



Access E-Commerce and China:
The World's Factory and the Fastest E-retail Market

Santiago, Chile

October 7, 2015

Jimmy Tobyne

Strategic Partnerships and Business Development

Americas Team

Twitter: @jamestobyne



Overview

Part I: Access business to business
sourcing and selling

- B2B overview
- Sourcing and Trade Assurance®

Part II: Access China: B2C and Entering China

- Macro Trends in China
- Chinese e-commerce landscape

Part III: Alibaba Group Opportunities

- Jimmy's five e-commerce concepts
- Cultural competence quiz

Alibaba's Mission: Make it easy to do business anywhere



Alibaba's vision in the

“I think the opportunity and the strategy for us is helping small [businesses] in America go to China, sell their products to China.”

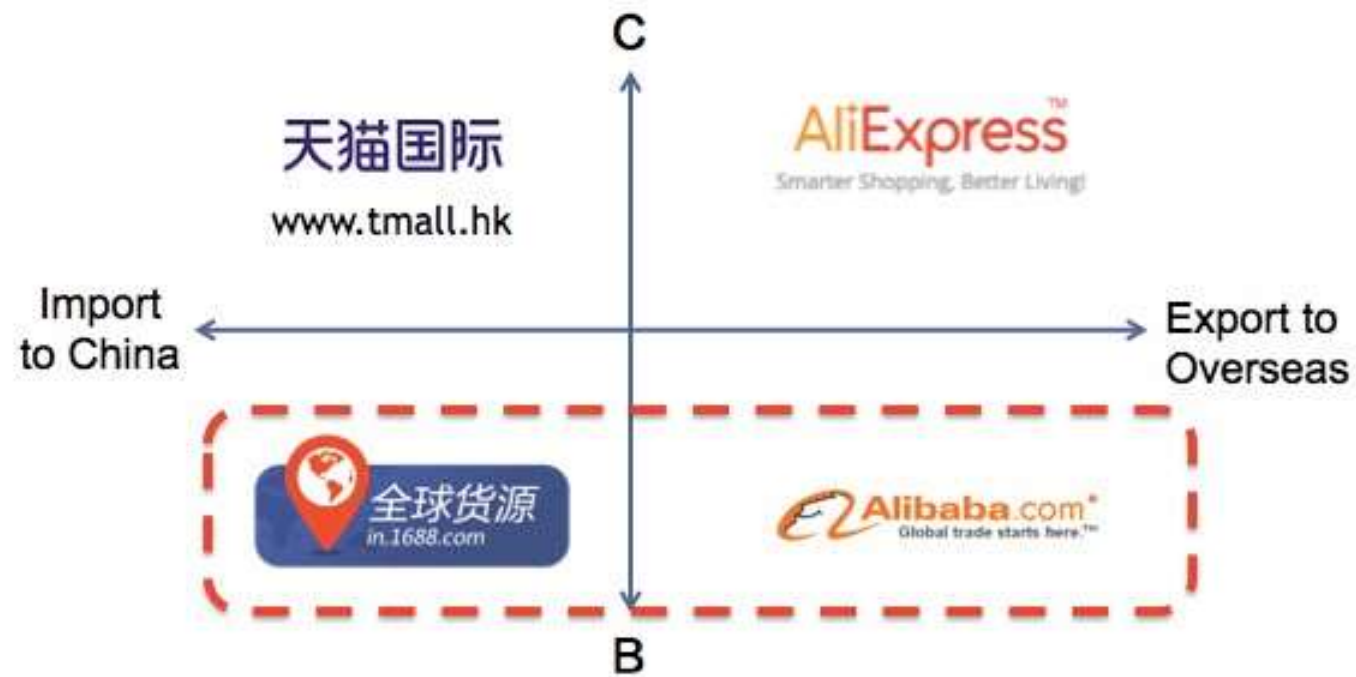
— Jack Ma 马云
(June 9, 2015 New York City)

Alibaba brings China to the rest of the world, and helps the rest of the world access China.



