Thank you, Rob. Thank you all for joining us. We had an excellent year in fiscal 2018. Overall revenues grew 58% year over year and Taobao and Tmall GMV accelerated its growth from the 22% growth last year to 28% growth this year. I want to thank our team for a truly exceptional year. On these great results, I want to highlight a few things that demonstrate the success of our strategy and execution.

There are three things worth noting. First, we gained incremental market share and a larger share of the consumer e-commerce wallet despite the law of large numbers. How is that possible? Because through technology and consumer insights, we put the right products in front of the right customers at the right time. We also executed tailored strategies in supply chain, product, and merchant curation, and logistics for key categories, including apparels, FMCG, home appliances, and consumer electronics. The combination of our superior technology and operating excellence means that we can continue to achieve substantial growth at scale, conquering the law of large numbers.

The second thing worth noting is that our new retail initiatives are substantially growing Alibaba's total addressable market in commerce. In retail, we're anticipating changing consumer behavior and increasing expectations of quality and convenience, whether these consumer shop online or in offline stores. Through our proprietary technology and operational implementation, we're enabling our retail partners to meet and even exceed these consumer expectations and capture incremental sales and operating efficiency. In this process of digitizing the entire retail operation, we're driving a massive transformation of the traditional retail industry. It is fair to say that our e-commerce platform is fast becoming the leading retail infrastructure of China. With this transformation, China's $5 trillion USD in retail sales will be available to Alibaba as our total addressable market.

The third thing worth noting is that Alibaba is well-positioned to capture more discretionary spend of Chinese consumers through entertainment and local service offerings beyond e-commerce. Over the past year, we made substantial investments in our Digital Media and Entertainment business, we strengthened our offerings in streaming content and subscription video services for an expanding viewership. We also made a key strategic acquisition to take full control of Ele.me, an online food ordering and delivering business that comes with a comprehensive local fulfillment and delivery network which will help to power our new retail strategy.

The substantial assets in entertainment and local services can leverage our user base of over 550 million annual active consumers in e-commerce. We're extremely excited by the potential flywheel effects of expanding the wallet share of these 550 million users across our ecosystem, as well as the synergies and consumer insights that can be achieved through a platform built on the Alibaba technology infrastructure. Now, I will turn it over to Daniel for his comments about the quarter.

Daniel Zhang -- *Chief Executive Officer*

Thanks, Joe. Hello, everyone, and thank you for joining our earnings call today. We delivered another outstanding quarter and fiscal year. Today, our business is stronger than ever because of our focus on delivering unique value propositions to our customers. Over the past year, we achieved many important milestones across our entire businesses. We enjoyed exceptional revenue growth in our Core Commerce business while successfully activating new synergies between platforms and setting up solid foundations for the next stage of growth in strategic areas, such as new retail and globalization. We were guided and will continue to be guided by a long-term forward-looking approach to investing in new user acquisition, new technology, and the creation of new retail experiences. As we have said from Day 1, we work for today, invest for tomorrow, and incubate for the future.

Taobao continued to be the leading consumer media platform and the starting point of any retail journey for Chinese consumers. We achieved consistently higher user engagements due to AI enhancements that delivered greater precision and relevance in user experiences, both in merchandise selection and in the mix of digital content. Mobile MAUs on our China retail marketplaces reached a total of 617 million, which grew by 22% year over year. Our successful new user acquisition campaign during Chinese New Year culminated during the annual televised CCTV Spring Festival Gala, contributing a net increase of 37 million annual active users during this past quarter, largely from Tier 3 and Tier 4 cities and the rural areas. This was the largest user net add over the course of the last 13 quarters.

Tmall continued to experience robust growth across all categories and expanded its market leadership. Physical goods GME grew 40% year over year in this past quarter, mainly driven by accelerated growth in fashion and FMCG categories as well as robust demand in consumer electronics. Many brands launched on Tmall this quarter, including H&M, YSL Beauty, and Valentino. Over the past year, Tmall has been able to solidify the growth of market share through its unique value proposition to brands and reach new customers and to retain and serve existing customers online and offline. Market leadership and user share gains continue to be our priority for Tmall, and we will continue to invest in our business.

Over the past year, we made excellent progress in our new retail strategy through both bolstering in-house innovations and investing in opportunities rife for change. During this past quarter, we expanded into two new cities in China and added 14 new Hema stores, bringing the total store locations to 37. On average, more than 50% of orders processed by Hema stores were placed online for home delivery. We began to leverage proprietary in-store technologies and a digitalized supply chain system incubated at Hema for deployment in select Sungah retail properties across China.

