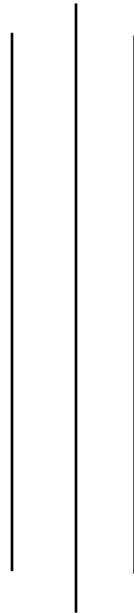




# SUNWAY

INT'L BUSINESS SCHOOL



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## **1. Prepare a report on TEN (10) potential benefits of B2B e-commerce ecosystem provided by Alibaba.**

B2B e-commerce is an online transaction where both parties involved are businesses. In other words, a company selling products or services to another company – that is, its customer – would be partaking in a B2B transaction. Like every other business out there, B2B businesses come in many different shapes, sizes, and levels of complexity. They can span multiple business models and sectors, ranging from services such as accounting, legal, digital, to physical products like machinery, equipment, consumer goods, and so on.

Alibaba Group is a service-based e-commerce company that provides a platform for users to buy and sell goods, much like the eBay (EBAY) business model. Alibaba has three primary businesses: a business-to-business (B2B) e-commerce platform, Alibaba.com; a business-to-consumer (B2C) platform, Tmall.com; and a consumer-to-consumer platform, Taobao.com.

TEN (10) potential benefits of B2B e-commerce ecosystem provided by Alibaba are given below:

### **1) Cloud Security**

With extensive web security experience of Alibaba Group and hundreds of well-known e-commerce platform in China like Taobao, Tmall and Alipay, Alibaba Group understands both the vulnerability and importance of cyber security. The cloud-based security service of Alibaba Cloud, Anti-DDoS Basic integrates with Alibaba Cloud ECS and it safeguards data and applications from DDoS attacks. Users will have the increased visibility and control over the security measures. Other security services include Anti-DDoS Pro, Mobile Security and Web Application Firewall. What's more, this service is available to all Alibaba Cloud users free of charge.

### **2) Customer-centric experience**

Alibaba.com sets the standard for providing an exceptional ecommerce experience and today's online shopper expects an Alibaba-like experience whether they are shopping for business or pleasure. While there are certainly differences in experiences for retail shoppers and B2B buyers, B2B organizations

still need to employ intuitive design, rich content, and interactive functionality in their websites.

### **3) China's Largest Cloud Computing Provider**

Alibaba Cloud is the leading cloud provider in China and is rising to be one of the influential cloud service providers in the world. Alibaba's cloud division has a 22% market share in China's IaaS market while Amazon Web Service has a 28% market share in the global IaaS market. In addition, Alibaba Cloud offers a borderless cloud service with minimal latency and international network of 14 data centers. Users could access their service around the world through a single global account.

### **4) More customers**

A B2B ecommerce site like Alibaba with public-facing catalog pages is a powerful way to reach new B2B customers. Your future buyers not only prefer to shop online but will demand it. As B2B buyers head online to find the best prices, manufacturers and distributors can leverage the power of the search—and therefore, ready to index—pages of their site to locate new visitors and convert them into customers.

### **5) Flexible payment options**

A typical large-scale B2B business can process a variety of terms, payment, and invoice options. Thus, not offering the right payment method can result in unneeded friction for the customer resulting in lost sales. Many B2B platforms offer built-in payment methods and integrate with payment processors, invoicing systems, accounting software, support physical checks, and so on.

### **6) Exceptional customer service**

Alibaba provides an exceptional opportunity for the B2B organization to improve its customer service initiatives. ecommerce sites can provide access to self-serve portals with account, order, history and tracking information. Through integration with an organization's enterprise resource planning (ERP) system, a robust ecommerce site can display customer specific products, services and pricing based on customer log in credentials.

### **7) Mobile Growth**

Mobile web traffic is doubling every five years and B2B is no exception. As mobile dependent millennials move into managerial positions, mobile usage of B2B

buyers is projected to increase dramatically in the near future. With that, so will B2B sellers, looking to gather high-value leads and engage with opportunities.

#### **8) Accurate analytics**

With customer expectations on the rise, quick thinking is everything, and businesses cannot afford to make mistakes. Making the wrong decisions about orders, fulfillment, or even stock counts will push customers to look elsewhere. With the right data at their fingertips, back-office staff can get accurate stock counts and use that to offer better service to customers.