How to think about Alibaba from an international perspective

Customers: individual consumers



Customers: businesses

Access business to

business
& Selling



Global B2B Market Review

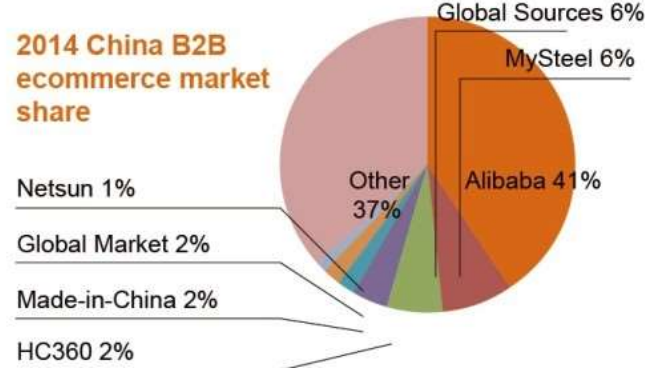
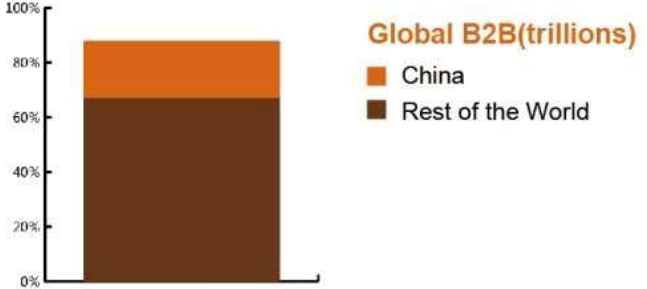
B2B will be two times bigger than B2C by 2020

The global B2B market is expected to grow to \$6.7 trillion (USD) in gross merchandise value by 2020. This trend will make the B2B e-commerce market two times larger than the B2C market (\$3.2 trillion) within that timeframe.

China will emerge as the largest online B2B market

with an estimated potential of \$2.1 trillion by 2020, which equates to about one third of the global market.

Data source: Frost & Sullivan research from Forbes, Nov 2014 – <http://onforb.es/1JdHBXb>



Standalone website vs Marketplaces?

	Stand alone website store	Marketplace store
Branding	Total control over your branding, placements, messaging, etc.	Less control over branding, limited placements, mixed products/ branding
Fees	Set up costs for domains, server/ data hosting, ongoing IT services, graphic design and web design	Setup fees, product listing fees (depending on the structure), sales commissions,
Investment	Generally high up-front investment in front end and back end systems	Generally lower up front investment because many services are built into the system.
Expertise	High level of technical expertise coupled with business processes is required.	Lower level of technical expertise required, but high level of business processes is still required
Management	Ongoing technical management and maintenance	Ongoing management, primarily of business aspects
Customer acquisition	You must acquire your own customers.	The marketplace has existing customers and teams to acquire new ones.
Value-added, post sale services	Individual contracts for shipping and payments.	Pre-negotiated contracts on shipping/ payments often at a discount due to scale of the platform.

Marketplaces

Marketplaces present opportunities to leverage the expertise, investment, and existing customer base of others... enabling you to focus on what you do best.

- Don't forget customers search for products... make sure yours are found!



- Connect
- Learn
- Finance

E-Commerce ecosystem

The vast size and diversity of Alibaba's marketplace attracts buyers and sellers. Additionally, sellers and third-party service providers have built their business in this ecosystem and thus are invested in our continued growth and success



Essential functions for trade and cross-border e-commerce



Search for Clients and Suppliers

Access to thousands of domestic and international buyers and suppliers online

Priority Matching Service.



Verify & Build Trust

Verification and Authentication process of the companies.
Trade Assurance for wholesale purchase protection.



Logistics & inspection

Inspection

Logistics marketplace

Logistics service (Coming Soon)



Payment

Trade Financing

Transaction protection



Communication

Website, content, and tools available in multiple languages.

