Daniel Zhang -- *Chairman and Chief Executive Officer*

Thank you, Rob. Hello, everyone. Thank you for joining our earnings call today. We delivered another solid quarter, making the strong finish to this eventful fiscal year.

China started this past year with the national battle against the COVID-19 outbreak and ended the year as the first country in the world to effectively control the pandemic and return to a normal life. Based on IMF estimates, China was the only major economy that achieved positive real GDP growth in 2020. According to the National Bureau of Statistics, China reported retail sales of RMB 42 trillion during the 12 months ended March 31, 2021, and a GDP growth in the quarter ended March 2021 reached 18.3% year over year. Against the backdrop of this macroeconomic recovery and accelerated digitalization in China, Alibaba Group achieved healthy growth across all businesses.

During the past fiscal year, we made significant progress in our three key strategies, namely domestic consumption, globalization, and cloud computing. Such progress demonstrated the tremendous power of Alibaba's digital commerce infrastructure, as well as our long-term commitment to invest for the future and to create value for our consumers, merchants, and partners through innovations. For our consumer-facing businesses, Alibaba ecosystem recorded RMB8.1 trillion in GMV, or $1.2 trillion, during the fiscal year. A net increase of over RMB1 trillion year over year.

Annual active consumers for our ecosystem reached a historical milestone of over 1 billion, with a net increase of 117 million year over year. Our annual active consumers outside of China increased by 60 million to over 240 million as of March 2021, which reflects the progress of our globalization strategy. Benefiting from the increasing demand for digital -- digitalization across industries, Alibaba Cloud's revenue exceeded RMB50 billion for the -- for past fiscal year, representing a year-over-year growth of 50% as it continued to strengthen its market leadership in China and Asia Pacific. During the past fiscal year, we have gone through all kinds of challenges, including the COVID-19 pandemic, fierce competitions, as well as the anti-monopoly investigation, and the penalty decision by Chinese regulators.

We believe the best way to overcome this challenge is to look forward and to -- and invest for the long run -- for the long term to create value for our customers through technology and innovation and to solve major problems in society. Therefore, we plan to invest all of our incremental profits in this coming year into core strategic areas such as technology innovation, support programs for merchants to lower their operating costs, user acquisition and experience enhancement, merchandising and supply chain capabilities, infrastructure development, and new business initiatives. Considering that our incremental profits are expected to be significant, our investments will be highly targeted and disciplined. They will be designed to enlarge our total addressable market, depreciate consumer and merchant value proposition from our competitors, and then generate greater consumer engagement and the purchase frequency.

We will establish key metrics to measure the effectiveness of these investments which we believe will generate significant results in the long term. Our annual active consumers in China reached 880 -- 891 million by the end of March. We hope to grow this customer base in China by over 100 million in the coming fiscal year to reach over 1 billion. Annual active consumers for our China retail marketplaces were 811 million by the end of March, representing a net increase of 85 million year over year.

These consumers spent an average of CNY9,200 annually per person on our platforms. We believe this is the largest and best quality consumer base in China. We will continue to serve the demands of consumers get diversified lifestyle based on their segmented preferences. As the largest digital consumption marketplace in China, Taobao app will continue to strengthen its comprehensive supply of branded products, value for money products, agricultural products, imported products, and differentiated long-tail products to meet the diversified demands of our consumers.

In underpenetrated categories such as groceries, real estate, home furnishings, and pharmaceuticals, we will redefine the consumer journey and the digitalized experience for the sector to enhance its online and annual retail penetration. We will also work on improving the overall consumer experience and engagement in Taobao app by offering diversified consumer journeys based on different user segment -- based on different user segmentation and intent. At the same time, we are improving the tools and enabling capability for merchants to enhance their customer engagement. And then reviewing our platform policies to lower their operating costs.

As part of our China retail marketplaces, Taobao Deals has grown rapidly over the past year, reaching over 150 million annual active consumers. As an indication of the activeness of our APP users, monthly active users of Taobao Deals reached 130 million in March, a net increase of 27 million from December. Taobao Deals offers the best value-for-money products for price-conscious consumers. It features simple product design and direct-to-consumer supply from farms and manufacturers.

The rapid growth of Taobao Deals could contribute positively to our China retail marketplaces. During the past fiscal year, average spending of consumers who purchased on Taobao Deals increased more than the average spending of the China retail marketplaces consumers. We will further increase our investment in Taobao Deals in the new fiscal year to serve more price-conscious consumers in less developed areas. Next, I would like to talk about new retail, which includes the community marketplace model that has attract a lot of attention lately.

