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**taobao.com**

**Reinventing (E-)Commerce**

**Taobao, part of the  
Alibaba Group, is China's  
largest online shopping website.**

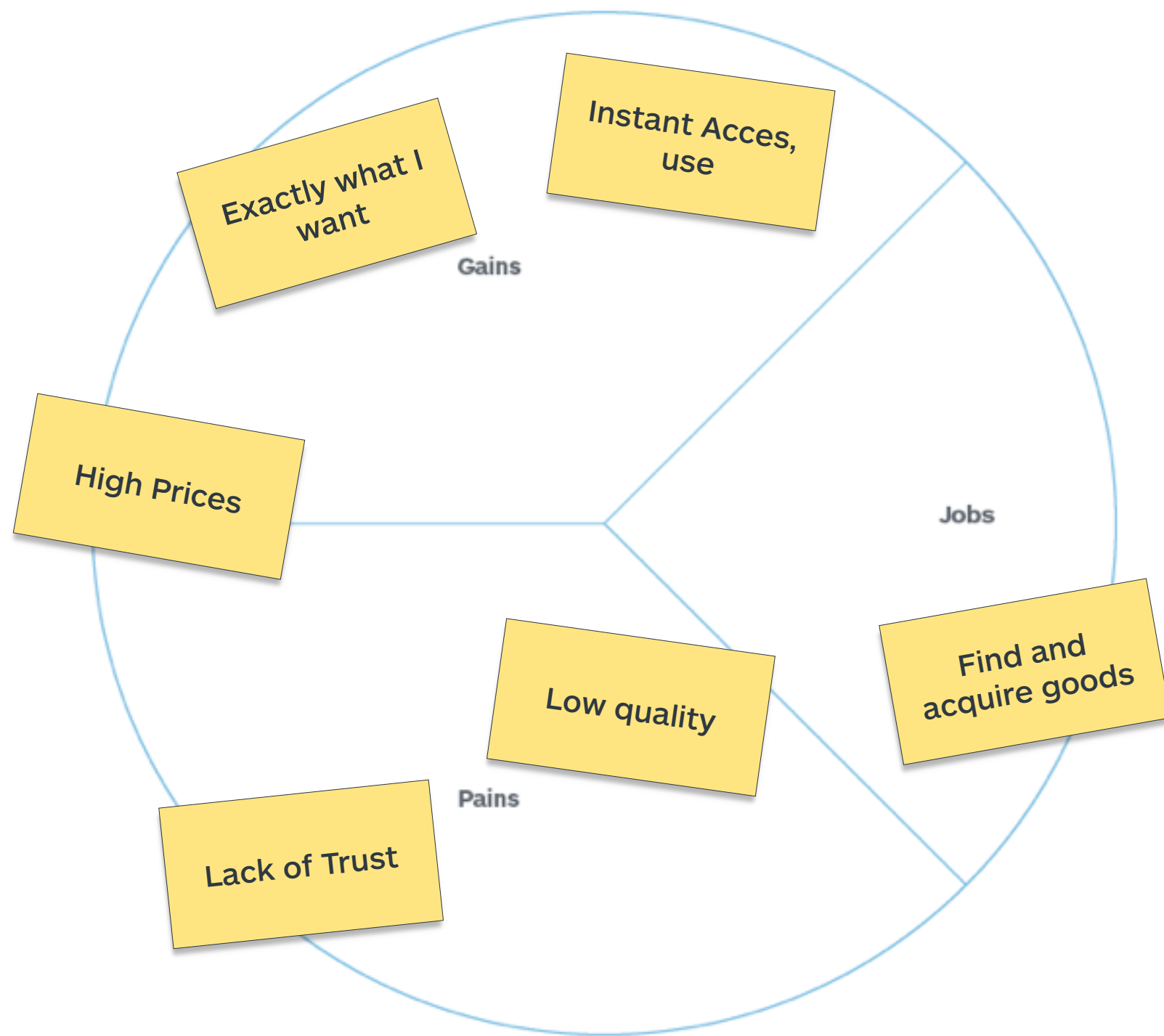
**Here follows the three-act  
story of its evolution since  
it began in 2003....**



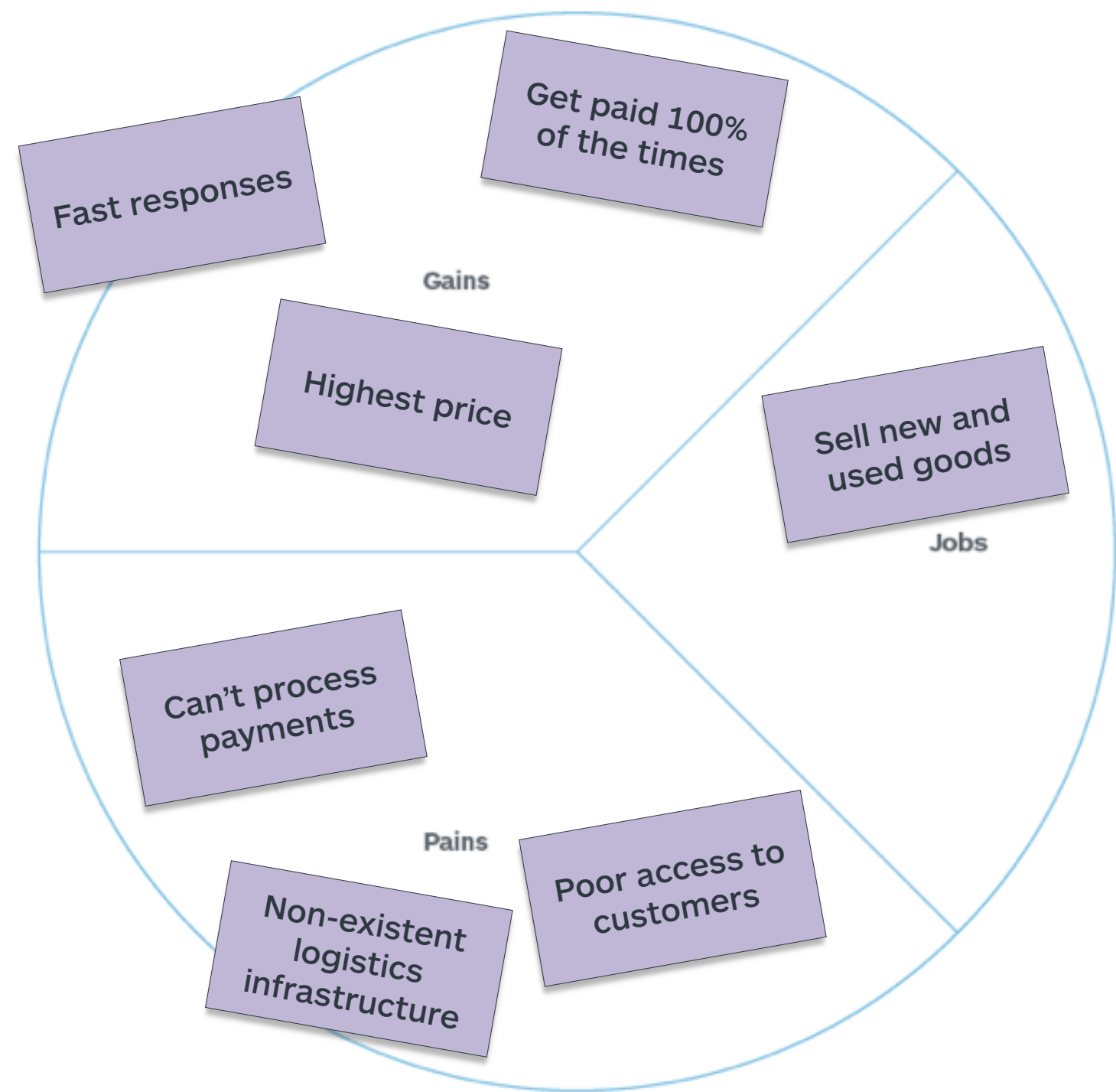
# **Platform-building from the ground up**