#### **9) Hybrid Capabilities**

Alibaba Cloud is well-known with its high scalability and hybrid capability features backed by the world's largest hybrid cloud architecture with scalable computing power, advanced real-time data processing and analytic capabilities. Apsara, the super computational engine developed by Alibaba Cloud, is capable of ensuring the efficiencies of networks and systems.

Initially designed and launched to support the traffic and data-management of Alibaba Group's e-commerce platforms, Alibaba Cloud is now rising as another top global player in cloud computing industry, providing robust services to people. In fact, the growth graph of Alibaba Cloud portrays its potential and capability in cloud computing services.

#### **10) Reliable and Trusted**

Alibaba Cloud is the first cloud security provider to earn ISO27001 Information Security Management System Certification in China. Furthermore, it is the first cloud service provider to offer Cloud Security Alliance (CSA) Star certification for its facilities all over the world (CSA Star certification is an enhancement to the ISO/IEC 27001 standard that addresses issues around cloud security).

## **2. Express FIVE (5) competitive strategies for Alibaba to overcome the competition from its rivals.**

**Alibaba** is a Chinese e-commerce company established in 1999. The company is headquartered in Zhejiang, China. The service-based e-commerce model that the company provides allows users to buy and sell goods on its platforms, much like the **eBay**. While **Alibaba** dominates e-commerce and cloud computing services in China, **Amazon** dominates those industries in most other growing

markets around the world. **JD.com** is one of Alibaba's primary domestic competitors in the e-commerce space. **Alibaba** also faces smaller national competitors and local upstarts across the Chinese landscape, including the Chinese e-commerce site **Pinduoduo**.

According to the analysis of Alibaba, there are several strategies can be complemented to sustain the competitive advantage of Alibaba. An adequate credit guarantee system could be established to increase the user scale, and it also builds the foundation of customer loyalty. People will lose faith and patient if they buy a fake product from a trading platform. Similarly, a more strict censorship is needed to protect consumer's right. Under strict market supervision, a consumer can build their faith and reliance on this industry which is the most important thing for an emerging market. In addition, Alibaba should try to distinguish it from substitutes and use their unique advantages, which are low cost and high efficiency, to compete with physical stores. It has the ability to draw in a large number of sellers and purchasers, so it can change the rules of the game to enhance its market position and competitive strengths.

**FIVE (5) competitive strategies for Alibaba to overcome the competition from its rivals** are given below:

### **1) Site speed**

**Amazon** has calculated that if their site took only a second longer to load, they would lose \$1.6 billion in sales revenue every year. Recent research indicates that 40% of users will abandon a website if it takes longer than 3 seconds to load. The online consumer, with more choice than ever before, is fickle and impatient. If you keep them waiting for even a second, they may leave your site without purchasing. So it's best to make sure that site is fast. So **Alibaba** should make their website loading speed fast.

### **2) Offer Free Shipping**

Various studies and, really, common sense demonstrate that customers would rather not pay for shipping. In fact, more than half of online orders shipped in the forthcoming holiday season are likely to include free shipping.

If your business is not already offering a free shipping option, you need to add one. Most ecommerce platforms have some form of free shipping option built in, so that there will likely be just a minimal amount of configuration. The most

difficult part about free shipping is understanding that while you will be giving away some margin, you should make more overall as sales increase.

### **3) Offer more discounts**

It may sound simple, but not enough companies are offering discounts to their customers. If you're worried about your profit margins, just use a marketing strategy that's as old as time. Jack up the base price of each product and then put it on sale. It's simple. So, **Alibaba** should offer more discount to their customers to overcome the competition from its rivals.

### **4) Expand into new territories**

An often overlooked strategy for growing an online business is to translate the site and begin targeting customers in multiple countries. While there are dedicated translation plugins and add-ons for most major e-commerce shopping platforms, it's often best to hire specialized translation services in the countries you wish to expand into. So, **Alibaba** should expand into new countries and also should be ensuring that their payment processor accepts payments from the country's main currencies.