Alibaba introduced our new retail strategies in 2016. And we have executed our strategy based on multiple business models to serve the various demands of consumers. For groceries, fresh produce, and FMCG products, we've transformed offline retailers such as Sun Art through digitalizing their operations and created new retail formats such as Freshippo that integrated online-offline experience. The combination of these new retail formats satisfy consumer demands not only in-store but also in nearby communities by offering comprehensive deliver -- delivery options from one hour, half a day, same day, and the next day.

As part of our latest exploration in new retail, we started the community marketplace business in select regions in China. Our community marketplace is supported by the supply chain capabilities of Freshippo, Sun Art, and other partners. In addition to one-hour, half-day, same-day, and the next-day delivery options mentioned above, we now offer community consumers with the option of order today and pick up tomorrow. We believe new retail is a multiple -- we believe a new -- we believe new retail is a multiformat consumer infrastructure.

Of which, the community marketplace model is one of the essential ways to serve price-conscious consumers. This model can help us acquire new customers in low-tier cities and rural areas and further increase our users' consumption frequency and the stickiness. We believe the key to unlocking the full value of the community marketplace model is not only about the standard long P&L of the business, but also about the overall efficiency and the servicing capability of the entire commerce platform where the business sits. And we believe the latter can generate far greater value than the former.

Alibaba have the most sophisticated and efficient commerce infrastructure in China, with the most comprehensive product and service offerings to serve consumers of diversified segmentation and demands. Accordingly, we believe we will be able to create and capture the highest consumer lifetime value through investment into the community marketplace business. We've enrolled this business leveraging Alibaba ecosystems' four core capabilities, including merchandising and the supply chain capabilities, logistic and fulfillment infrastructure, consumer engagement capabilities, and the distribution channel development and management capabilities. While we are still in the early stage of business expansion, our goal for the new fiscal year is to expand our geographic coverage nationwide and define a healthy and sustainable community marketplace business model.

Cainiao Network has delivered solid revenue growth during the fiscal year. Revenue from external customers outside of Alibaba Group grow 68% year over year and contribute to over 70% of Cainiao Network's total revenues. Cainiao also reached an important milestone of generating positive operating cash flow during the year. We believe Cainiao's continuous growth will be driven by three important engines.

Number one, for a small business based on Cainiao post and the Cainiao local. Second, fulfillment service from factory to consumers. And third, cross-border supply chain services for importing and exporting merchants. Building on top of the significant improvement in operating efficiency in the new fiscal -- in the last fiscal -- in the last few quarters, Ele.me invested in user acquisition and the logistic capacity during the Chinese New Year period where many residents were encouraged by the local governments to stay in the same city they work and avoid long-distance travel due to the pandemic.

As a result, Ele.me's annual active consumer grow strongly at close to 20% year over year during the fiscal year when user experience improved. Looking forward, we will continue to invest in Ele.me's consumers' mine share as the entry point for local service through converting more consumers in Alibaba ecosystem into Ele.me user, as well as cross-selling between food delivery and other none -- other on-demand services to increase order frequency. In our international commerce retail business, Lazada and Ali Express each achieved more than 100 million of annual active consumers by March 2021. Lazada delivered another quarter with its triple-digit order growth year over year.

Ali Express continue to achieve rapid growth by significantly improving the logistic experience for its consumers, leveraging Cainiao Network's global smart network -- smart logistic infrastructure. For example, France and Spain, two of the key markets that Ali Express invested in logistics infrastructure improvement, recorded triple-digit GMV the growth year over year during the quarter. In the future, we will continue to invest in key cross-border logistic hubs in Europe, develop local logistics network in target markets, and a strengthened infrastructure support for our cross-border and local e-commerce businesses. In fiscal-year 2021, our cloud computing revenue grow 50% year over year to over RMB60 billion.

I'm very excited about the massive potential of our cloud computing business. As a post-pandemic world is facing a massive opportunity for industrial digitization, cloud infrastructure will eventually replace IT infrastructure, empowering enterprises to achieve digital operation. As China's industrial sector undergoing its digital transformation, manufacturers are moving forward smart manufacturing and direct-to-consumer initiatives while other traditional industries such as retail, energy, finance, and transportation have all noticed the tremendous value and the new opportunities that big data and intelligent applications could create. Alibaba Cloud will capture the historical opportunity by, number one, investing in core IAAS and PAAS products such as database, storage, elastic computing, and big data platforms to establish our core product competencies, benchmarking against the global cloud leaders.

