





Taobao Marketplace Overview

Taobao Marketplace

- Taobao literally means 'search for treasure' in Chinese. Alibaba Group's Taobao Marketplace, established in 2003, is an e-commerce platform featuring hundreds of millions of product and service listings on the website www.taobao.com and through the Mobile Taobao App, offering a great variety of choices for consumers.
- Through years of development and innovation, Taobao Marketplace is able to leverage its consumer insights and product diversity to offer consumers an engaging and personalized shopping experience.
- Taobao Marketplace has become one of the biggest entrepreneurship and innovation platforms in China, enabling thousands of young people and entrepreneurs to realize their dreams.



 <p>Wide selection Hundreds of millions of product/service listings, from mainstream products to hard-to-find items, virtual products and local services</p>	 <p>Personalization Customized product and storefront recommendations and third-party news feeds, based on data about individual users' activities and profiles</p>
 <p>User participation Product and merchant reviews to help potential buyers make smart purchasing decisions, and an interactive platform for consumers to share shopping experiences</p>	 <p>Consumer protection A refund service if the order does not arrive within the promised timeframe, or the product received is not as described or up to standard</p>
 <p>Secure payments Escrow payment services powered by Alipay, which ensure payments are not released to sellers until buyers confirm receipt of products</p>	 <p>Efficient delivery Multiple delivery options provided by Cainiao Network's logistics partners, with online package tracking</p>

China's largest mobile commerce platform

- Taobao Marketplace is China's largest mobile commerce platform in terms of Fiscal Year 2019 GMV (gross merchandise value), according to Beijing-based big data analysis company Analysys. The mobile MAU (monthly active users) of Mobile Taobao App reached 755 million in June 2019, while the annual active consumers reached 674 million as June 30, 2019.



Taobao App

Live streaming channels and category interfaces covering apparel, household products and digital products, etc.

A community-based, content-driven and technology-enabled approach

- Taobao Marketplace is different from those e-commerce platforms where customers choose products from virtual shelves. Taobao Marketplace adopts a community-based, content-driven and technology-enabled approach to e-commerce.
- **Community-based** – Taobao Marketplace launched **the Family Account** in early 2018, connecting the elderly, young children and couples. Account members can initiate interaction, share product links and pay for purchases by other family members.



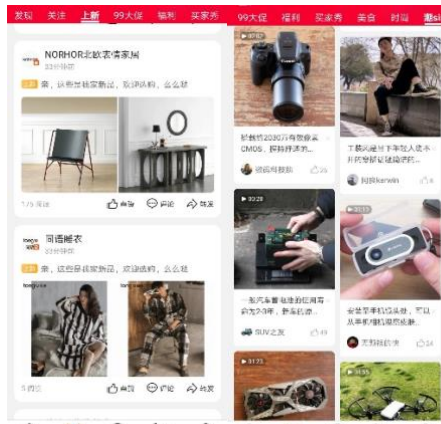
Family accounts allow users to connect with family and friends on Taobao



Members of a family account can send gifts to other family members



- **Taobao Forums** allow users to gather and interact with each other as well as receiving updates about products and fashion trends from Internet celebrities and merchants they follow. Taobao also provides in-app chatting group function for users to share coupons, product information and shopping lists.