Our acquisition of Ele.me will expand our service offerings to include on-demand food delivery. This is strategically valuable for strengthening user goodness on our platform as well as our last-mile delivery network range and penetration. Our investment in Easyhome is an entry point to redefine the home improvement shopping experiences to meet the needs of the rising population of middle-class homeowners in China.

We made great strides in our globalization strategy. Revenue for our international retail business increased by 94% year over year. Our cross-border import business, Tmall Global, enjoyed a 113% year-over-year growth in GMV this past quarter driven by top-selling categories of beauty, baby, and maternity, and health supplements. To further accelerate Lazada's development and market share growth, we successfully integrated our entire technology platform across the six markets into the main Alibaba infrastructure, and we will invest an additional $2 billion USD into the business. Our deep long-term commitment to Lazada and the Southeast Asia market was further demonstrated by the appointment of Lucy Peng, Alibaba's co-founder and partner, as chief executive in addition to her role as chairwoman.

Over this past year, Cainiao made solid progress expanding delivery network and improving industrywide operational efficiency and service quality through digitization. More than 90% of all delivery orders generated on our China retail marketplaces now use e-way bills pioneered by Cainiao. Additionally, more than 70 logistics partners use Cainiao's logistic cloud service to improve efficiency of collection and delivery services through data technology. Next-day delivery service coverage expanded to 211 cities and nearly 1,500 counties. For cross-border service, successful system integration with all key ports of entry and exit in China ensures customs clearance are now posted in seconds, and door-to-door delivery between major global destinations is no more than ten days.

Our Cloud Computing business continued its rapid growth over the past year. Alibaba Cloud is a market leader for infrastructure as a service in China. Revenue grew 103% year over year this past quarter, driven by the growth of paying customers and the subscription of higher value-added products. Our acquisition of C-SKY Microsystems, a leading Chinese supplier of embedded CPU cores, together with our previous investments in this sector, solidified in-house chip capabilities that will be integral to our cloud-based IoT business strategy. We continue to introduce new products and services and features, including a proprietary edge computing software that enables the development of IoT across systems. We opened a new data center in Indonesia, raising our global presence to a total of 18 countries and regions.

Our Digital Media and Entertainment business continued to gain momentum. Subscribers on Youku grew over 160% year over year this past quarter as we continued to gain consumers' mindshare through acquisitions and development of quality licensed and original content, such as hit reality show Street Dance of China. I also want to provide an update on our innovation initiatives. AutoNavi is now the largest provider of mobile digital maps, navigation, and real-time traffic information in China, with approximately 60 million daily active users. Its digital map platform also serves as the infrastructure for many major mobile apps in a wide variety of sectors, such as food delivery and rideshare. Our voice control assistant, Tmall Genie, positioned as a centerpiece in homes to serve the needs of day-to-day family life, has sold more than 2 million units. The latest operating platform upgrades for Tmall Genie is equipped with visual recognition capability in addition to Chinese voice recognition.

As we surpassed a new milestone with a total GMV of $768 billion USD for this past fiscal year, I remain confident that we are on track to reach our goal of $1 trillion USD

GMV by fiscal 2020. Looking forward, we will continue to invest in new user acquisition and expand consumer wallet share through category expansions of physical products, digital content, and local services. We will continue to invest and further expand the considerable gains we have achieved in B2C market leadership this past year.

China's commitment to import $8 trillion USD worth of goods in the next few years is a significant opportunity for our platform. We will work with producers and merchants to bring the best products from around the world directly to consumers in China. We will continue to scale new retail formats that we have been incubating, such as Hema. We will work closely with committed partners to transform and upgrade traditional retail formats, ensuring that they enjoy first-mover advantage in the changing environment.

And, as our customers digitize their business, we will provide comprehensive solutions to address their evolving needs across commerce, marketing, cloud computing, and more. Cainiao will continue to focus on building a global digital logistic infrastructure and accelerate the development of smart delivery solutions to address the evolving needs of new retail. Last but not least, we will continue to invest aggressively in new innovative initiatives for the future. Now, I turn the call over to Maggie, who will walk you through the details of our financial results.

Maggie Wu -- *Chief Financial Officer*

Thank you, Daniel. Hello, everyone. We delivered another strong quarter and one of the strongest annual results since our IPO. In March 2018 quarter, major operating and financial metrics continue to record very strong results. Total revenue grew 61% year over year to 62 billion RMB. Revenue from Core Commerce grew 62% year over year. Mobile MAU on China retail marketplaces reached 617 million in March, an increase of 37 million over December quarter.