And number two, further expanding the integration of intelligence with cloud infrastructure to provide our customers with a more diversified industry, encourages solutions together with our partners. Lastly, we are now in April 2021 that we receive the administrative penalty decision issued by the China's state administration of market regulation. We have stated that we accept the penalty with sincerity and will ensure our compliance with determination. As a result of the antimonopoly fine of RMB18.2 billion leveled by the [Inaudible], we recorded an operating loss this quarter for the first time since our history as a public company.

The penalty decision motivates us to reflect on the relationship between a platform economy and a society, as well as our social responsibilities and commitments. We believe that self-reflection and adjustment we've made will help us better serve our community of consumers, merchants, and partners, and will position us well in the future. Thank you all. Now, I will turn it over to Maggie who will walk you through the details of our financial results.

Maggie Wu -- *Chief Financial Officer*

Thank you, Daniel. Hello, everyone. Let me start with financial highlights for the fiscal year 2021 and for the March quarter. So our total revenue was RMB717 billion, an increase of 41% year over year.

Excluding the consolidation of Sun Art, our revenue would have grown 32% year over year to RMB674 billion. This is a well-exceeded revenue guidance we gave at the beginning of the year, which was RMB650 billion. For March quarter, our total revenue was RMB187 billion, up 64% year on year. Excluding Sun Art, the growth would have been 40%, still very strong.

The growth was driven by robust revenue growth of China commerce retail business, as well as continued growth of cloud computing businesses. Total adjusted EBITA was RMB170 billion, an increase of 24% year over year. And for the March quarter, it was RMB23 billion, with an increase of 14% year over year, primarily driven by healthy profitable -- profit growth of our market base core commerce business, partially offset by the increased investments in new businesses and key strategic areas. Total adjusted EBITDA increased 25% year over year to RMB197 billion for the year and increased 18% year over year for the March quarter.

So the net income was 143 billion for the fiscal year, which includes the one-time fine levied and increases in SBC expenses. The non-GAAP net income for the year was 172 billion, 30% year-over-year growth. March quarter we showed a net loss of 7.7 billion primarily due to the anti-monopoly fine of RMB 18.2 million. Excluding this impact and certain other items, non-GAAP net income was RMB 26 million, an increase of 18% year-over-year.

We continued to maintain solid cash position of $72 million with strong cash flow generation capability. Our free cash flow was strongly at 32% to RMB 173 million or around $26 million. Now let's look at fiscal '21 revenue in more detail. Our revenue continues to be more diversified on the back of strong organic growth.

The revenue of our China retail marketplaces continue to grow strongly as reflected by our consumer -- customer management revenue growth of 24%. Our Alibaba Cloud and China businesses were the two fastest-growing businesses and important drivers of our organic revenue growth. Both have also achieved important financial milestones with the cloud computing business moving its capability to be profitable in the December quarter and continued to show an increasing profit in the March quarter that is generating positive cash flow. These two growth businesses exemplify our track record of committing to invest in businesses over the long term that we believe can create tremendous value for our ecosystem.

It is important to note that we have continued to invest and grow new seed businesses such as Taobao Deals, Taobao Grocery, Freshippo supermarket, which is the community marketplace business, and new features on the core platform such as Taobao Live and short-form video. These initiatives address new consumption demands and behaviors that will continue to expand our addressable markets in China and create many cross-standing opportunities in our ecosystem. We believe these businesses have the potential to be the long-term revenue growth drivers that continue to catalyze our multi-year growth engine in the future. Let's look at our overall cost trends.

Excluding SBC as a percentage of revenue, the cost of revenue ratio increased in the March quarter and the fiscal year due to a higher proportion of direct sales business. This increase was primarily attributable to a higher proportion of our direct sales force business from the consolidation of Sun Art as well as the growth of Tmall supermarket. These direct sales businesses will continue to strengthen our new retail initiatives, especially in the development of our product sourcing capability. Sales and marketing results also increased in the March quarter and fiscal year given increasing marketing and promotion spending to drive user growth and engagement.