**With a growing middle class and Internet connectivity, Taobao sees an opportunity to boost commerce by connecting Chinese consumers and sellers online.**

**But lack of trust and a largely  
missing infrastructure create  
challenges...**



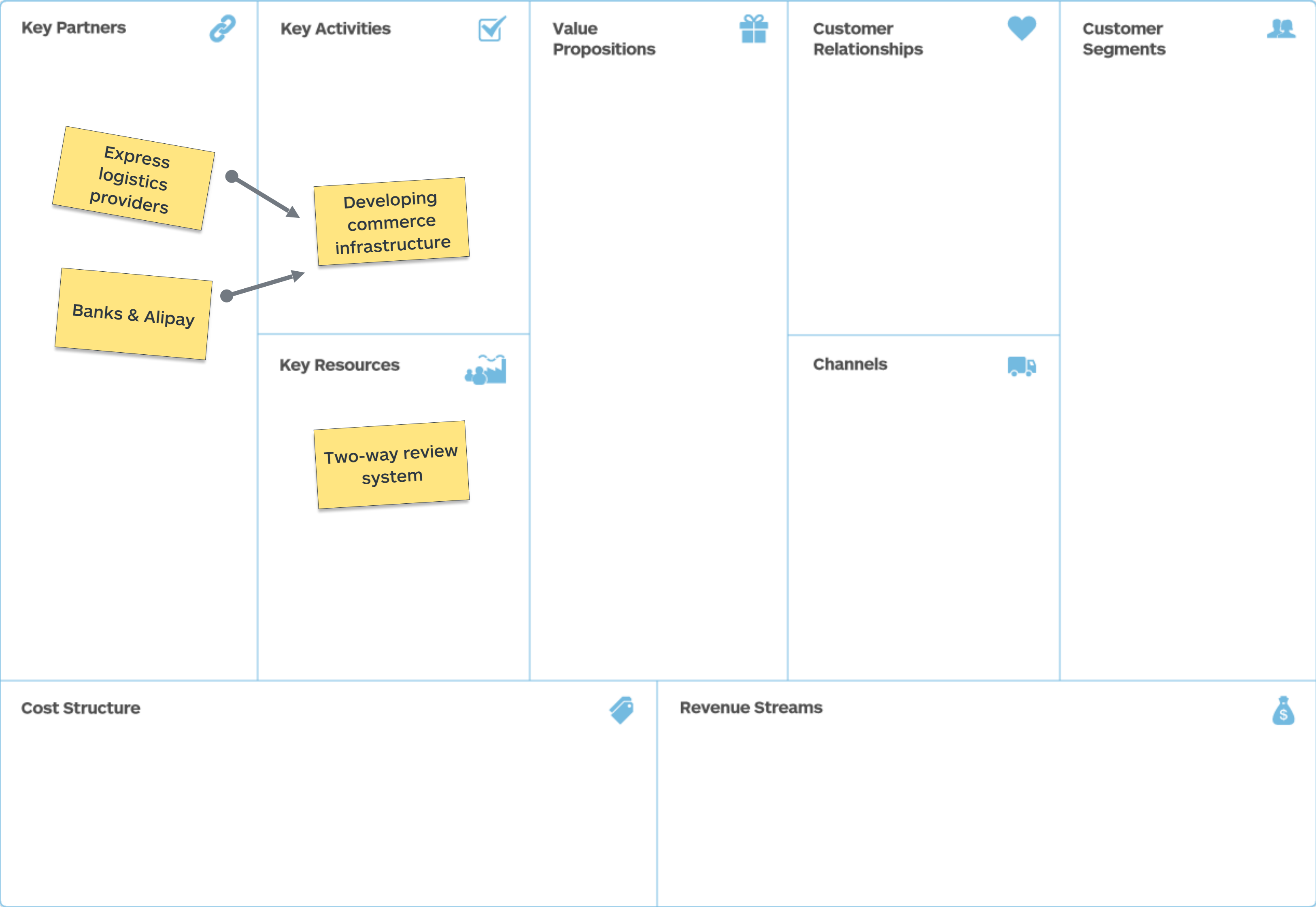
**Chinese  
consumers**



**Chinese  
sellers**

**Taobao first focuses on creating trust and on building the missing infrastructure...**

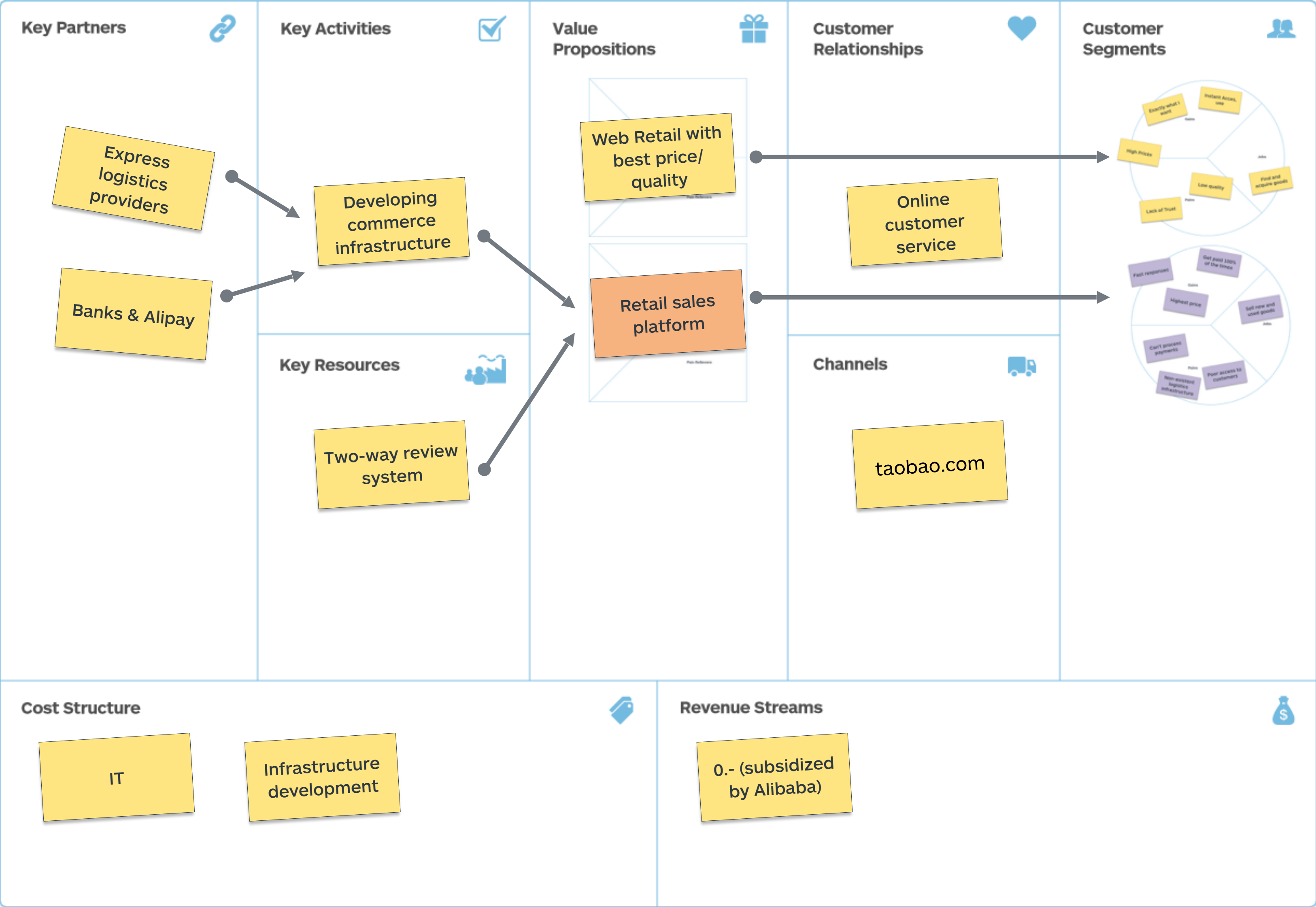
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**...to create new value propositions  
for consumers and sellers alike.**