Annual active consumers on China retail marketplace reached 552 million, the net increase of 37 million from the 12-month period ending December 2017, represents the largest net add in the last 13 quarters. Revenue from Cloud Computing increased 103% year over year to 4.4 billion RMB. Core Commerce EBITA margin was 43%. Excluding investments in new retail, investments in Lazada and Cainiao, Core Commerce EBITA margin would have been similar to the previous years. Our non-GAAP free cash flow was 8.6 billion RMB for the quarter compared to 8 billion in the same quarter of last year.

When we look at the quarterly revenue, for the quarter, total revenue grew 61% year on year. This was led by robust growth in our China commerce retail business, Alibaba Cloud, and international commerce retail business. The consolidation of Cainiao and Intime also resulted in greater revenue. So, if you take out the revenue growth coming from consolidation of Cainiao, our revenue would still have grown over 50% year over year.

Cost of revenue excluding SBC was 30.8 billion RMB. Excluding the effects of SBC, cost of revenue as a percentage of revenue increased from 37% in the quarter ended in March of last year to 50% in the quarter ended this March quarter. The increase was primarily due to the cost of inventory in our new retail businesses and Lazada, as well as investments in Cainiao and our expanding and growing user base and improving user experience.

Sales and marketing expenses excluding SBC were 7 billion RMB in the quarter. Without the effect of SBC, sales and marketing expenses' percentage of revenue would have increased from 10% in the quarter ended March of last year to 11% this quarter, primarily due to an increase in our discretionary advertising and promotional spending for user acquisition that led to significant increase in annual active buyers and MAU during the quarter. As a percentage of revenue, without the effect of SBC, all other major operating expenses remained stable year on year.

Let's take a look at the net income. So, non-GAAP net income in the quarter was 14 billion RMB, an increase of 35% year on year. Reconciliation of non-GAAP measures to comparable GAAP measures can be found in our press release. But, looking at this quarter's GAAP net income, it shows a decrease of 33%. This is primarily due to non-recurring disposal gain from sales of certain investments last March quarter, so that's -- if you take that out, the net income is going to show growth of around 27%.

So, free cash flow -- in March quarter, we generated 8.6 billion RMB in free cash flow compared to 8 billion RMB last year. As of March, cash, cash equivalents, and short-term investments were 205 billion RMB compared to 220 billion RMB as of December last year. This decrease during the quarter was primarily due to cash use in investing activities, including investments in Wanda Cinemas, Easyhome, and cash used to acquire additional shares of Intime, partly offset by free cash flow generated from operations. Capital expenditures in this quarter were 7 billion RMB, in which about 1.5 billion RMB related to the acquisitions' land use rights and construction progress.

Let's turn to the segment report. Core Commerce segment had another strong quarter with revenue growth of 62% year on year. The robust performance was mainly driven by the China Commerce Retail business that grew 56% year on year and represents 78% of the segment revenue. Let's look at the key component of China Commerce Retail business. Customer management revenue grew by 35% year over year, driven largely by further increase in average unit price per click, and to a lesser extent, the volume of clicks. Increasing price per click reflects our ability to deliver highly relevant paid search to consumers through personalization technology, which increased the conversion.

We're seeing higher average spending per merchant on our customer management services. The 35% growth rate of customer management revenue in March quarter also reflects a normalized growth trend as we take a measured approach to monetize. We continue to have multiple monetization levers that support our customer management revenue, including implementation technology improvements as well as load and inventory increases.

Commission revenue grew by 39% year over year, primarily due to a strong 40% year-over-year growth in the physical goods GMV on Tmall. Other revenue was 5.8 billion RMB, up over 1,000% year over year, and represents the fast growth of our new retail business, which includes Hema, Tmall Imports, and Intime. Our core marketplace adjusted EBITA margin was 53% this quarter as compared to 59% in the same quarter last year. Excluding the gross revenue of accounts effect of new retail, Lazada, Cainiao, adjusted Core Commerce EBITA margin was similar to that of previous years.

Cloud Computing grew 103% year on year. This was primarily driven by an increase in the number of paying customers and increase of their usage of our cloud services. Digital Media Entertainment segment shows a revenue of 5.3 billion RMB, an increase of 34% year on year. This increase was mainly driven by increase in subscription revenue from Youku Tudou and mobile value-added service revenue from UCWeb. Youku's daily average subscriber maintained strong momentum, with over 160% year-over-year growth, driven by successful launch of several hit reality TV shows and dramas. Adjusted EBITA margin of Digital Media Entertainment segment was -49% this quarter compared to -44% the same period the same quarter last year. It was mainly due to increase of content costs of Youku Tudou.