I would like to remind everyone that we added 84 million annual active consumers to our China retail marketplace in fiscal 2021, especially in larger cities with Taobao Deals ending the year with 115 million new active consumers. The G&A expense ratio was significantly higher at 30% for the quarter primarily due to the expense of the one-off anti-monopoly fine. Excluding this item, the G&A ratio would have decreased by one percentage point to 4%. Revenue and adjusted EBITDA -- this slide provides you with an overall summary of our secondary revenue and possibility for the March quarter and fiscal year.

For the next part of the discussion, I'll first provide you with an overall financial recap by segments for the fiscal year and then followed by a quarterly discussion of the important segments. Let's look at the second-year revenue and profitability for the fiscal year 2021. Starting this quarter, for purposes of presenting a marketplace for commerce adjusted EBITDA, we expanded the list of the new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our market-based core e-commerce business. This is a like-for-like basis.

The new initiatives businesses, which now include our new retail business, local consumer service Lazada, Taobao Deal, and Cainiao represents a strategic area where we are executing to capture incremental opportunities. As previously mentioned, we are very excited about the growth prospects of these fast-growing businesses that will not only increase our addressable market but also require a long-term investment commitment. We believe these new businesses will be the drivers of our market engine revenue growth in the future. So entered this new presentation for fiscal 2021, our marketplace-based core commerce adjusted EBITA was 229 million, growing 17% year on year.

Combined losses of the strategic investment areas was 34.6 million, reflecting investment in new retail, local consumer service, Lazada as well as the addition of losses reflecting our aggressive investment in Taobao Deal. Core commerce adjusted EBITDA reached 194 million. Cloud computing and DME continue to narrow losses and during this fiscal year. Our innovation initiatives recorded an adjusted EBITDA loss of RMB 10 billion, up 1.8 billion as we continue to invest in technological research and innovation.

Overall, our adjusted EBITDA for the fiscal year grew 24%, reflecting the strength of our core commerce business that was partially offset by the investment we've made in the new initiative areas. Secondary reporting, I wouldn't go into detail for each one of them just some highlights. So for the core commerce, CMR grew 40% year over year to 64 billion. These are all for the discussion for the quarter.

This growth actually is driven by solid growth of our China retail marketplaces. Overall online GMV was -- grew 33%, reflecting the rapid recovery of growth in apparel, accessory, and home furnishing category, etc. FMCG also exhibited solid growth beyond this quarter. From a merchant spending perspective, we saw strong growth in higher spending per merchant, and an increasing number of paying merchants are the China retail marketplace.

In the March quarter, China retail offers revenue grew 134% to 60 billion due to the consolidation of Sun Art. In the March quarter, marketplace-based EBITDA reached 44 billion, up 28% year on year, reflecting solid CMR growth, partially offset by the increase in the marketing promotional spending for user acquisition and increasing engagement in our China retail marketplace. Let's take a look at the cloud computing business. AliCloud revenue grew 37% year over year to 17 billion during the quarter.

This slower revenue growth during the quarter was due to a change in our relationship with a top-class customer in the internet industry. This customer has a sizable presence outside of China that used our overseas cost services. They have decided to terminate their relationship with us with respect to their international business due to non-product-related requirements. We expect the impact of the reduction in revenue from this customer to affect our year-on-year growth rate when compared to the prior year.

Excluding this customer impact, Alibaba Cloud's top 10 non-affiliated customers together accounted for no more than 8% of Alibaba cost total revenues. You get a sense on this concentration the revenue is really not high. Going forward, we believe that our cloud computing revenue will be further diversified across customers and industries. Alibaba Cloud was profitable for the quarter and generated an adjusted EBITDA of RMB 308 million.

Our cloud business has delivered profits over the last two quarters, which demonstrates that we can run this business on a profitable business. We believe it is still more important to drive market share to leadership, given the rapid growth of the industry. We will continue to invest in innovation -- in innovative technology, expanding customer servicing capabilities, and enabling a robust developer ecosystem for the cloud business in the future. Our DME business for the quarter grew to 8 billion in revenue, up 12% year on year.

This is a sector that impacted by the pandemic as well. Income statement selective financial metrics. So when you look at the interest on investment income, it was RMB 111 million in the March quarter. This year-over-year increase is primarily due to the decreasing net loss arising from the fair value of changes of our investments.

