June 4, 2015, alibaba group and Shanghai group (SMG) announced that will work together to put SMG's first finance media co., LTD., into a new type of financial media and digital information services group, ali will invest 1.2 billion yuan in the first finance and economics, data service field.

On June 18, 2015, Japan's softbank group, alibaba group and foxconn technology group jointly announced that alibaba, foxconn to softbank's softbank robot holding company inject 14.5 billion yen, respectively, after complete capital injection, alibaba and foxconn will own a 20% stake in SBRH respectively, silver will hold 60% stake.

On June 23, 2015, alibaba group and ants financial services group jointly announced that the two sides will set up a joint venture of local life services platform company, a joint venture company named "word of mouth", the two sides each invest 3 billion yuan, a total of 6 billion yuan, 50% of the shares.

On July 8, 2015, alibaba announced more than \$strategic investment charm, to develop a luxury flash sales electric business platform charm you. After the completion of the deal, alibaba will in its Tmall platform set up a service team, to support the rapid development of the hui.

On July 15, 2015, alibaba group, announced the formation of ali music group, gao as chairman and Song Ke as chief executive.

On July 16, 2015, the open mobile platform alibaba ali bacc the announced that will provide a "loan" vc + 1 billion 1 billion, entrepreneurs to support mobile applications.

On July 20, 2015, alibaba group and unilever signed a strategic cooperation agreement, to help the latter to sell the products to more customers in China.

On July 29, 2015, alibaba group announced on its capital of 6 billion yuan, ali cloud strategy for international business development, cloud computing, big data base and technology in the field of research and development, the construction of ecological system and the DT.

On August 10, 2015, alibaba group and Su Ningyun business group co., LTD. Jointly announced a comprehensive strategic cooperation. According to the agreement, alibaba group will invest RMB 28.3 billion to participate in Su Ningyun of non-public, accounted for 19.99% of the total equity, released to become Su Ningyun dealer's second-largest shareholder. Su Ningyun business, meanwhile, will be no more than 14 billion shares for 14 billion yuan of alibaba newly issued shares.

On August 12, 2015, alibaba group announced together with the U.S. retail giant macy's department store, both sides have reached a long-term exclusive formal strategic cooperation. Macy's will move into Tmall international.

On September 8, 2015, alibaba group and global leader in the retail trade group metro announced a sole strategic cooperation, metro will reside Tmall international official flagship store. As Germany's largest retail trade group, metro, and alibaba will combine, in the commodity supply chain, cross-border electricity and close cooperation between the big data, has become an important partner ali European strategy.

On September 10, 2015, alibaba group, won the 2015 World conference on Retail (World Retail meets) highest award "retailer of the year" (retailer of the year).

On September 24, 2015, alibaba group announced the launch of "hangzhou + Beijing" the double center strategy, and will take Beijing as the base, high strength and promote strategy implementation and business development in north China region.

On September 24, 2015, Stanford business school alumni association announced that ENCORE prize awarded to alibaba group in 2015. This is the first time the ENCORE awards went to a Chinese company, alibaba group is the ENCORE awards in the history of 38 award-winning company, is the world's first award of local companies in the United States.

On October 13, 2015, alibaba group CEO zhang announced that double 11 headquarters will be relocated to Beijing in 2015, set up double 11 in Beijing headquarters.

Announced on October 16, 2015, alibaba group, has been sent to youku tudou, the board issued a non-binding offer for \$26.60 per ADS (adrs), the price of the cash to buy besides alibaba group has own youku potatoes shares, the company all of the rest of the outstanding shares.

Late on November 3, 2015, alibaba group and the people's government in shijiazhuang, hebei province signed a memorandum of understanding "Internet + poverty alleviation".Agreed, will give full play to alibaba group in the field of Internet economy of three-dimensional advantages and influence of industrial development, in the field of "Internet + poverty alleviation" in-depth cooperation, realize the complementary advantages and common development.