English
Spanish
Portuguese
French
German
Italian
Dutch
Russian
Arabic
Japanese
Korean
Turkish
Vietnamese
Hebrew
Indonesian
Thai

Typical Sourcing Process



Alibaba has a solution for every step



International and China Domestic B2B



Alibaba.com

Non-transactional*
International (primarily non-China)
40+ million B2B members



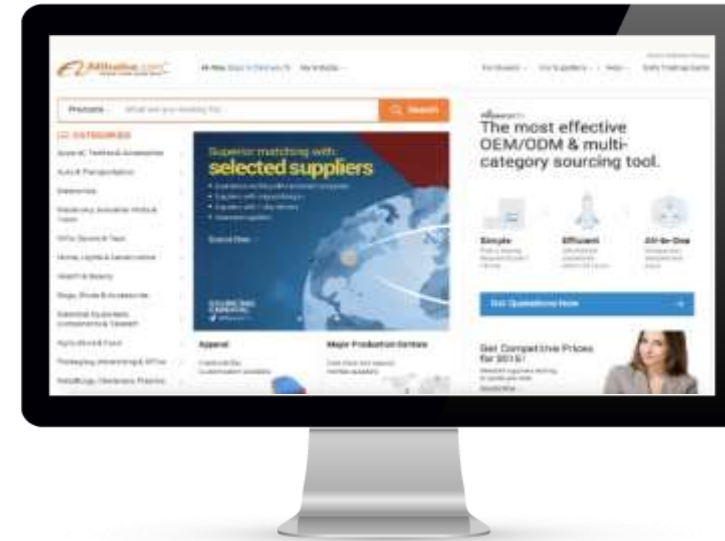
1688.com

Transactional
Primarily China domestic
12 million UV/day
\$138 million GMV/ day

Alibaba.com

A digital listing service that connecting millions of buyers and suppliers across the world
+ 40 million users in 190 countries;
Thousand of product categories across +40 industrial sectors.
One of the **TOP 3** most visited websites in the world in the business category*:
No. 1 in the category of “E-Commerce”;
No. 1 in the category of “Business and international trade”

* Source: Alexa.com June 2014.

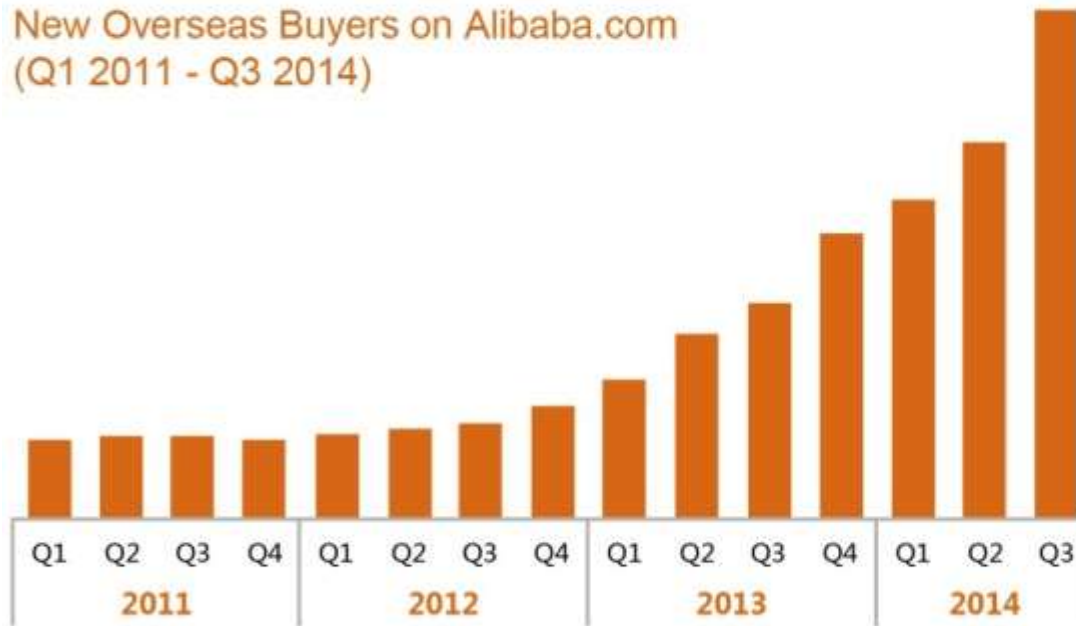


Platform with
100,000+
suppliers and
manufacturers from
around the world

More than
\$1 Billion
of sourcing
demand per day

International buyers on Alibaba.com

New Overseas Buyers on Alibaba.com
(Q1 2011 - Q3 2014)



From 2013 to 2013, Alibaba.com experienced a year-on-year increase of 62% from new overseas buyers and the trend is expected to continue. This indicates fast growth for B2B e-commerce, leading more businesses to trade online.

