Share of results of equity method investees was RMB 6 billion during the March quarter. Our free cash flow was an outflow of 658 million this quarter. It was also that -- this was a pattern -- similar pattern in last year. The cash flow outflow during this quarter was mainly a result of increased strategic investment as well as an increase in marketing and promotional spending for U.S.

acquisition and retention. And at the same time, there was merchant deposit of funds that, as a practice, that we discussed in the earnings release that we just take it out from the free cash flow calculation. OK. So let's take a look at the non-GAAP net income attributable to shareholders was 5.5 billion for the quarter.

This was mostly due to expensing of an 18.2 billion fine, partially offset that by the reduction in a net loss arising from the fair value changes of our investments. Now, outlook and the guidance. So total revenue excluding Sun Art consolidation was 674 billion for fiscal 2021, which as I mentioned surpassed our annual revenue guidance. This was driven by robust performance of core business as well as continual both of cloud.

Going forward, we expect to generate over RMB 930 billion in revenue in fiscal 2022. Considering the total market potential as well as our strong profit and cash flow generation capability, this gives us the internal resources to focus on long-term value creation. In fiscal 2022, we plan to invest all of our incremental profits and additional capital into supporting our merchants and developing new businesses, and the key strategic areas that will help us increase consumer wallet share and penetrate into the new addressable market. That's completed our prepared remarks.

Let's open up for Q&A. Thank you.

Rob Lin -- *Head of Investor Relations*

Hi, everyone. So with today's call, we welcome to ask -- you're welcome to ask questions in Chinese or English. A third-party translator will provide consecutive interpretations for our Q&A session. Our management will address your question in the language you ask.

Please note that the translation is for convenience purposes only. In the case of any discrepancy, the management statement in the original language will prevail. [Foreign language] Operator, now we can connect to the speaker and SI conference lines and then start the Q&A session when ready. Thank you.

Questions & Answers:

Operator

Thank you. [Operator instructions] The first question comes from the line of Alex Yao of JPMorgan. Your line is open. Please go ahead.

Alex Yao -- *JPMorgan Chase & Co. -- Analyst*

[Foreign language]

Unknown speaker

Thank you and good evening, management. I have some questions on the investment side. First of all, I'd like to know if you could please clarify the remarks made, I believe, by both Maggie and Daniel in your presentations regarding the intention to completely reinvest all incremental profit in the coming year. Does that mean that we're talking about an outlook with zero profit growth in the coming financial year? Secondly, you listed a lot of different areas into which that investment will be channeled.

I'm wondering if you could tell us which of those will be the top priorities? And thirdly, Daniel, in his remarks, spoke of how these investments will be managed in a prudent fashion with internally defined KPI to monitor investment effectiveness. I'm wondering if you could please tell us more about how that will work and on those KPI is how performance has been year to date? Thank you.

Maggie Wu -- *Chief Financial Officer*

[Foreign language]

Unknown speaker

Yes. Hi, Alex, and good evening. Let me start by answering as to what we intend to or what we meant with this announcement of our investment of incremental profits and what the priorities will be in terms of making this investment. So as we stated in our earnings guidance, we plan to invest all incremental profit in the coming year into growing our business further and investing for the future.

Does that mean then that in the coming year there will be no prospect of profitability or profit growth or will maximum profit growth be restricted to what it was this year? Well, let's look at what we can achieve with this investment first. In the market, as you know, there are very, very few companies that can do what we've done in terms of investing a lot of money into future business growth and strategic initiatives while still enjoying very robust profit growth. So I think it's fair to say that there is huge potential for us to further growth, be it in our core market or in other areas, there's still lots of scope and lots of room for us to do new things and grow the business. And I think any long-term investor would say that promising to maintain a certain level of profit or prioritizing a higher level of profit would be a stupid thing to do because in the market today there are so many competitors who are investing large amounts to gain a foothold in the market to grow the market.

And we're in a great position to create value and capitalize on our existing resources to drive future growth going forward. So, that is the intention. We're going to be investing in a highly targeted and highly disciplined way in order to lay a foundation for even better growth going forward. And at the end of the day, users will vote with their feet.

So, we see these investments ultimately as playing out in terms of growing the business and more deeply engaging users.

Maggie Wu -- *Chief Financial Officer*

[Foreign language]

Unknown speaker

And then if I would have a follow-up in terms of the specific areas we intend to be investing in, as we've talked about, certainly core commerce, new retail as Daniel mentioned in his remarks, the community marketplace business, Taobao Deals, but also our international business local services and logistics.