Revenue from Innovation Initiatives and other segments was 988 million RMB in this quarter. Adjusted EBITA margin of this segment was -87%, primarily due to the investment in these new business initiatives.

Let's take a look at the full-year financial highlights. Total revenue growing 58% year on year to 250 billion RMB, exceeding our original guidance in the big time. So, even excluding the consolidation of Cainiao, organic revenue growth still remains strong growth at over 50% year-on-year growth, which is still much higher than the original guidance I gave last June. The strong revenue growth is driven by robust growth of our Core Commerce segment and another year of triple-digit revenue growth of Alibaba Cloud as it continues to drive market leadership.

The Core Commerce delivered one of the strongest years since IPO, with over revenue growth of 60%, and GMV transacted on our China retail marketplace in fiscal 2018 was about 4.8 trillion RMB, an increase of 28% year over year. By the way, this GMV doesn't include the GMV from our new retail yet, so going forward, we will report new retail GMV on our new business as well. The growth acceleration reflects Tmall's continued expansion and B2C market leadership, with Tmall physical goods GMV growth growing at 45% year over year during the fiscal year. This number, by the way, is a lot higher than our competitors'.

Annual active consumers in China reached 552 million, and we talked about that strong growth. So does the MAU growth. Our Cloud Computing business has doubled its revenue and has shown new revenue of 13.4 billion RMB. Our business has shown strong profitability and cash flow generation ability. For fiscal 2018, we generated 99 billion RMB, which is $16 billion USD, in free cash flow, compared to 69 billion RMB in fiscal 2017.

Now, let's take a look at the margin. I know a lot of people have questions on margin and how we look at margin. If we step back and look at core commerce on a pure like-to-like basis year over year, we would have enjoyed improved margin of core commerce EBITA margin. When you look at this table, if we exclude new strategic initiatives, new retail timing on Lazada, adjusted Core Commerce EBITA margin would have been 63% versus 62% for 2017 fiscal, reflecting operating leverage. This 63% margin already reflects a year-on-year step-up in investment with the pre-existing China retail marketplace business -- i.e., our spending on user experience, B2C market leadership expansion. This investment has led to faster user growth and greater market leadership gain for China marketplace.

The development of new retail business will have different financial and margin impacts to Core Commerce over the next several years because tons of our new retail revenues are accounted for on a growth basis, where we operate, own, and sell inventory direction. By the way, please note that this is not the same as the traditional buy-and-sell first-P business because the reason we're doing this is to figure out the ways to improve the efficiency of the whole retail value chain for the restructure and transition of this retail field. Later on, we're going to use this methodology to enable -- user technology to enable offline retailers to reform their business.

So, this is our "creating new and reforming" new old retail strategy, and we expect new retail to become a more meaningful revenue contributor to the Core Commerce over the long term. When you look at the increasing mix of new retail revenue, this will structurally change the margin profile of Core Commerce segment. However, we believe new retail will have a more meaningful profit contribution to Core Commerce.

Sustainable profit growth -- so, instead of a blended margin rate, which is not meaningful in understanding the true profitability of our business, we're focused on growing our business and absolute profit, which we think investors should focus on as well. Back in fiscal year 2014 to '16, even during a period of investment, we were still able to deliver strong and healthy EBITA growth of over 40% in the past two years. We had gone through a period of investment to expand our mobile strategy in 2015 and 2016 fiscal that had proven to be very successful. Our further investments in technology and content for the ecosystem over the last several years continued to improve monetization and added significant value to our customers and users, and to our profit growth.

Looking ahead, we continue to be very excited about Alibaba's growth prospects. We expect revenue growth for fiscal year 2019 to be over 60% year over year. Excluding the consolidation of Ele.me and Cainiao Network -- because Cainiao, we only had a half-year revenue last year -- we expect revenue growth for fiscal '19 to be over 50%. We have shown a track record of delivering robust profit growth by identifying new growth opportunities that are supported by solid execution. We will continue to invest our operating free cash flow to generate long-term sustainable profit growth. That concludes our prepared remarks. Operator, we're ready to begin the Q&A session. Thank you.

Questions and Answers:

Operator

Thank you. Ladies and gentlemen, we will now begin the question and answer session. If you wish to ask a question, please press *1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press #. To give more people the opportunity to ask questions, please keep yourself to no more than one question at a time. Again, it's *1 on your telephone and wait for your name to be announced. Your first question comes from the line of Eddie Leung from Merrill Lynch. Go ahead. Please ask your question.