Taobao Forum allows users who share same hobbies or interest to interact

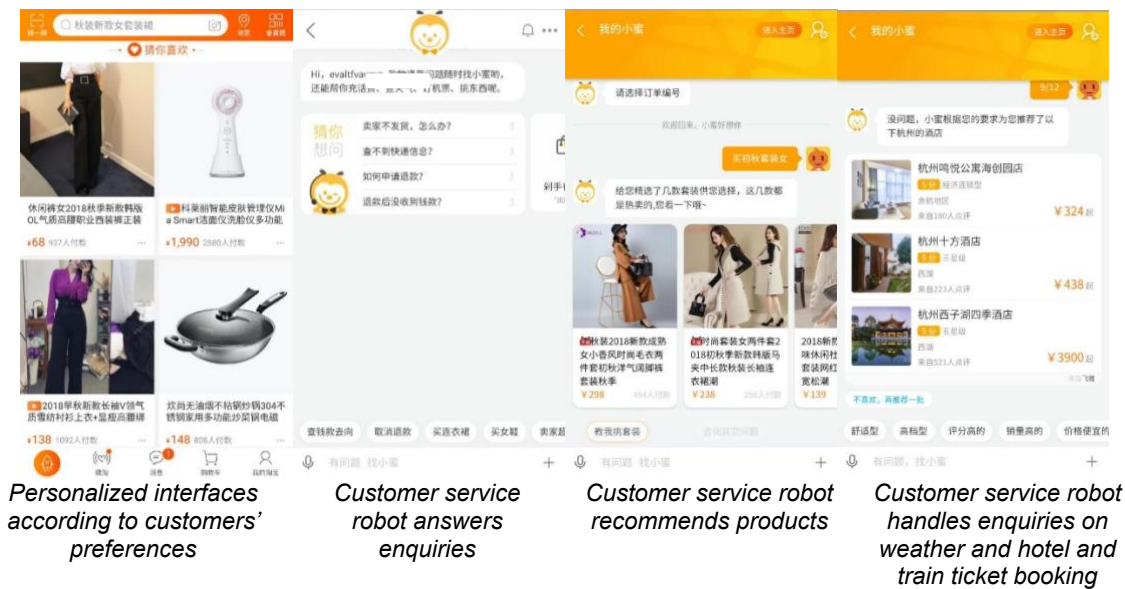


Users can share product information, shopping lists and coupons in the chatting groups

- **Content-driven** – Taobao takes a step beyond pictorial product listings by introducing new methods of interaction between Internet celebrities, merchants and consumers in the form of **live video-streaming and short clips** that allow merchants to detail product features and directly answer customers' questions or make recommendations to them. In addition, **Taobao Forums** allow Internet celebrities and merchants to showcase their products, as well as sharing interesting snippets from their daily lives to boost consumer loyalty, conversions and repeat purchases.
- Taobao generated more than RMB100 billion in GMV through livestreaming sessions in 2018, an increase of almost 400% year-on-year. Some 81 live-streamers notched over RMB100 million in sales, respectively, in 2018. Across all industries and sectors in China, brands and sellers are already transforming their digital capabilities to stimulate business development through Taobao livestreaming. Among the top female clothing brands, more than 30% of sales are driven by live-streaming. In certain industries, such as jewelry and jade, flowers and plants, the penetration rate of brands using Taobao livestreaming is close to 50%.



- Technology-enabled** – Enabled by consumer insights, Taobao is capable of **generating personalized interfaces and recommending products to users** according to their preferences, offering an engaging and unique shopping experience. In addition, Taobao's customer service robot empowers merchants to handle large amounts of enquiries and service requests, such as product and marketing campaign enquiries, personalized recommendations, order amendments and item returns and exchanges.



China's largest entrepreneurship and innovation platform

- A majority of Taobao merchants are individual and small business owners. They can set up storefronts and sell their products on Taobao Marketplace for free. The openness of Taobao Marketplace has attracted a large number of young entrepreneurs who are seeking to experiment with their ideas and realize their dreams.
- Young people make up a key segment of Taobao users – **most of them are post 80s and 90s. Among the merchants, a significant proportion are post 90s.**
- According to the *China Original Design Business and Consumption 2018* report, jointly released by Taobao and CBNDData, **44% of the independent designers who run a business on Taobao Marketplace are post 85s, while a third of them are post 90s and 95s.** As China's largest entrepreneurship and innovation platform, Taobao Marketplace has been performing an important role as a social innovation incubator.
- Since 2016, Taobao Marketplace has been organizing the Taobao Maker Festival, an offline bazaar comprising concerts, designer forums and a technology exhibition, offering the talented merchants on the Taobao platform an opportunity to show their ideas to a wider public.



Young merchants share their design ideas



A crowd of young visitors are attracted to the event



Young customers are engaged in experiencing innovative products and performances