

Alibaba Launches Taobao Global US Merchants Network



- 1) Alibaba has launched its Taobao Global US Merchants Network, which connects Taobao Global merchants with small- and medium-sized enterprises (SMEs) in the US that would like to sell their products to Chinese consumers.
- 2) The network currently has over 300 US-based Taobao Global merchant members for US SMEs to work with.
- 3) The success of the network, at this stage, hinges greatly on the ability of these merchants to market and sell their products in China. Therefore, the e-commerce giant will also provide regular training seminars on topics such as storefront operations and logistics to help merchants identify industry trends and improve the shopping experience on Taobao Global for both US businesses and Chinese consumers.

Our Take

Alibaba's ambition is to build a global platform bringing together manufacturers, merchants and consumers. By launching the Taobao Global US Merchants Network, Alibaba is, in essence, creating a channel for US SMEs to reach millions of Chinese consumers. The monthly active users (MAU) on Mobile Taobao alone has reached 369 million, and so the vast Chinese market represents a lucrative opportunity for US businesses to tap into.

Although it will take time to build up the size of the merchant network and enroll SMEs, we believe there is a market in China for smaller and lesser known US brands, as Chinese consumers are increasingly willing to spend for exclusivity. The success of the network, at this stage, hinges on the ability of these merchants to market and sell their products in China. Alibaba fully recognizes the important role played by the merchants, so we view positively Alibaba's move to enhance knowledge-transfer to the merchants through training seminars.

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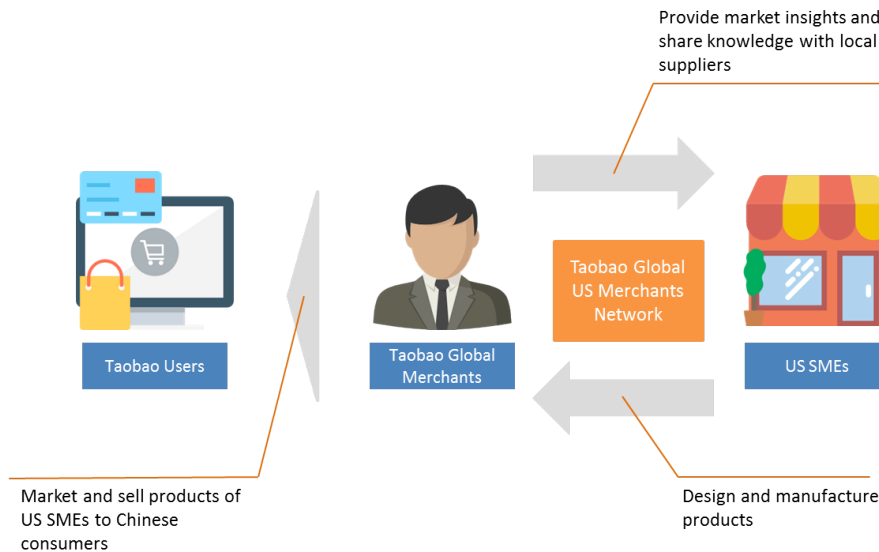
Following through on the pledge made by Alibaba Chairman Jack Ma to US President Donald Trump about boosting US employment, the Chinese e-commerce giant has launched the Taobao Global US Merchants Network, a portal to connect small-scale US manufacturers to US companies already selling to Chinese consumers on Alibaba's Taobao sales platform. The merchants can sell products made by these US SMEs to

“more than half a billion consumers on Alibaba’s platform,” according to Alizila, the official corporate news hub of Alibaba Group.

Network Overview

The Taobao Global US Merchants Network is a centralized matchmaking platform that connects US SMEs with merchants on Alibaba’s Taobao Marketplace. These merchants have an in-depth understanding of Chinese consumers, and are experienced in bringing foreign brands to China. They will serve as the conduit between Chinese consumers and the US SMEs. Partnering with merchants on the Taobao Global US Merchants Network presents a “simple, low-risk and low-cost solution” for US businesses to open new sales channels in Chinese. Alibaba also hopes to foster a strong sense of collaboration and an information-sharing network among US-based Taobao Global merchants through conferences and networking events.

Figure 1. Taobao Global US Merchants Network at a Glance



Source: Fung Global Retail & Technology

The network currently has over 300 US-based Taobao Global merchant members for US SMEs to work with. Meanwhile, Alibaba is also actively organizing matchmaking events in the US for merchants and US businesses to connect onsite, with events already held in Detroit, New York and Los Angeles in the past few months. The e-commerce giant will also provide regular training seminars on topics such as storefront operations and logistics to help merchants identify industry trends and improve the shopping experience on Taobao Global for both US businesses and Chinese consumers.



FLASH REPORT

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