On November 6, 2015, alibaba group and youku potato group announced that the two sides have to buy youku potato co signed a merger agreement, according to the agreement, alibaba group will acquire youku potato group.The deal will take place in the form of all cash.

November 11, 2015, alibaba double volume of 91.217 billion yuan, the carnival 11 shopping day

Double 11 turnover increase nearly 60% than in 2014, and 2009 alibaba double 11 sales of 52 million yuan for the first time.11 alibaba will apply for the double nuts, milk, honey, such as cars, watches, mobile phones, eight the guinness book of world records.

On November 12, 2015, alibaba in the MSCI China index.

On November 27, 2015, minmetals development co., LTD., a subsidiary of China minmetals group and the alibaba group, hangzhou ali venture investment co., LTD. (hereinafter referred to as ali for gen) announced that the two sides reached an agreement to jointly minmetals development subsidiary minmetals electronic commerce co., LTD. (hereinafter referred to as' electricity), ultimately forge steel B2B trading platform.

On December 1, 2015, alibaba group in Paris, Munich announced at the same time, named Terry von Bibra for alibaba group, the German general manager office, Sebastien Badault for alibaba group, the French general manager office, are directly report to alibaba group CEO mike Evans, effective immediately.At the same time, alibaba will also set up offices in Munich, Germany and France in Paris.

On December 2, 2015, minmetals development co., LTD., a subsidiary of China minmetals group and the alibaba group, hangzhou ali venture investment co., LTD formally signed.The parties shall, by means of a joint venture for all in the metal on the supply chain to carry out the business enterprise value creation, including personal services, ecosystem building metal trading.

On December 9, 2015, alibaba and FIFA alibaba will be announced in Tokyo Japan from 2015 to 2022 FIFA club World Cup sole sponsor.From the club World Cup in

2015, the club World Cup will be named for a formal Alibaba E- Auto FIFA Club World Cup.

On December 11, 2015, alibaba group announced a deal with the south China morning post group, the acquisition of the south China morning post and other media assets of the south China morning post group. In addition to the flagship newspaper south China morning post, the acquisition of the media assets include the south China morning post group's magazine publishing, recruitment, outdoor media, digital media activities and meetings, education and business.

On December 17, 2015, alibaba group for \$1.25 billion, into a hungry? The first big shareholder.

On December 24, 2015, alibaba group, information center and the national certification and accreditation regulatory commission officially signed a cooperation framework agreement, the two sides jointly launched "cloud bridge" data sharing mechanism, alibaba has become the first direct access to national CCC authentication information database of electric business platform.

On December 29, 2015, alibaba group pictures in Hong Kong held a special meeting of the shareholders assembly, vote on taobao treasure assets into trading, movies and entertainment which have voting shareholders support on trading more than 99%, the ratio of the deal to get adopted.

On February 12, 2016, according to yonhap news agency reported that South Korea SM entertainment company released news that SM company with alibaba group signed in China music business and e-commerce business strategic cooperation agreement. Alibaba will be in the form of third party rights paid capital investment in SM entertainment, they hold shares in the SM4 % investment amount involved 35.5 billion won (about 195 million yuan).

SM will ali music group in China by alibaba group and its online music sales, marketing and product planning and other activities. SM said company and alibaba's strategic cooperation will generate coordination effect in multiple areas.

On February 5, 2016, alibaba group, in with the securities and exchange commission (SEC) filed A regulatory filing, according to the disclosure of information it has bought 32.972 million shares of the company group companies in the United States class A common stock, roughly equivalent to the latter 5.6% of the total shares outstanding.

On February 17, 2016, alibaba group, combined with the national development and reform commission signed a returning business pilot development of rural electricity business strategic cooperation agreement. The next three years the two sides will work together to support more than 300 pioneer (city, area) combined with home business pilot development of rural electricity. The implementation of the pilot to take three

years rolling way, support about 100 a year in 2016-2018 pilot areas to promote home employment entrepreneurship.

On March 21, 2016, 57 points at 2 PM, alibaba retail platform in fiscal year 2015 turnover reached 3 trillion yuan. This is the first time that alibaba release transactions in real time.