Over 40 million buyers from over 200 countries and regions.



What is the difference between the different levels of membership?

What You Get	Gold Supplier	Verified Member	Unverified Member
Membership Fee	\$1299.00--5,999.00	\$99.00 (US)* list	Free (US)
Availability	All Countries	47 Countries	All Countries
Let Buyers Find Your Products			
Higher Ranking	1st Level	2nd Level	<input type="checkbox"/>
Online Product Listings	Unlimited	300	50
Product Showcase	Up to 10	<input type="checkbox"/>	<input type="checkbox"/>
Customized Website	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sell on Multilanguage Marketplaces*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Buyer Access Priveleges			
Match with Quality Buyers	Full	Basic	<input type="checkbox"/>
Access to U.S. Customs Data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Online Expo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Access to Buyer Contacts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exclusive Access to Buying Requests	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gain More Buyer Trust			
Standard Verified Seal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Premium Gold Supplier Seal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
On-site Video	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3rd Party Authentication and Verification	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Powerful Business Tools			
My Alibaba (Backend tool)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trademanager (Real Time Chat)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Biz Trends (data Analysis Tool)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subaccounts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scrolling Product Gallery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training & Customer Service			
Basic Trainings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Advanced Trainings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIP Customer Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Posting Service-Premium	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Promotions			
Homepage Theme Promotions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trade Show Promotions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What does product search ranking mean?

 boiler chemical dosing system boiler chemical dosing system, automatic dosing system, automated dosing system, auto dosing system, Dosing System, Dosing skids <input type="checkbox"/> Compare  Offline  Contact Supplier	POSITIVE METERING PUMPS (INDIA) PRIVATE LIMITED India Business Type: Manufacturer No of Employees: 11 - 50 People Management Certification: ISO 9001:2008  
 Cationic PAM/Polyacrylamide Water treatment chemical for paper making Supply Ability: 1000 Metric Ton Metric Tons per Month <input type="checkbox"/> Compare  Offline  Contact Supplier	WALLI POLYMER PVT. LTD. Contact Details India Business Type: Manufacturer No of Employees: 51 - 100 People 
 CPP chemical Min. Order: 500 Kilograms <input type="checkbox"/> Compare  Offline  Contact Supplier	HIGHLAND INTERNATIONAL Contact Details India Business Type: Trading Company No of Employees: 11 - 50 People Management Certification: ISO 9001:2008 
 AQUASOL - Water (Chemical) Test Kit Water (Chemical) Test Kit <input type="checkbox"/> Compare  Offline  Contact Supplier	RAHRO BIOTECH SYSTEMS PVT LTD Contact Details India Business Type: Manufacturer No of Employees: 11 - 50 People