Maggie Wu -- *Chief Financial Officer*

[Foreign language]

Unknown speaker

And then another way of breaking down the investments not by business but in terms of the results that we seek, certainly this would includes -- include growth in the user base, enhanced engagement, as well as the provision of more value to merchants.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

Yes. I just like to add to that briefly. When it comes to making these investments, we do have three major strategic priorities. As I mentioned in my script, these are domestic consumption, globalization, and the cloud or high -- advanced technology part of the business.

And we intend to be investing in all three of those because we see large incremental opportunities.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

Starting with the first of those three strategic priorities, namely domestic demand, and domestic consumption, our AAC number has now reached 890 million in China. This is the latest total figure across the ecosystem, all of the different platforms, an aggregate AAC figure of 890 million. However, there is still a lot of scope to grow. The frequency of purchase and engagement of these 890 million AACs to convert them into MACs, monthly active consumers, or even DACs, daily active consumers.

So, huge, huge scope for development there. We have today within this user base the broadest and largest multi-tiered consumer base in China. So, as I said in my remarks, a major priority for us and for the developing user base is to continue to drive higher levels of purchase frequency across all classes of consumers.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

And then although we already have 890 million AACs, still there is quite some scope for further growth in that figure with respect to users in lower-tier cities and in rural areas. In fact, in my script just now I reported the growth achieved in the past year in our user base, and 70% of those new users came from rural areas. So, we will continue as I said to strive to grow the user base adding new users, and set the target surpassing 1 billion AACs in the new financial year.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

Apart from growing the number of consumers and their frequency of consumption, another important initiative for us is helping merchants by reducing their burden, reducing their costs, as well as creating and facilitating a conducive environment for their long-term development and success. In this respect, we will have many measures. Some have already been announced, some have yet to be announced, but they all aim at helping merchants.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

Finally, also in the same area of domestic demand and domestic consumption, another place we'll be investing is in the continued construction and improvement of our infrastructure, our logistics, our supply chain, and merchandising capabilities. This is also an important area where we can discover and satisfy user demand and create long-term value for users and for the company. In the interest of time, I will not expand any further. I will merely end by saying that we will put in place detailed KPIs to monitor all of these investments and ensure that they're conducted in a disciplined fashion.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

So, the above was always with respect to the domestic consumption piece of our strategy. Turning now to globalization. As was mentioned in my speech earlier, we're very pleased that we now have 240 million international AACs, and we hope to double that figure going forward. So, growing the international user base is also very important to us.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

Finally, I'd like to talk briefly about technology. We see the cloud as epoch-defining opportunity and we'll continue to invest in cloud technology but also in big data and other kinds of technology, as well as including technology to enable the next-generation consumption experience to better support logistics services. And in other areas, to ensure that technology is supporting the realization of our domestic consumption strategy, our globalization strategy, as well as our cloud, and high-tech strategy. We want to enable all of these strategic areas to benefit from further improvements in our technology capabilities.

Rob Lin -- *Head of Investor Relations*

OK. Next question, please.

Operator

Thank you. Yes. Our next question is from the line of Thomas Chong of Jefferies. Your line is open.

Please go ahead.

Thomas Chong -- *Jefferies -- Analyst*

Hi. Good evening. Thanks to the management for taking my questions. May I ask about the trend in terms of the CMR.

Given that we have seen the CMR of late as where we sold it, can you comment about the FY '22 outlook? In particular, how we should think about the tech weight trend for this year? And my second question is about the competitive landscape. Given that we have a wide port of selections and very strong technology, how would we leverage our core capabilities in different areas like lower-tier cities' penetration, as well as our strategic initiative in local service and the TAM. Thank you.

Unknown speaker

[Foreign language]

Maggie Wu -- *Chief Financial Officer*

Yeah. Hi, Thomas, In terms of CMR growth, you've seen that we reported a 24% year-on-year growth for the quarter. And if you look at the past few quarters, it's been growing strongly considering its, you know, large base. I believe the CMR growth going to be -- have -- continue to have high potential.

If you look at this revenue, actually the TAM is merchant's budget, right? To pay for the services and -- we've provided. Currently, our take is somewhere around 4%. This is mainly where merchants are paying for the sales and marketing branding services we've provided. So, even in this small area, we still have a lot of potentials.