Eddie Leung *-- Bank of America Merrill Lynch -- Analyst*

Good evening. I have a question on new retail. Could you give us some insight on how the operating and financial metrics of some of your more mature Hema stores comparing with the best-in-class offline retailers in the same category? Thanks.

Daniel Zhang -- *Chief Executive Officer*

Thanks, Eddie. Let me add more color of the Hema store operation and your question about new retail. Actually, when we planned the Hema model and what we wanted to achieve, we wanted to build a new retail format which can have more efficient operation for frozen and fresh products and FMCG products. So, today, what we have seen is that, as I said in my script, we generated 50% of the orders in Hema store which are from mobile users, and the products are fulfilled by Hema stores and delivered to their home, which means by this way, we extend the Hema coverage of the customers and improve the store operating efficiency.

As you can imagine, the fixed operating costs for a store remain stable, where if we can have extra coverage to the consumers not only in the store but also nearby, we can generate orders via this mobile reach. This should especially help us to improve operating efficiency and improve the productivity of the stores, which we strongly believe is very good for the retail business. The second thing is about the delivery costs.

Actually, today, when we build our Hema model, what we want to achieve is that we want to upgrade the e-commerce logistics from a hub-and-spoke model to a more integrated online logistics and fulfillment model. Today, when we generate the orders from online, people expect an on-demand delivery to home, but we can achieve that -- and people may know that we can achieve that even within 30 minutes -- is because we can fulfill by the nearest store and people can get their products as they expect it, on demand. So, I think that's the other advantage of this new retail format. Thank you.

Eddie Leung *-- Bank of America Merrill Lynch -- Analyst*

Got it. Thank you.

Robert Lin -- *Head of Investor Relations*

Operator, next question.

Operator

Your next question comes from the line of Grace Chen from Morgan Stanley. Go ahead. Please ask your question.

Grace Chen -- *Morgan Stanley -- Analyst*

Thank you. Thank you for taking my question. My question is about the drivers of strong growth of revenue in the coming fiscal year '19. In the beginning of fiscal '18, I remember that the management made it clear that Alibaba would focus on market share gains and reacceleration of GMV growth, and the result was great because we see Tmall deliver very strong growth in GMV, and we also see reacceleration in user growth. But, at the same time, we also spent more to improve the user experience, so as we enter fiscal '19, I'm wondering whether market share gains will continue to be on the top of your priority so we will continue to see you guys spend more aggressively. Thank you.

Maggie Wu -- *Chief Financial Officer*

Okay, Grace. Thank you for your question. So, we guided over 60% year-on-year revenue growth for fiscal '19. That strong growth is going to come from pretty much all the businesses, mainly our Core Commerce and Ali Cloud. So, of course, we're going to continue in that sense to expand our B2C market leadership, and at the same time, our strategic initiatives will also drive the growth. And, people may ask about the 50% seems very high. You have newly added businesses. That wouldn't be apples to apples. That's why we gave a 50% year-on-year growth if you take out Ele.me and, partially, Cainiao because Cainiao was only consolidated for a half year last year. And then, for new retail initiatives, that also contributed to the revenue growth. However, if you look at the China retail revenue, that new retail only accounts for somewhere about 10% of total. So, main revenue growth is still coming from our core of China retail commerce.

Joe Tsai -- *Executive Vice Chairman*

Your second question about whether market share gains will be a priority -- I think with our new retail initiatives, the definition of the market has expanded into $5 trillion USD of retail sales in China, so that's our total addressable market. So, of course, we would prefer to see this as a further market penetration on a much bigger TAM, but having said that, we're going to be extremely competitive when it comes to competition and your traditional perspective market share gains.

Robert Lin -- *Head of Investor Relations*

Operator, next question.

Operator

Your next question comes from the line of Alicia Yap from Citigroup. Go ahead. Please ask your question.

Alicia Yap -- *Citigroup Global Markets Asia Ltd. -- Analyst*

Hi. Good evening, management. Thanks for taking my questions. I wanted to ask in terms of -- can you remind us how much you have budgeted to spend on the various investments? For example, the amount or the percentage on the user experience improvement, your user acquisition, your globalizations, your new retail, and even for the digital content as well as the China logistics. In addition to that, from the consolidations of Ele.me, how much should we be expecting that you're going to invest to spend further on Ele.me? So, any color you could give us in terms of the rough dollar amount or the percentage would be helpful.