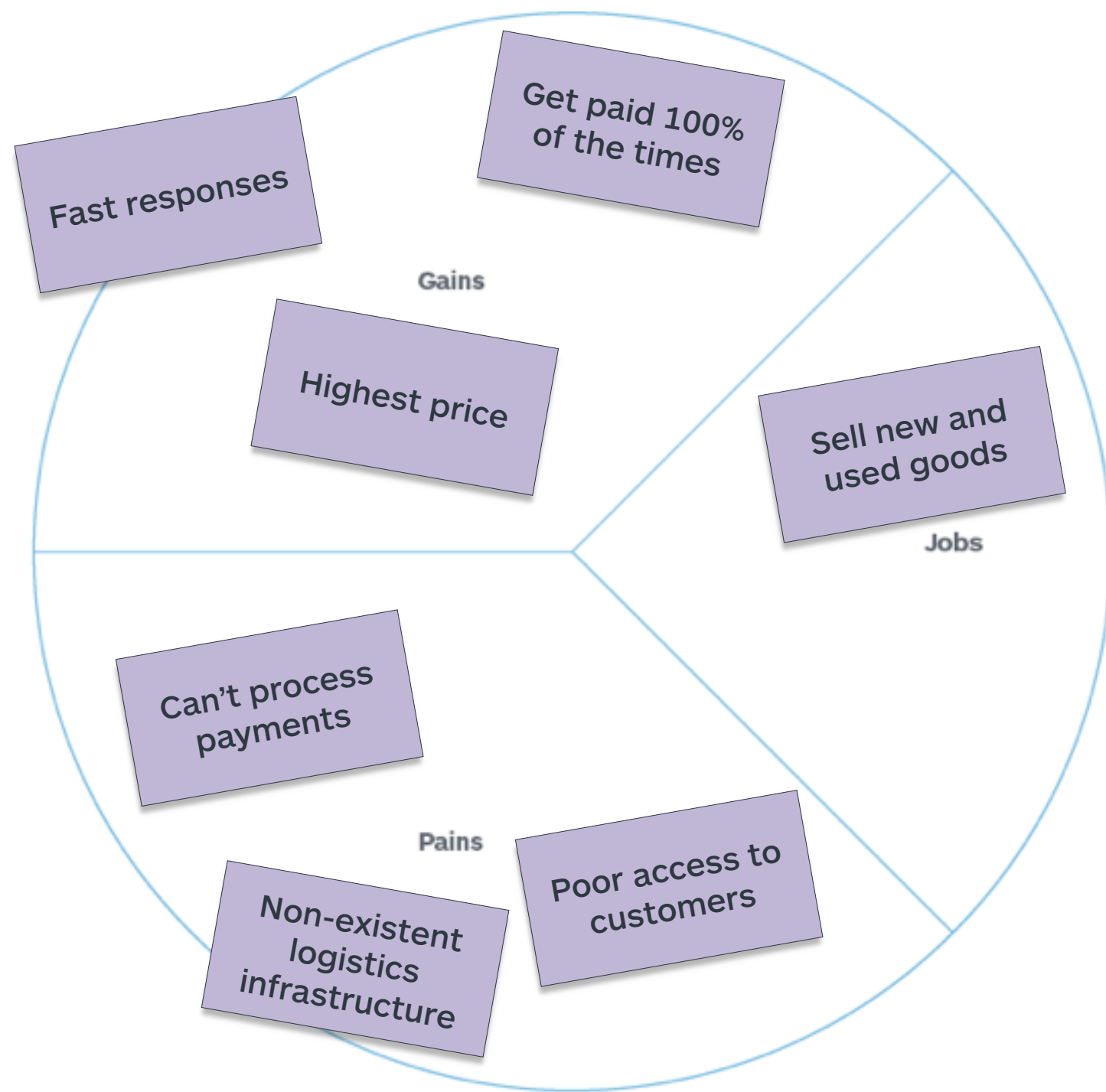
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**Shift towards micro-  
entrepreneurs**

**Sellers discover an opportunity to  
create a business and become  
micro-entrepreneurs with a set of  
“business-like” jobs, pains and  
gains.**