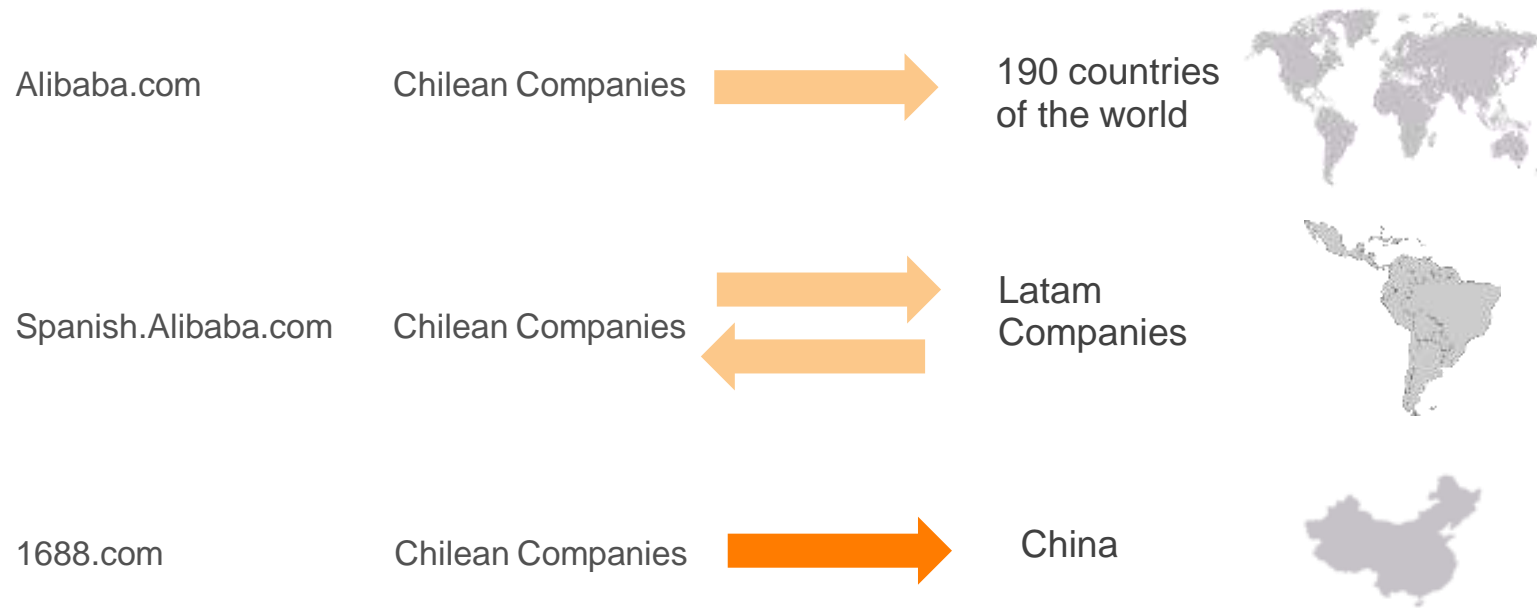
 Gold Supplier

 Verified member

Unverified member



The B2B opportunity For Chilean Companies Through Alibaba



1688.com

The Leading B2B E-commerce Platform in China

China's largest online sourcing and procurement platform

+ **120 million** registered users

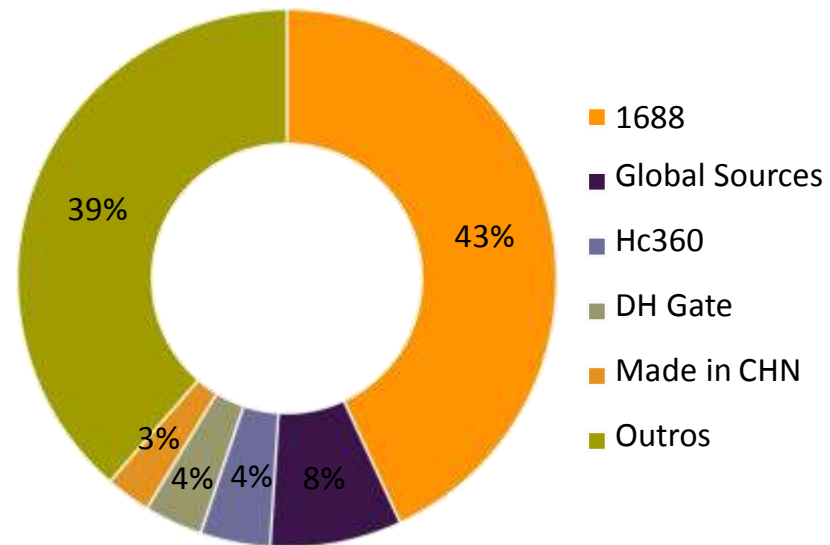
+ **10 million** businesses

+ **12 Million** unique visitors daily

+ **150 million** page view daily



1688.com: the B2B market leader in China for 15 years in a row



Responsible for almost half the B2B sector in China, with growth of over 20% year on year. *

** Dados de 2014.*

1688 is transforming into a Global Sourcing platform in China



Five Key Barriers to Trading with China



Lack of enforcement and coherent legal system, policy inconsistency in certain ports

News on piracy issue in China affects brand owners and suppliers' confidence

Lack of professionals who are familiar with international trade practice and customs regulations

High logistic cost, High MOQ, long selling cycle, high risk

Cost of building an ecommerce platform is high, not easy to adapt to related policy