Robert Lin -- *Head of Investor Relations*

Sorry, Alicia, your phone is breaking up. Maybe can you restate your questions more clearly and limit it to just one question?

Alicia Yap -- *Citigroup Global Markets Asia Ltd. -- Analyst*

Yeah. So, hi. Can you hear me OK now?

Robert Lin -- *Head of Investor Relations*

Yes.

Alicia Yap -- *Citigroup Global Markets Asia Ltd. -- Analyst*

Okay. So, I think my question is regarding the budget, if you can give us some color in terms of the areas of the investment that you guys will be planning to for fiscal '19 in areas that you have been talking about, which is the user acquisition, globalization, and all these new retail -- and also, Ele.me. That would be helpful.

Maggie Wu -- *Chief Financial Officer*

Alicia, I think you're asking about our spending in 2019. First of all, let's take a look at the spending in '18, where we talked about new initiatives, and we still have operating leverage on the core of core. So, if you look at our slide where it shows the margin analysis, we had 62% margin last year -- for the core of core, it shows 62%, and then, our investment 10 percentage points on these new initiatives.

And, regarding spending in 2019, I think we're going to continue to invest in these areas because these are strategic, important business areas that won't just last one year of investment. So, new retail, Cainiao, Lazada, Ele.me -- we're going to continue to expand the business by investing, and how much does the question basically...

Talking about margin, again, like I said, our focus is to expand the business and produce absolute growth rather than looking at the margin. Having this new retail kicked in and becoming more important, our margin structure must shift. However, the profit growth we expect to be sustainable and healthy in the longer term.

Alicia Yap -- *Citigroup Global Markets Asia Ltd. -- Analyst*

Okay, great. Thank you.

Robert Lin -- *Head of Investor Relations*

Operator, next question.

Operator

Your next question comes from the line of Gregory Zhou from Barclays. Go ahead. Please ask your question.

Xiaoguang Gregory Zhao -- *Barclays Investment Bank -- Vice President*

Hi, management. Thanks for taking my question. Congratulations on a strong quarter and strong guidance. So, I have a quick question on the advertising business side. So, I think the personalization algo substantially drove your advertising revenue growth last year, so would you please give us an update of your recent progress or development of your customer management and your advertising and marketing business, and what kind of new algo or new advertising format like news feed add you may launch this year to utilize your user traffic or add inventory, especially considering the high comp of your customer management revenue growth in fiscal '18? Can you share the outlook and growth trend of your advertising and customer management revenue growth for this year? Thank you.

Maggie Wu -- *Chief Financial Officer*

Sure. For the customer management revenue growth you've seen in the last fiscal year, the first two quarters show a very high growth rate that we talked about, mainly driven by algorithm changes, and now, that change reached its anniversary. In March quarter, we had several initiatives to improve merchant ROI. For example, we talked about true seeing, where a consumer can enter into the stores without clicking on product listings. This is kind of a giving back returns to merchants. This could lead to less clicks, but at the same time, could help on GMV.

So, when the customer management revenue growth may slow down a little bit, commission revenue could grow faster, so people should look at our overall revenue growth rather than just one line of the revenue growth. For future customer management revenue growth, we're confident about our value provision to merchants given the data technology efforts with user experience and merchant ROI. We do have technology reserved in the pipeline that we're going to update you later on in due course. Thank you.

Xiaoguang Gregory Zhao -- *Barclays Investment Bank -- Vice President*

Thank you very much.

Robert Lin -- *Head of Investor Relations*

Next question, please.

Operator

Next question comes from the line of Piyush Mubayi from Goldman Sachs. Go ahead. Please ask your question.

Piyush Mubayi -- *Goldman Sachs Asia -- Analyst*

Thank you for taking my question. Congratulations on your guidance, Maggie. That's very strong. I had a question on CDRs if you could comment on CDR. Any plans there? Also, if you could comment on the growth you've seen in Ant as the quarter ended if possible, now that it's a 32% owned entity, and if you could confirm that, too. Thank you.

Maggie Wu -- *Chief Financial Officer*

You're asking for CDR progress, right? I can share with you that we're actively exploring possibilities of a CDR listing in China in all aspects. Right now, we don't have any timetable or details to talk about. We'll update you later on.

Piyush Mubayi -- *Goldman Sachs Asia -- Analyst*

Is there anything you can share with us in terms of the process that it entails?

Maggie Wu -- *Chief Financial Officer*

Yeah. Like I said, I think we're very actively exploring how to compact the possibilities and how to implement that return-from-China project.