And there are also other areas that we could provide merchant service. So, the take rate has been growing over the past years. I think this year, as we talked about, we're going to provide more support to the merchants. In our last call, we talked about the details on how we support our merchants.

These include waiving certain charges, fees. And also, we lessened the platforms, the infrastructure support to merchants. So, we're not aggressively monetizing the value we creating -- created for the merchants actually. The one thing worth to mention is that CMR currently accounts for approximately 43% of our total revenue.

If you look at three years ago, five years ago, it used to be like 70%, 80%, right? So, it has been growing there fast. As the percentage of revenue coming down, I think that trend will continue. That is because of our mark engine strategy. We have so many new businesses and revenue contributed from these new seats that become more and more important and significant to our total revenue.

Unknown speaker

[Foreign language]

Maggie Wu -- *Chief Financial Officer*

Yeah. Just one minor correction. The 24% year-on-year growth is for the annual -- fiscal 2021. For this quarter, the growth rate for CMR was 40%.

Unknown speaker

[Foreign language]

Joe Tsai -- *Executive Vice Chairman*

Let me answer the second question in terms of the technology, how to apply technology into the competition. Actually, we always believe that technology is so critical in the competition and we are proud of our technology development and integration with the real operation, and even in the fierce competition. So, let me just give you a few examples. In demand and consumption area, actually one of the key things is how to acquire and retain the customers on our China retail marketplaces.

But the key thing is how to use technology to match the most comprehensive product offerings we have on our platforms with the right customers and generate the real consumption. So, the matching capabilities is all driven by AI and driven by technologies. So, I think that's our big advantage. To make sure we have a most effective, I mean, conversion.

I mean, over the years, our conversion rate continues to grow and which -- not only to grow our GMV but also to meeting that diversified demands of the -- of our customers. The second example I want to give you is that once we acquire new customers, it's all about how to maximize the lifetime value of these customers, varied across categories, setting, opportunities. And so, in this regard, we have this -- we built a very comprehensive user profile and product features profile to make sure we can maximize -- we can understand our customers very well and provide all they need during their lifetime cycle. Let me stop here for translation.

Unknown speaker

[Foreign language]

Well, the technology application is not limited to the consumer management side, actually, it's cover all the areas. Just a few more examples. For example, on logistics side, and -- technology actually play a very important role to -- for Cainiao to build a smart data-driven logistic network and operating system and to serve our merchants as -- both in China and the international market. And on the cloud side, I think technology is a key.

As I said in my script, we continue to invest in technology to build our competitive advantage in the art and pass products but this -- our benchmark is not only in China. Actually, we benchmark the global leaders in all of their, I mean, core cloud products and to make sure we are the top tier of the world. Thank you.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Rob Lin -- *Head of Investor Relations*

OK. Next question.

Operator

Thank you. Next question is from the line of Jerry Liu of UBS. Your line is open. Please go ahead.

Jerry Liu -- *UBS -- Analyst*

OK. Thank you. Thank you, management. Yeah.

My question is really on the business model. If we look at the recent past years, we've seen an increase in the 1P revenue mix, right, as Alibaba consolidates Sun Art and as we grow Hema or Freshippo. So today, we talk about investing in community marketplace. And from the presentation, it looks like, you know, that providers of groceries and FMCG into this business includes also Sun Art and, I believe, Hema as well.

So, as we invest in these high-frequency categories, how does this change the long-term business model? You know, how do we envision the ecosystem looking long term? And maybe more specifically, do we have a target 1P, 3P mix in mind? Thank you.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

In short, we don't have any specific goal for 1P, 3P mix. We strongly believe that this mix is an organic result -- outcome for -- of operation. And we don't manage the 1P, 3P mix intentionally. Over years, we built our two flying wheels in our consumption business.

One is to build our -- continues to build a capability to manage the customers smartly and efficiently. And in this regard, we said how to create the demand. So the demand side, we continue to invest to improve our user interface with creativity and with technologies. And we strongly believe that it's very important for us to engage -- enhance our engagement with our customers, not only to have more customers on our platform but also to help them spend more time with us.

And we strongly believe that a very diversified supply from the merchants from different sources is very, very important. And the selection is very, very important to enhance the user stickiness. So I think that's the area we continue to invest and to build capability on the customer management and demand creation. And on the other hand, over years, we tried to build a very strong, I mean, merchandising capabilities and supply chain management capabilities, which we believe actually over years, no matter how frequency -- how changed the user interface will be the efficient supply is a must to do a successful commerce business, including e-commerce business.