On April 1, 2016, alibaba group CEO zhang yong (flower at large) announced that Zhang Jianfeng (flower epilepsy) served as chief technology officer (CTO). Zhang Jianfeng besides served as chief technology officer of alibaba group, will also be as executive team leader group technology strategy. In addition to continue to lead the original China enterprise group team, technology security Zhang Jianfeng will also be responsible for.

On April 6, 2016, alibaba group CEO zhang announced that one group (youku potatoes) formally completed privatization, become a member of the ali family. Victor koo will remain as one group chairman and chief executive.

On April 11, 2016, alibaba group CEO zhang announced that appointed Jiang Fang (former vice CPO) for alibaba group chief talent officer (CPO). Jiang Fang will take over the baton for Peng Lei, fully responsible for the alibaba group's personnel and organization culture development strategy and execution. CPO Peng Lei former alibaba group, will focus on the ants financial services group.

On April 13, 2016, hungry with alibaba and ant gold dress formal strategic cooperation agreement, a \$1.25 billion investment. Alibaba investment of \$900 million, the ant gold investment of \$350 million.

On April 14, 2016, alibaba group to join the international union of does (IACC), becomes a member of the international organization's first electric business.

On April 18, 2016, alibaba group and the New Zealand government designated agency trade development council (NZTE) is New Zealand signed a strategic cooperation agreement.

In May 2016, alibaba group became the first double gen "enterprise demonstration base" of the state council.

On May 18, 2016, alibaba group, announced that its "idle fish" and "sale" business will "merge like terms".

1.3 Alibaba business

(1) The business sector

Ali system of e-commerce services, financial services, ant rookie logistics service, large data cloud computing services, advertising services, cross-border trade service, the first six e-commerce service outside of Internet services.

(2) The organizational structure

On July 23, 2012, alibaba group to adjust business architecture and organization, from the unit system is adjusted for enterprise group, set up taobao, a tao, Tmall, bargain, international business, small business and ali ali ali cloud, a total of seven business group.

On January 10, 2013, alibaba group to adjust business architecture and organization, set up 25 division, specific divisions of business development will be by the President (general manager) is responsible for the division. A new system by the strategic decision committee () by the board and executive committee of the strategic management () by the CEO.

On March 6, 2015, alibaba's taobao, Tmall, make unified plans on the bargain management, integrated into "alibaba China retail platform".

On April 2, 2015, alibaba group established intelligent life division, integration Tmall electric city, ali cloud, taobao the raise three business units.

On April 8, 2015, alibaba group established ali car division, integration, automotive related business.

On September 9, 2015, alibaba group, announced the formation of ali sports group, thinking innovation in digital economy development sports industry chain. New sports ali group will be controlled by alibaba group, sina and yunfeng capital invested.

In December 2015, alibaba group announced the appointment of Matthew bashir (Matthew Bassiur) for the group vice President, responsible for the global intellectual property protection and to crack down on fake goods.

(3) The main business

Taobao

Company was founded in May 2003, is a focus on diversified choice, value and convenience of Chinese consumers preferred online shopping platform. Taobao shows hundreds of millions of products and services information, provide consumers with more kinds of products and services.

Tmall

Tmall founded in April 2008, is committed to China's growing maturity for consumers to provide top brand products of choose and buy high quality online

shopping experience.

Bargain

Bargain, launched in March 2010, mainly through limited promotion, with the demand of many consumers, at preferential prices to provide quality goods.

The global speed sell tong

The global speed sell tong was founded in April 2010, is for the global consumer and retail market, the main users from Brazil and Russia, the United States. The consumers all over the world can through the global speed sell tong, directly to wholesale distributors and manufacturers from China to buy a number of different products.

Alibaba international trading market

Alibaba international trading market is founded the first alibaba group's business, is a leading wholesale trading platform, cross-border services to millions of buyers and suppliers around the world. Small businesses can through the alibaba international trading market, the product sales to other countries. Sellers on alibaba international trading market is from China and India, Pakistan and the United States and Japan and other producers of manufacturers and distributors.