Piyush Mubayi -- *Goldman Sachs Asia -- Analyst*

Thank you.

Joe Tsai -- *Executive Vice Chairman*

Piyush, your question on the financial -- we have not closed on the conversion of our equity stake into Ant Financial yet, and we are currently not going to give guidance on the growth of that business, but having said that, just qualitatively speaking, we've seen very robust acquisition of users, and also, engagement of the users specifically on the Alipay Wallet platform over the last two quarters. Ant has been very aggressive, extending into not just online payments, but also offline using a mobile device in offline establishments, and we're very encouraged by those developments.

Maggie Wu -- *Chief Financial Officer*

Adding the CDR discussion, right now, there is basically no detailed rules coming out, at least in regulations. The only thing that came out is at the end of March, a state council had the CDR deadlines. But, I can share that the principle of this CDR thing. We will only come back if this is going to help our development. This is development and expansion of our business and consumers. The other thing is that we're going to make sure that our investor interests get protected. Thank you.

Piyush Mubayi -- *Goldman Sachs Asia -- Analyst*

Thank you.

Robert Lin -- *Head of Investor Relations*

Next question.

Operator

Your next question comes from the line of Alex Yao from JPMorgan. Please ask your question.

Alex Yao -- *JPMorgan Securities Asia Pacific Ltd. -- Analyst*

Hi. Good morning and good evening, everyone. Congrats for a strong quarter and a very strong revenue guidance for FY '19. I have a question on Southeast Asia growth strategy. Apparently, this is early stage market with a low e-commerce penetration, and already, some local competitors in the space. What does it take to be the winner in this market in a three-to-five-year view and what incremental resource do you need to put in to make that happen? Thank you.

Daniel Zhang -- *Chief Executive Officer*

I think it's actually that the Southeast Asia market today is in a very early stage in e-commerce growth, but we have a very strong commitment in this market. As we shared in this earning, we accomplished the technology replatform, and basically, we upgraded our entire Lazada platform with Alibaba infrastructure, and we also sent not only Lucy as CEO and chairwoman of Lazada, but also, we sent our best people in Alibaba, who have tremendous operating experience and technologies, to the Southeast Asia market. We expect that again, this is all about to build a new ecosystem in the new market and to build the infrastructure -- for example, the payment infrastructure, the logistics infrastructure, and the partnerships in this market. So, we are actually forward-looking, and we will remain confident to achieve the high growth in the market in the future, and we are also very committed to continue our investments in this market.

Joe Tsai -- *Executive Vice Chairman*

I'll just add a little more color on Southeast Asia. If you look specifically at one of the largest markets like Indonesia, total industry GMV is going to be less than $10 billion this year, so we're really at what's probably the first pitch of the first inning of the game. It's too early to tell, really, but to your question of what it takes to be successful, I think if you look at it from the user experience standpoint -- also, from the merchant standpoint -- as Daniel referred to, we have just completed our rearchitecting of the technology platform, which will enable us to very quickly launch user-facing features and products on the mobile platform, and that will lead to better user experience and very quick response to the market changing dynamics.

On the merchant side, many of the Southeast Asian countries are not large or strong manufacturing countries, so the merchants are still looking for sourcing opportunities back to China, where there is a manufacturing base, and that's where we believe that having a connection to China and the manufacturing base here with the Alibaba relationship will be very helpful to these merchants.

Robert Lin -- *Head of Investor Relations*

Next question.

Operator

Next question comes from the line of Mark Mahaney of RBC Capital Markets. Go ahead. Please ask your question.

Mark Mahaney -- *RBC Capital Markets -- Managing Director*

Thank you. Daniel, you mentioned artificial intelligence -- AI -- investments. Could you at a high level talk about the application of AI across Alibaba, maybe with a five-to-10-year perspective, and talk about the potential impact of artificial intelligence on the business, both in terms of cost efficiencies and in terms of either new revenue opportunities or greater personalization of the services? You've got such broad platforms, multiple platforms at such scale, I would think there'd be enormous opportunity for AI, but it's hard sometimes to figure out what it would actually look like. So, any color you have on what kind of impact you could see on both the cost side and the revenue side from the application of AI. Thank you.

Daniel Zhang -- *Chief Executive Officer*

Actually, we have such an extensive ecosystem, we have a lot of business use cases which are relevant to AI technology. But, as we always say, AI is not about the future. AI -- actually, we have been working for these AI technologies -- previously, we never called this AI, but we applied these data-driven technologies to our real business for many years, and that's also the reason why we can enjoy such robust growth in the past few years.