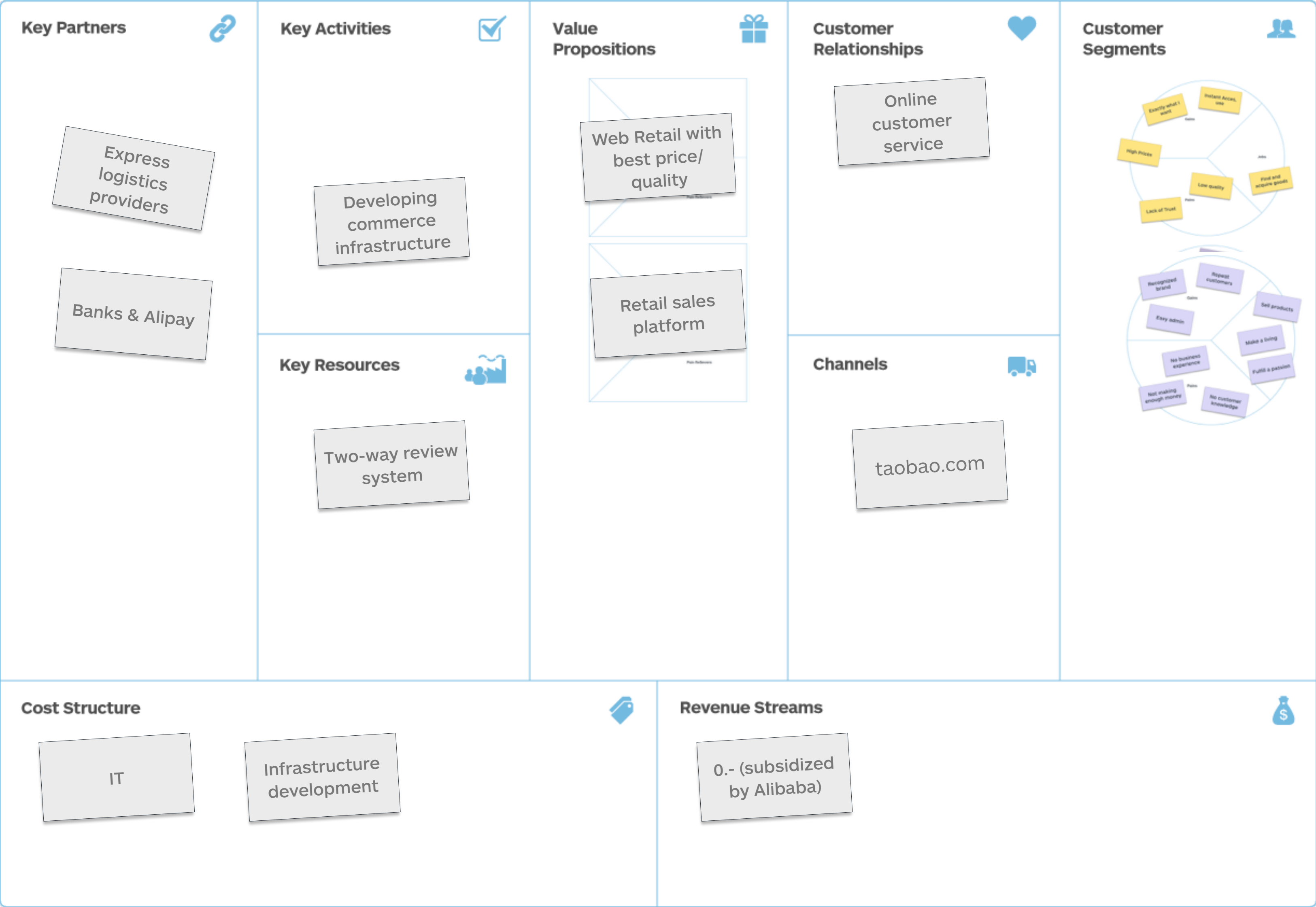
**Chinese  
sellers**



**Micro-  
entrepreneurs**

**Sellers become  
micro-entrepreneurs...**

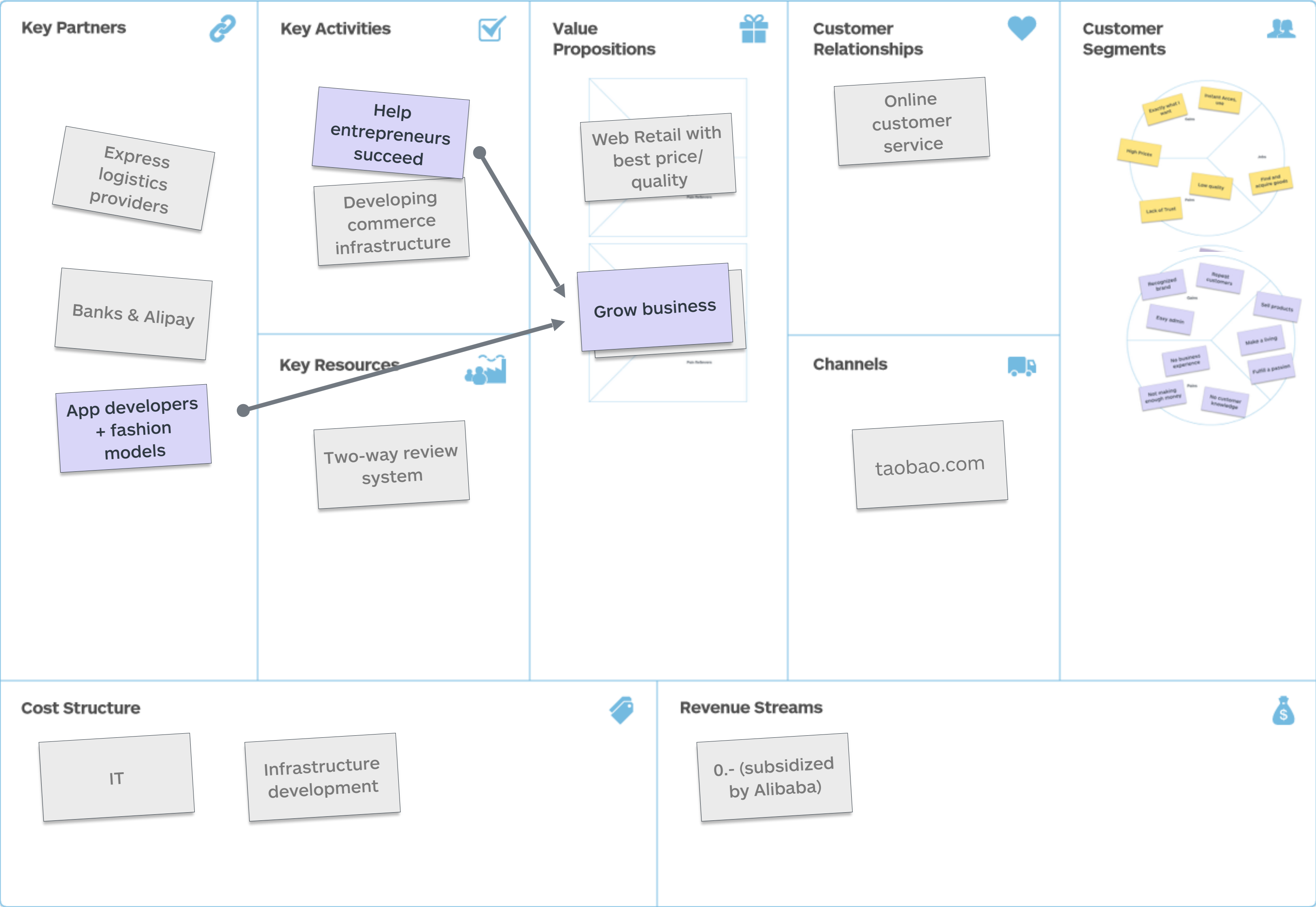
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**...Taobao shifts focus, adds  
service providers and adapts its  
value proposition...**