1688

Before 1688 (referred to as "alibaba China market") was founded in 1999, is China's leading online wholesale platform. 1688 is in the retail market is like in alibaba merchants, business offers from local wholesalers purchase channels of the product.

Ali mother

Ali mother was founded in November 2007, is to provide the trading market of alibaba sellers with PC and mobile marketing services platform for the Internet marketing techniques. In addition, ali mother also through taobao union, to the some of the seller to provide the same type and is suitable for the third party web site marketing services.

Ali cloud computing

Ali cloud computing was founded in September 2009, is committed to develop highly scalable cloud computing and data management platform. Ali cloud computing provides a complete set of cloud computing services to support the alibaba group, the Internet and mobile business ecosystem of participants, including the seller and other third-party customer and enterprise.

Pay treasure

Pay treasure in December was founded in 2004, is the alibaba group's affiliates, mainly for personal and corporate customers to provide convenient and quick, safe and reliable online and mobile payment and collection services. Pay treasure to the platform of alibaba and trading for third party transactions, provide and guarantee of payment transaction service in China. In addition, alipay is the buyers and sellers taobao and Tmall main settlement way.

Novice network

China intelligent logistics backbone (or "zhejiang rookie of supply chain management co., LTD.") is a wholly owned subsidiary of alibaba group, an associated company, is committed to meet future Chinese online and mobile commerce industry in the aspect of logistics demand. Intelligent logistics backbone network management of logistics information platform in China, on the one hand, to provide real time information for buyers and sellers, on the other hand to the logistics service provider to provide help to improve its service efficiency and effectiveness of information.

1.4 Alibaba scale

Introduce Alibaba culture, development course, business, scale. Why Alibaba development electronic commerce? -- E-commerce is based on modern information technology and services to support business activities, it brings a as driven by Internet technology, across time and space boundaries of a profound revolution in the field of business. Should see China has been gradually out of the shadow of "bubble" network economy, the electronic commerce enterprise timely lessons had been learned by work more and more practical. Many traditional enterprise also has realized "if not to carry out the electronic commerce, then I have no business to business". Our country government to promote work also attaches great importance to e-commerce, a series of new measures. These are all welcome.

Purpose: Can bold prediction, China's e-commerce and enterprise informatization will gradually integration, regional e-commerce will gradually prosperous, the combination of e-commerce and e-government will bring new business opportunities, mobile e-commerce will become the market hot spots, the external environment of electronic commerce will be improved. Along with the further development of informatization, network, is bound to promote the combination of e-commerce and logistics in our country. A with characteristic of our country electronic commerce logistics industry will bring to our country economy more brilliant spring.

1.5 Alibaba performance

year	quarter	Taobao transactions	Tmall turnover	In active buyers	Mobile monthly active users
2016	first quarter	4490	2930	4.23	4.1
2015	fourth quarter	5630	4010	4.07	3.93
	Third quarter	4380	2750	3.86	3.46
	second quarter	4270	2460	3.67	3.07
	first quarter	3810	2190	3.5	2.89

2014	fourth quarter	4940	2930	3.34	2.65
	Third quarter	3798.32	1758.34	3.07	2.17

Fig.1 Alibaba group's financial performance (one hundred million yuan)

year	first quarter		second quarter		Third quarter		fourth quarter		yearly	
	Total revenue	net profit	Total revenue	net profit	Total revenue	net profit	Total revenue	net profit	Total revenue	net profit
2016	241.84	53.14								
2015	174.25	28.69	202.45	308.16	221.71	227.03	345.43	124.56	943.84	688.44
2014	On September 19 listed				168.29	30.30	261.79	59.83	762.04	243.20

From Fig.1 Although alibaba group for the proportion of domestic trade and foreign trade in the B2B business did not set the target, but from the perspective of industry, the ratio can be reflected to a certain extent domestic trade/foreign trade B2B industry cycle, so as to provide reference for other industry companies.