淘寶網
taobao.com
Reinventing (E-)Commerce
strategyzer.com/vpd
Taobao, part of the Alibaba Group, is China’s largest online shopping website.

Here follows the three-act story of its evolution since it began in 2003....
Platform-building from the ground up
With a growing middle class and Internet connectivity, Taobao sees an opportunity to *boost commerce* by connecting Chinese consumers and sellers online.
But lack of trust and a largely missing infrastructure create challenges...
Chinese consumers

- High Prices
- Low quality
- Lack of Trust
- Find and acquire goods
- Instant Access, use
- Exactly what I want

Chinese sellers

- Fast responses
- Get paid 100% of the times
- Highest price
- Sell new and used goods
- Can't process payments
- Non-existent logistics infrastructure
- Poor access to customers
Taobao first focuses on creating trust and on building the missing infrastructure...
Key Partners
- Express logistics providers
- Banks & Alipay

Key Activities
- Developing commerce infrastructure
- Two-way review system

Value Propositions

Customer Relationships

Customer Segments

Key Resources

Channels

Cost Structure

Revenue Streams
...to create new value propositions for consumers and sellers alike.
Key Partners
- Express logistics providers
- Banks & Alipay

Key Activities
- Developing commerce infrastructure
- Two-way review system

Key Resources
- Retail sales platform

Value Propositions
- Web Retail with best price/quality

Customer Relationships
- Online customer service

Customer Segments

Extra Text

Cost Structure
- IT
- Infrastructure development

Revenue Streams
- 0.- (subsidized by Alibaba)
Shift towards micro-entrepreneurs
Sellers discover an opportunity to create a business and become micro-entrepreneurs with a set of “business-like” jobs, pains and gains.
Chinese sellers

Gains
- Fast responses
- Get paid 100% of the times
- Highest price
- Sell new and used goods

Jobs
- Can't process payments
- Non-existent logistics infrastructure
- Poor access to customers

Pains

Micro-entrepreneurs

Gains
- Recognized brand
- Repeat customers
- Sell products
- Easy admin

Jobs
- Make a living
- Fulfill a passion
- No business experience
- Not making enough money
- No customer knowledge

Pains

Chinese sellers

Micro-entrepreneurs
Sellers become micro-entrepreneurs...
淘宝网 taobao.com

Key Partners
- Express logistics providers
- Banks & Alipay

Key Activities
- Developing commerce infrastructure
- Two-way review system

Value Propositions
- Web Retail with best price/quality
- Retail sales platform

Customer Relationships
- Online customer service

Channels
- taobao.com

Customer Segments

Cost Structure
- IT
- Infrastructure development

Revenue Streams
- 0.~ (subsidized by Alibaba)
...Taobao shifts focus, adds service providers and adapts its value proposition...
淘寶網 taobao.com

Key Partners
- Express logistics providers
- Banks & Alipay
- App developers + fashion models

Key Activities
- Developing commerce infrastructure
- Two-way review system
- Help entrepreneurs succeed

Value Propositions
- Web Retail with best price/quality
- Grow business

Customer Relationships
- Online customer service

Channels
- taobao.com

Customer Segments

Key Resources

Cost Structure
- IT
- Infrastructure development

Revenue Streams
- 0.- (subsidized by Alibaba)
...and creates revenue streams to turn a profit for the first time.
Growing audience is basis to new business
Access to millions of Chinese consumers becomes the basis of a new value proposition to a new customer.
Big Brands
Millions of consumers become a precious asset...
TaoBao.com

**Key Partners**
- Express logistics providers
- Banks & Alipay
- App developers + fashion models

**Key Activities**
- Help entrepreneurs succeed
- Developing commerce infrastructure
- Two-way review system

**Value Propositions**
- Web Retail with best price/quality
- Grow business
- Online customer service
- Training & empowerment

**Customer Relationships**
- Online customer service
- Training & empowerment

**Channels**
- taobao.com

**Key Resources**
- Millions of Chinese consumers

**Cost Structure**
- IT
- Infrastructure development

**Revenue Streams**
- 0.- (subsidized by Alibaba)
- Premium for advanced shop features
- Ads

**Customer Segments**
...Taobao leverages this asset for a new value proposition ...
TaoBao Web Retail with best price/quality

Key Partners
- Express logistics providers
- Banks & Alipay
- App developers + fashion models

Key Activities
- Help entrepreneurs succeed
- Developing commerce infrastructure
- Two-way review system
- Millions of Chinese consumers

Value Propositions
- Web Retail with best price/quality
- Grow business
- One stop presence

Customer Relationships
- Online customer service
- Training & empowerment

Customer Segments

Key Resources

Channels
- taobao.com

Cost Structure
- IT
- Infrastructure development

Revenue Streams
- Premium for advanced shop features
- Ads

IT Infrastructure development (subsidized by Alibaba)
...to a new lucrative customer (big brands).
Lessons Learned
Taobao created three different types of business models (and value propositions) in just ten years.
Watch evolving context on platform and in wider economy and society
Develop capability to reinvent by responding to changes with new business models and value propositions