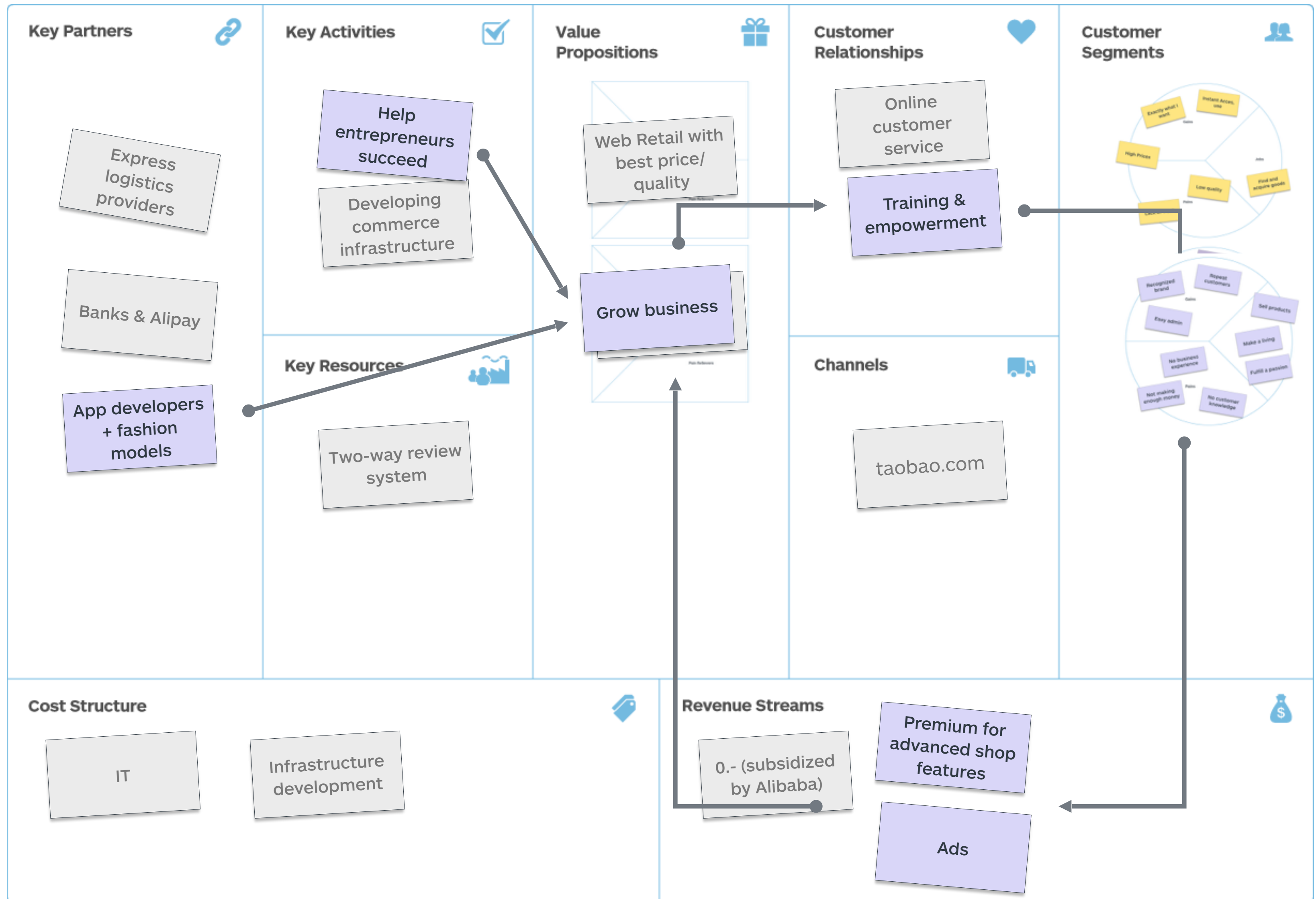


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**...and creates revenue streams to  
turn a profit for the first time.**

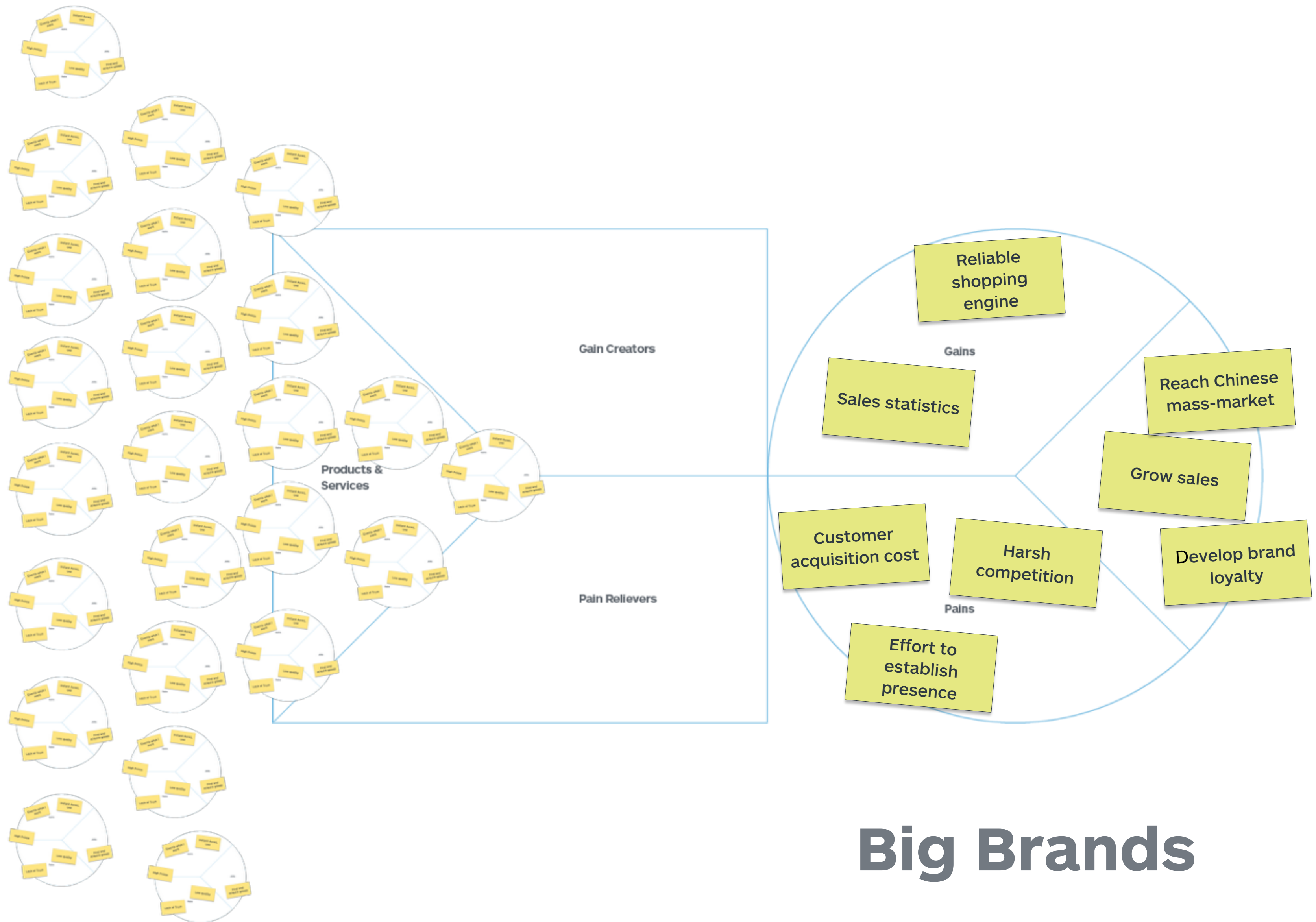
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**Growing audience is  
basis to new business**