So that's why we invest a lot to build our supply side capabilities. And we believe that these capabilities -- the advantage of these capabilities will not change. Even without -- even with user interface upgrading and the change. So these are two flying wheels to Alibaba.

I'm so proud that maybe we are one of the few companies in the world, which have the -- had the excellent, I mean, consumer management capabilities, but at the same time, has this merchandising and the supply chain management capabilities in one company and in one team. I think that these two flying wheels are the critical successful factor for our long-term growth.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Rob Lin -- *Head of Investor Relations*

Next question?

Operator

Thank you. Next question is from the line of Han Joon Kim of Macquarie. Please go ahead.

Han Joon Kim -- *Macquarie Group -- Analyst*

Great. Thank you for your time today. I wanted to ask about Taobao Deals. I think it's one -- it's been one the fastest-growing apps in last year.

And are you guys empowering it to kind of grow to, you know, 700 million, 800 million kind of [Technical difficulty] years? Or do you just kind of see it as, you know, something that is [Technical difficulty] Hello? Can you hear me?

Rob Lin -- *Head of Investor Relations*

I'm so sorry to interrupt. Can you repeat your question? Maybe get closer to the mic.

Han Joon Kim -- *Macquarie Group -- Analyst*

Sure. It's regarding Taobao Deals. I'm wondering if we are empowering it to try to grow to 700 million, 800 million, you know, users [Inaudible].

Rob Lin -- *Head of Investor Relations*

Sorry. Your mic is still very noisy.

Han Joon Kim -- *Macquarie Group -- Analyst*

Hopefully, this is a little bit better.

Rob Lin -- *Head of Investor Relations*

Yes.

Han Joon Kim -- *Macquarie Group -- Analyst*

Yeah. Yeah. Sorry, just to repeat, for Taobao Deals, just wondering if this is a business you're empowering to try to get to kind of 700 million, 800 million kind of user base in a few years' time. And if that's the case, how do we see this interacting with, I guess, Taobao and Tmall in the sense of as Tmall -- as Taobao Deals grows, do you see any kind of cannibalistic behavior to our own services? And, you know, and part of this is also -- I don't feel like I'm seeing your competitors in that similar space being particularly impacted as Taobao Deals grows.

So I'm also kind of thinking how this impacts perhaps the competitive landscape as well. Thank you.

Daniel Zhang -- *Chairman and Chief Executive Officer*

[Foreign language]

Unknown speaker

Well, the value proposition of Taobao Deals is very clear. It's for price-conscious consumers, and we provide on Taobao Deals platform the value for money products for these, I mean, price-sensitive customers. And in terms of supply side, actually, we focus on manufacturers and then farmers and their direct offer -- and end to end to the customer in the -- which care more about price. So I think the value proposition and the simple consumer journey, shopping journey, I think, is a key for Taobao Deals.

And we are very happy to see the progress we made during the last year. And as I said, our MAU in March reached $130 million. And for the entire year, our annual active consumer reached $150 million. So I think that's a good start.

And because China is so big and with so many population with different consumption power and with different segmentation and preferences. So we try to -- as part of Alibaba China retail marketplaces, we try to provide multiple destinations to the customers with different purposes. So I think Taobao Deals is a good supplement to our -- to other applications, other business we have in China retail marketplaces. And in terms of the incremental value we create from Taobao Deals, I just gave a good example in my script to you, which is the average spending of our customers on Taobao Deals.

Their -- the increase rate of this spending for the customers on Taobao Deals is bigger for the -- for those spend -- for the average spending on China retail marketplace, which indicate that if we have people -- if we give people multiple choices, the overall, the total spending winning Alibaba ecosystem will be bigger, so that's a very good indicator. And -- so that's why we will continue to invest in Taobao Deals. And as to whether this has any impact on other players, I think it's very important that we -- on Taobao Deals, our goal and value proposition is very clear and straightforward and even simple. So we are confident the impact is coming.

And because -- for these customers, they just need a simple choice and price sensitive and price advantage, that's it. So we will strengthen this value proposition on Taobao Deals. While on Taobao mobile app, our flagship, I think we provide a more comprehensive offerings to different segment customers. And they will enjoy more selections and more funds.

So the value proposition are quite different. And we are -- as I said, our goal is to build a metrics -- application metrics to serve the customers with different needs. Thank you.