Going forward, we will continue our investment in AI and apply the technology to many business areas, such as the user experience, such as the advertising products and services, but I have to say that this is not only relevant to the consumer interface, but also highly relevant to the many other aspects of the business -- for example, the supply chains, the supply chain management, and how to enable the flow of inventories more efficiently, and with the data and with the intelligence of the customer demand, and how to even produce the products, which not only meet the existing demand of the clients and the customers, but also create their new demands. So, it's all relevant to AI. Having said that, actually, we have the broader business cases to apply AI technology. We will fully leverage what we have today to continue to not only develop the technology, but also try to generate the real business economics from the technology.

Mark Mahaney -- *RBC Capital Markets -- Managing Director*

Thank you, Daniel.

Robert Lin -- *Head of Investor Relations*

Operator, next question.

Operator

Your next question comes from the line of Youssef Squali from SunTrust Robinson. Please ask your question.

Youssef Squali -- *SunTrust Robinson -- Managing Director*

Thank you very much. In terms of new retail, can you just help us contrast and compare your strategy relative to your main competitor in the market, where you think you have sustainable competitive advantage? Joe, very quickly, as a global player, what is the risk to Baba from this trend of rising protectionism worldwide, especially with the potential of a trade war between China and the U.S.? How does Alibaba protect itself? Thanks.

Daniel Zhang -- *Chief Executive Officer*

In terms of the new retail strategy, actually, this is one of the core strategies for Alibaba, and we strongly believe we have big advantage in structuring and executing new retail strategies. First of all, actually, we have the -- during the past 19 years, we have built up the largest consumer retail marketplace, which is the largest consumer interface, and which -- I think we have so many consumers around us, and we know their behavior, we know their preference, we know their demographics. Today, all of these consumers are not people living in the air, but they are everywhere. So, when we go to offline, when we talk about new retail, we talk about new integrated omnichannel operation, which the consumer data we have, the consumer interface we have will bring us a lot of insights, and it's possible to integrate operations with them.

Second is that we have been operating the retail marketplaces for so many years, and we have extensive experience not only to connect people but also to create the value for our merchants as well as our customers. So, today, we are working very hard not only to actually develop the online platform but also to integrate the new retail formats and enable the existing retail formats to be upgraded. I think that's actually exactly what we do, and we strongly believe that with this technology, and together with the retail experiences we have, we can bring our retail partners a lot of space to grow.

Joe Tsai -- *Executive Vice Chairman*

In terms of how the trade war will impact our business broadly in the overall economy, you could view Alibaba as a very large platform for producers from all around the world to access Chinese consumers. Now, we have over 550 million annual active shoppers on our platform. That's a very attractive platform for these brands, and retailers, and producers -- including farmers, SMEs -- to come.

Now, the trade war right now is really just between the United States and China, so it's really limited to that trade flow. So, when Chinese consumers look abroad to buy things from overseas, there could be replacements. For example, if we can't import food items from the U.S., we could be importing food items from Southeast Asia, from Thailand, Malaysia, from Taiwan, where they grow a lot of fruit. So, there will always be alternative channels for us to bring in imported products to satisfy Chinese consumers.

So, we are -- obviously, a trade war is not good for anybody, and in particular, we feel we've already publicly communicated -- been very public on that to say the trade war actually will hurt small businesses in the United States, but our Chinese consumers are going to find alternative ways to bring imports into the country through our platform.

Youssef Squali -- *SunTrust Robinson -- Managing Director*

Thank you.

Robert Lin -- *Head of Investor Relations*

Operator, last question.

Operator

Last question comes from the line of Jerry Liu of UBS. Go ahead. Please ask your question.

Jerry Liu -- *UBS Securities Asia Ltd. -- Executive Director*

Hi, thank you. My question is around the investment in video and payment over the next year. We've heard from your major competitor about incremental investments there. So, can we think about -- as you gain scale in those areas, do margins improve, or can we still see a longer period of investment? Thank you.

Daniel Zhang -- *Chief Executive Officer*

We have very strong commitments in Digital Media and Entertainment sector, and we don't view this as a separate new business. We view this as a category expansion for our existing and newly acquired customers. So, this is an integral part of our ecosystem, and as we always said, for Chinese people, when their lifestyle is changing and their life quality is changing and upgraded, they not only need more physical products and local services, but also, they need more digital content. So, that's why we entered into this area, and we think is to meet their growing demand. For today, it's 550 million annual shoppers, but tomorrow, I think this will also bring a very important stickiness for our customers to stay around with us.