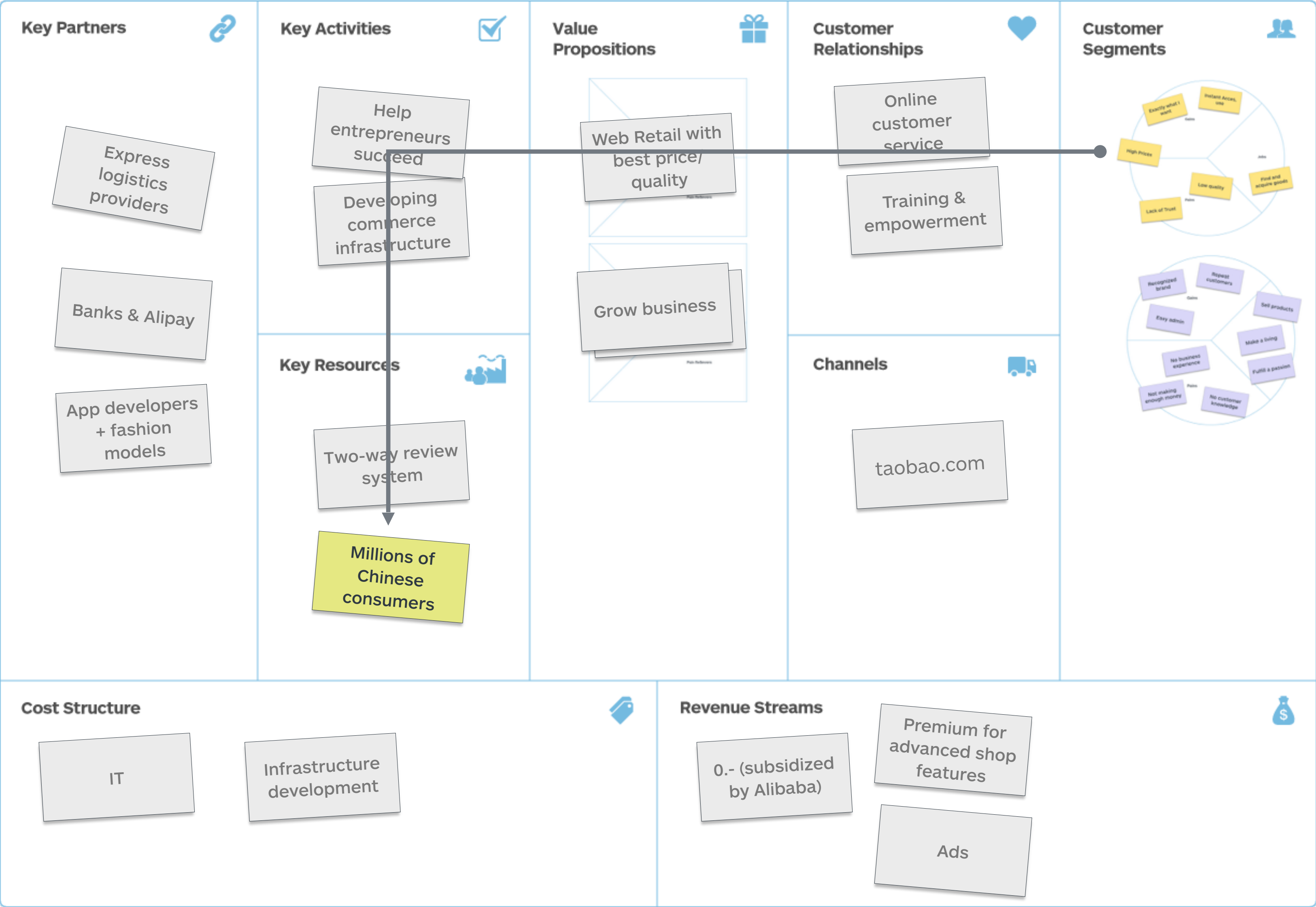
**Access to millions of Chinese consumers becomes the basis of a new value proposition to a new customer.**



# Big Brands

**Millions of consumers  
become a precious asset...**

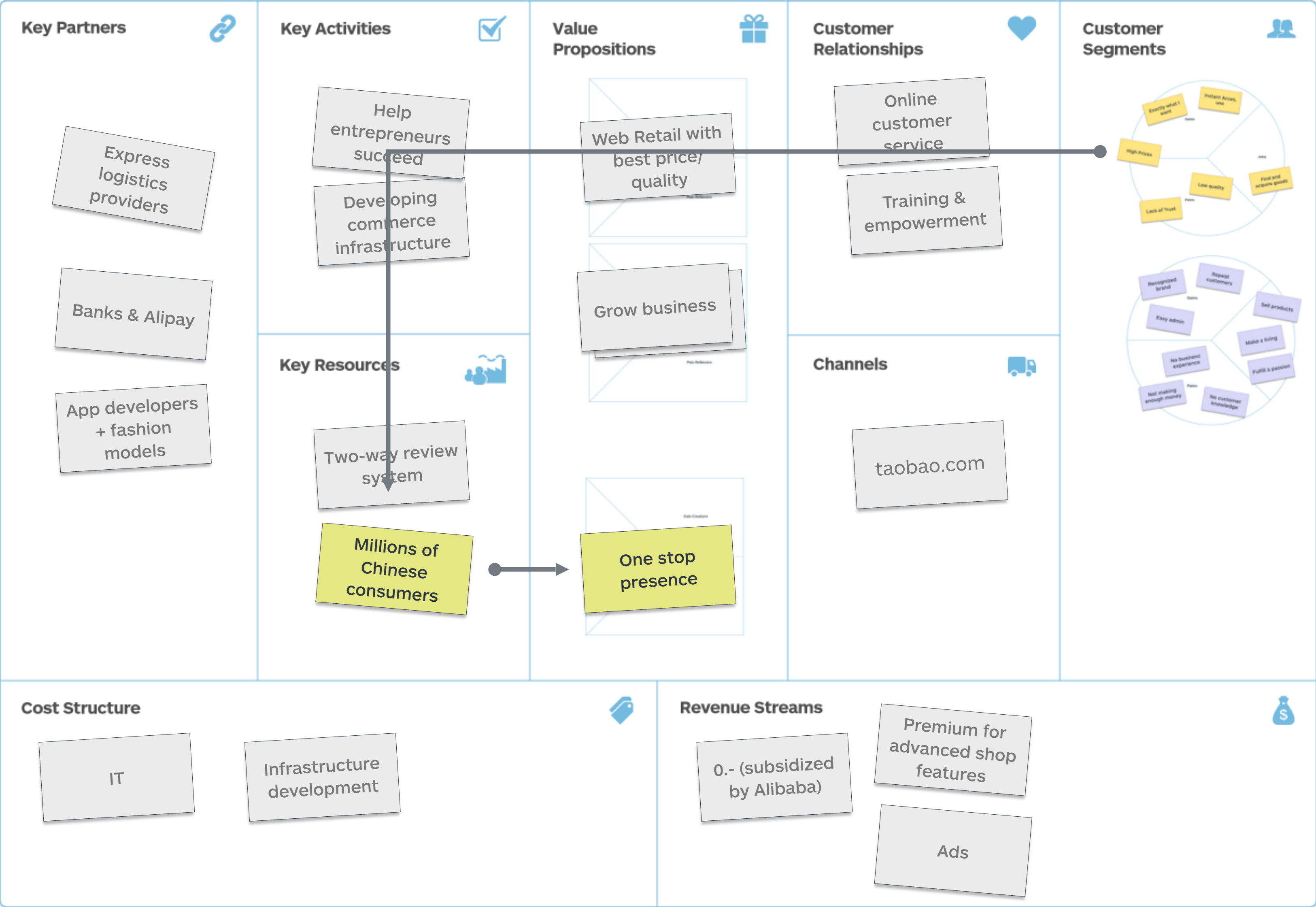
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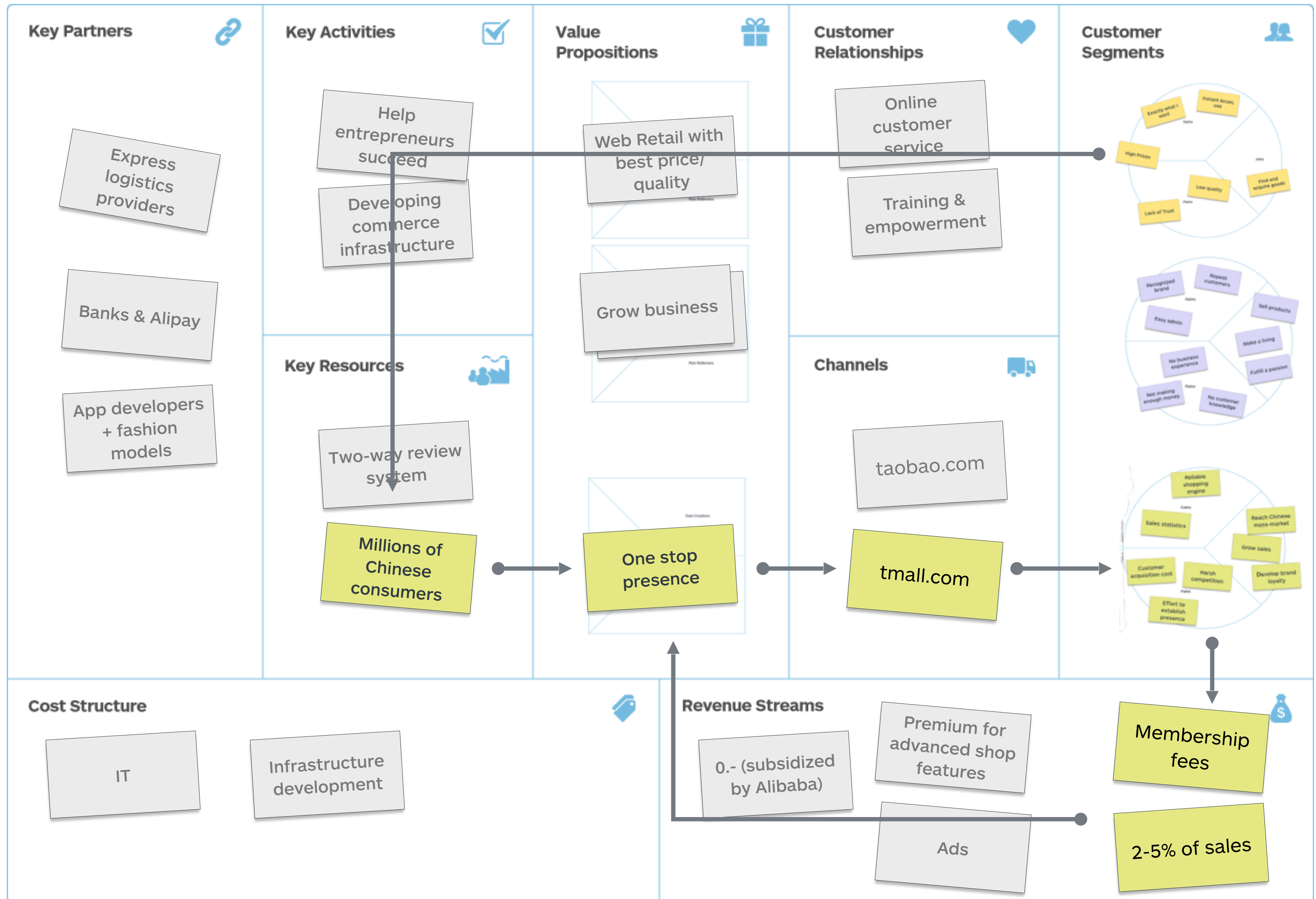
**...Taobao leverages this asset  
for a new value proposition ...**

