**Introduction**

Mr. Liu Qiangdong the founder and CEO of the JD.com company attended the 8th USA-China internet industry forum along with the Chinese President Xi Jinping (Chan, Huanyong Chen and Zhao, 2018). In the forum Mr. Liu delivered a speech in front of the big companies including Jack Yun Ma ( the Founder and CEO of Alibaba) and Pony Ma ( the Founder and CEO of Tencent) (Chan, Huanyong Chen and Zhao, 2018). JD.com is one of the first companies in the china market to establish the online services. Mr. Liu was feeling quite un-easy while delivering the speech in Seattle. Both the companies have a bit of rivalry as Jack Ma’s criticism about JD.com leaked in the public to which Liu gave a very polite poetic response (Chan, Huanyong Chen and Zhao, 2018).

The company failed to make a beneficial net income in the year of 2015 (Chan, Huanyong Chen and Zhao, 2018). As a result, the investors and profit makers were reluctant in investing. Mr. Liu progressed and made an identity that no other competitor could replicate. Alibaba plays a third party role in-between the buyers and suppliers. JD undertook a model which operates on itself and does the functions such as self purchasing, delivery, shortage etc

**The PESTEL model of JD.com comprises of the following steps:**

1. Political
2. Economic
3. Social
4. Technological
5. Legal
6. Environmental

Liu started his business by selling the magneto-optical products. The main strategy of Liu was speedy delivery of products along with good service and no duplicates. Liu evolved his small business into one of the largest companies of magneto-opticals which developed into a chain of 12 stores in the year of 2001 (Chan, Huanyong Chen and Zhao, 2018). With the success of the company, Liu expanded his business by selling the electronic applications which in turn became China’s largest online retailer for 3C products (Chan, Huanyong Chen and Zhao, 2018).

As the company continued to expand, JD achieved the four rounds of fundraising between the year 2007 and 2013 with financing of around US$2.23bn (Chan, Huanyong Chen and Zhao, 2018). The company was recorded as China’s largest IPO in the USA (Chan, Huanyong Chen and Zhao, 2018). JD came up with a plan by selling the electronic devices among the general public. As the consumers were satisfied with the online shopping from the JD site, the company gained their trust and confidence. As the company progressed, JD laid 256 warehouses, 6,906 delivery and pickup stations and more than 120,000 employees (Chan, Huanyong Chen and Zhao, 2018).

**The porter-5 forces for the JD.com are listed below:**

E-commerce was not into much use in China a few decade ago. As the time passes E-commerce grew in a much larger pace and became ubiquitous by various business models. There were only handful of e-shops that were trading online goods in China. As more and more consumers and retailers were involved in the online trading, it resulted in a boost for the e-commerce. As the demand increased, now the buyers would prefer to shop online goods, materials ,clothing etc. Due to evolving technology, there was an increase in number of internet and mobile users which led to increase in demand of online goods.

The aim of the JD company is to gain the trust and confidence of the consumers/buyers by providing them authentic devices/materials/goods as per their choice. Alibaba was depended on the third party community which would connect the link between the buyers and the suppliers. Where else JD has their own well effective delivery network, which out-smarted Alibaba in this field. Though excelling in the field of delivery many of the JD’s investors became doubtful of the company’s business model and were more comfortable with Alibaba. And even JD has comparative less market share than Tmall by B2C market (Chan, Huanyong Chen and Zhao, 2018). This acted as a challenge for the JD company in-order to survive in the field.

**Core Competencies of the JD.com**

China has a huge number of e-companies that provide delivery to the respected buyers within a time span of a few days. In order to provide fast and safe delivery the company has to invest a huge amount of money in building their logistic system. JD has introduced their self own logistics system which makes them one step ahead as compared to rest of the companies . As a result, JD experienced a 300 percent growth rate over five years (Chan, Huanyong Chen and Zhao, 2018). The company assures to deliver the particular products within a three hours of time gap (Chan, Huanyong Chen and Zhao, 2018). If a buyer orders an online product before 3 p.m the product would be delivered at their footsteps between 7 p.m to 10 p.m (Chan, Huanyong Chen and Zhao, 2018). With such a powerful logistics system of JD, the other logistics company would not be able to stand in their way.

The company’s effective and increasing use of delivery standards cause a threat for the new emerging companies in the same platform. In order to stand a chance in the competition the rival companies have to built a stronger, more powerful and effective logistic system. This gave a more competitive advantage to JD.com as compared to their rivals.

**Conclusion**

With the consistent progress JD owned a two digit growth rate in its sales in the past few years. Although facing various internal challenges and external competitor hurdles JD has been committed with its online retail site and its distribution system. JD is also expanding its hands to the rural and overseas Chinese market through the online site which plays a beneficial role in its progress. Even the JD Crowdfunding and JD Baitiao finance products are the main attraction for the companies who wants to invest their products and their particular products.

**References**

* Chan, A., Huanyong Chen, C. and Zhao, L. (2018). JD.com: leveraging the edge of e-business. *Emerald Emerging Markets Case Studies*, 8(3), pp.1-30.