### **5) Consumers love videos.**

In fact, over half of marketing experts across the globe say that video has the top return on investment compared to other marketing tactics.

Websites that have videos can get the average user to spend 88% more time on their pages. In addition, videos do as well as ads. That's how the ecommerce brand **Robo** generated \$4.7 million in revenue running video ads.

This creates an increase in engagement as well as interest in whatever you're trying to sell. Videos resonate more with people, so it's likely that they'll remember what they watched as opposed to just reading about it. So, **Alibaba** should product demonstration to increase their sell or to compete with its rival.

## **3. E-commerce can pose some challenges to a business. As new appointed Alibaba CIO, investigate FIVE (5) possible issues of e-commerce and suggest on how to solve them.**

Five possible issues of e-commerce and its solution are;

## **I. Cybersecurity Issues**

Cyberattacks can compromise the security of your ecommerce website by infecting it with viruses and, what's even worse, they may compromise the security of your registered customers' data. Hackers can potentially gain access to this confidential data, including credit card details. This scenario is one of the greatest issues to overcome in the ecommerce business and it is certainly one of the biggest nightmares of every ecommerce owner.

### **Solution:**

Update your ecommerce platform regularly. Whatever platform or CMS your ecommerce website uses, make sure you update it regularly with official patches, plugins and other software developed by its creators. Their teams work actively on identifying current threats and create solutions to stop them in their tracks.

Manage your own servers. Make sure your ecommerce website is hosted on a standalone server dedicated only to you. Sharing the same space on one server with multiple other sites is risky; if some of those websites get hacked, the malware files may infect the entire server – including your store.

## **II. Nurturing Customer Loyalty**

Customer loyalty is a very fickle thing, even with the best-designed ecommerce websites with a huge assortment of products and smooth functionalities.

Without customer loyalty, any business may struggle as acquiring a new customer is five times more costly than retaining an existing one. Increasing customer retention rates by 5% can increase profits by 25% to 95%. Customer loyalty is a matter of brand integrity and mutual trust between a seller and a customer. Since there is no face-to-face interaction like in a retail store, the development of trust and loyalty takes more time and effort in ecommerce.

### **The solution:**

**"Your culture is your brand."** This saying hits home on so many levels. Customer loyalty is the result of great customer service, so you need to make sure your customers are satisfied with the entire process of purchasing online, from browsing your store casually, to ordering online and shipping. Nurture your customer service according to a competitive advantage you have over other online retailers.

Use loyalty programs. Multi-tiered schemes that reward returning customers with points, discounts and coupons is a great customer service tool that fosters their loyalty and keeps them coming back.

### III. Competition From Manufacturers And Retailers

Manufacturers and retailers that online stores buy products from in bulk eventually begin selling their goods directly to customers. This way, the company that used to be your partner becomes your competitor, which only gets worse if they create their own network of distributors.

You can't prevent manufacturers from selling directly to customers – so, how can you minimize the problem?

#### The solution:

- **Prioritize partnering with manufacturers less likely to sell products directly.** The surest way for your retail partner to not become your competitor is to team up with smaller brands or brands focused on producing and delivering goods to shops rather than selling them directly.
- **Offer your products at lower prices or with additional benefits.** Such maneuvers help boost sales of products that the manufacturer chooses to sell themselves directly.

### IV. Slow Speed

Google has now made page load speed an important ranking factor. Slow stores will now not even show up in SERPs. But that's just the marketing aspect. Research says that visitors leave a website if it takes more than two seconds to load.

#### Solution

So, what is the solution to slow speed for ecommerce stores?

- Change to a faster ecommerce web hosting solution
- Get a CDN service that distributes the content from the nearest server
- Install server-level cache on the ecommerce platform

### V. Wrong Order Delivery



What's worse than not getting a delivery? Getting a wrong delivery. Customers hate it and ecommerce store owners fret it. Why? Customers will simply upload the screenshot on Facebook and bring the reputation of the store at stake.

**Solution**

First, double check before shipping any order to the customer. Or ask your delivery team to do that.

Remember, to err is human. So, make it easy for them to return the order if it is wrongly delivered. For example, providing customers with a discount coupon or cash back on their purchase.

# The End