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**...to a new lucrative  
customer (big brands).**

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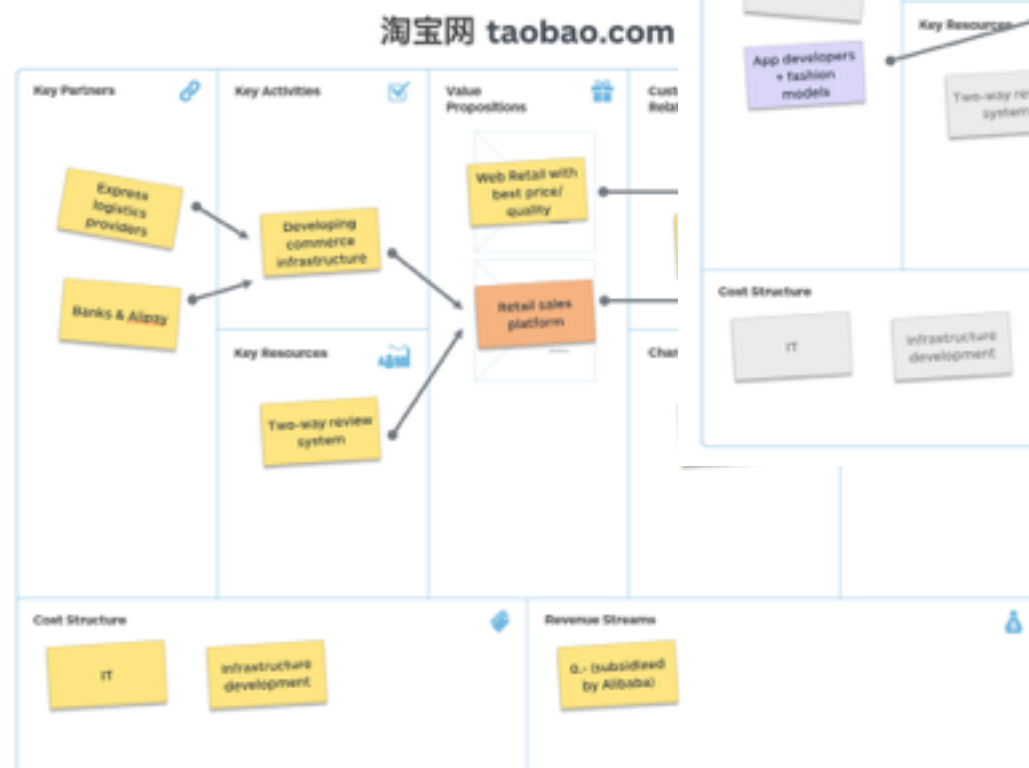




