



PAGE 3: B. ABOUT YOU

Q1: Respondent details

| | |
|---------------|-----------------|
| Name | To be completed |
| Organization | Alibaba Group |
| Email Address | To be completed |
| Phone Number | To be completed |

Q2: Country or Customs territory

CHINA

Q3: Organization

Private sector

PAGE 4: C. ABOUT YOUR CASE STORY

Q4: Title of case story

About the "Rural Taobao" Initiative

Q5: Case story focus

E-commerce development and efforts to bridge the "digital divide".

Q6: Case story abstract

"Rural Taobao" is Alibaba Group's core business in respect to rural e-commerce development. It aims to promote two-way trade between China's rural and urban regions by removing bottlenecks in logistics and information flow. Alibaba Group does so by building rural e-commerce infrastructure at the county and village levels, and cultivating rural e-commerce talent and ecosystem players.

The "Rural Taobao" initiative serves various purposes:

- Give rural villagers access to a broader range of consumer products and services at a lower cost
- Offer them a convenient channel for procuring much needed agricultural tools and resources
- Enable them to sell their specialty products to places beyond their home villages
- Provide brands and retailers with a channel to unleash the purchasing power of rural villagers

Q7: Who provided funding?

Other (please specify) To be completed

Q8: Project/Programme type

Single country

Q9: Your text case story

ABOUT THE "RURAL TAOBAO" INITIATIVE

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As part of the "Rural Taobao" initiative, in October 2014, Alibaba Group announced it would invest RMB10 billion (US1.6 billion) over the next three to five years to build 1 000 county-level "Taobao rural operations centers" and 100 000 village-level "Taobao rural service centers" throughout China. These outposts of e-commerce give rural villagers access to buy and receive goods they need from Alibaba Group's online marketplaces-and even start their own online businesses.

Alibaba Group works closely with local governments to establish and operate these centers, providing the necessary hardware, e-commerce training, technical support, and information about promotional offers on its online marketplaces. As of mid-February 2016, more than 14 000 village-level service centers were open in some 300 counties across more than 20 provinces.

The Taobao rural service centers are not intended to facilitate buying and selling of physical products only, but also to be conduits for rural villagers to conduct a range of everyday activities, such as paying utility bills, topping up mobile phones, making travel bookings, and more.

HOW DO THE COUNTY-LEVEL AND VILLAGE-LEVEL CENTERS WORK?

In each identified county, Alibaba Group sets up a county level center to oversee all the village-level centers in the region. The county-level center, which is operated by Alibaba employees, provides regular training to managers of the village-level centers and also serves as a sorting facility for inbound packages generated from the local villagers' e-commerce orders.

Each village-level service center is operated by a manager recruited from the local community, who are referred to as the "Rural Taobao partners" or simply "partners". They are not Alibaba Group employees but work closely with the Alibaba staff responsible for their respective counties. They generate income primarily by charging service fees for facilitating e-commerce orders, helping villagers sell online, and providing related services.

Division of work:

- The Alibaba employee supervises the daily operations of the center, logistics between county and village, marketing activities and communications.
- The Rural Taobao partner focuses on helping villagers order and collect what they need (physical products, train tickets, mobile phone top-up, etc.) and handle product refund; as well as sell local products online and handle delivery and payment collection on their behalf.

WHO ARE THE "RURAL TAOBAO PARTNERS"?

At the initial stage, Alibaba Group mainly leveraged on existing local small convenience stores to set up the Taobao rural service centers. Its target was stores with good locations and shop owners who were fast learners. This has enabled to company to set up a large number of centers within a short time.

Since May 2015, Alibaba has changed its strategy to target mainly young people familiar with the Internet and online shopping who are returning to their home villages from the city. Whereas the previous model focused on developing purchasing agents, the new model focuses on cultivating good sellers who can promote regional products to other places as well.

Q10: Lessons learnt

Respondent skipped this question