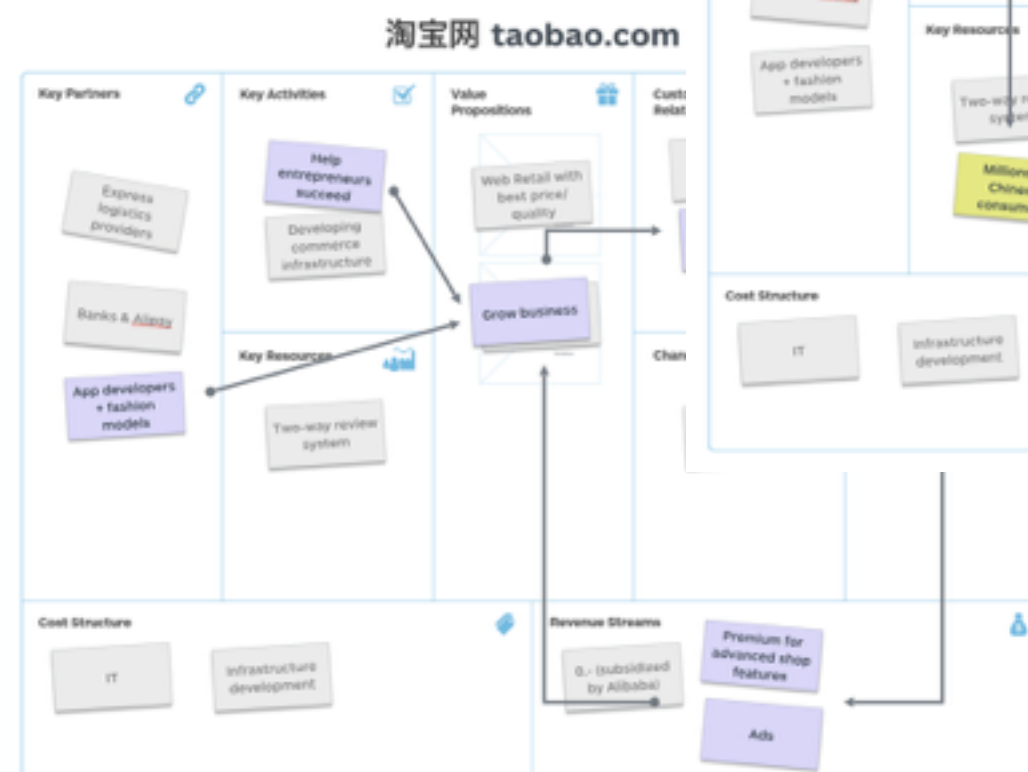
# **Lessons Learned**

**Taobao created three  
different types of  
business models  
(and value propositions)  
in just ten years.**

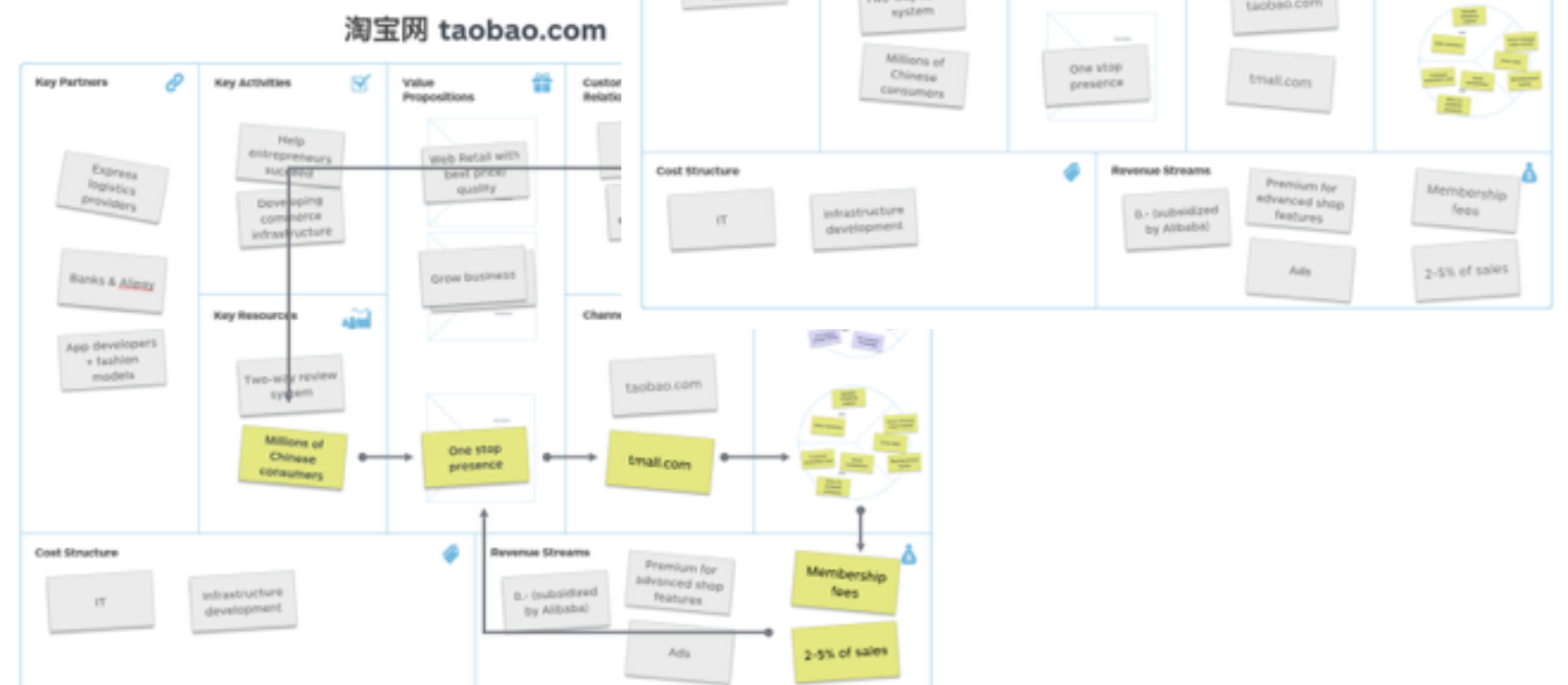
2003:  
C2C



2006:  
Small B2C

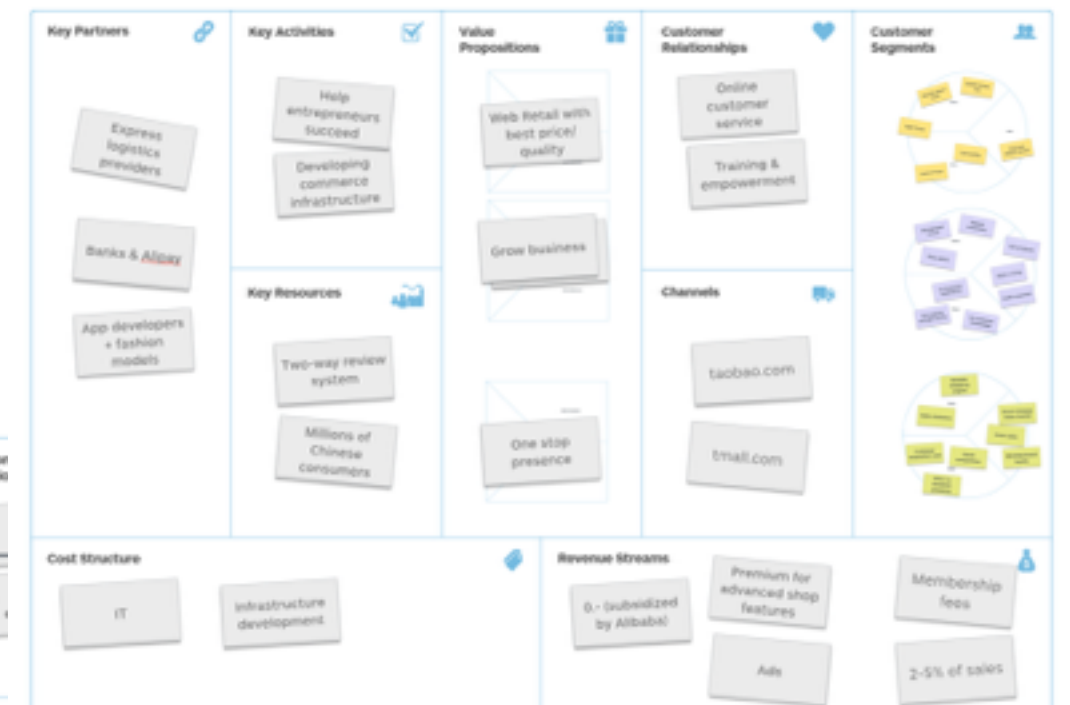



2008:  
Big B2C



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**Watch evolving context on  
platform and in wider  
economy and society**





**Develop capability to  
reinvent by responding  
to changes with new  
business models and  
value propositions**