TEACHING GLOBALISATION THROUGH A CASE STUDY: THE RISE OF ALI BABA

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Abstract

As a best practice teaching case, "The rise of Ali Baba" (see Appendix) contains a new approach to teaching globalisation by focussing on how international companies enter the local markets instead of offering examples of local companies entering international markets, as it is common. What makes the case of Alibaba stand out amongst other case studies, is the multitude of teaching subjects it can be adapted to. Although initially used to teach global business, it can be modified to teach corporate social responsibility, supply chain management, as well as business ethics. The following article shows how teaching this case study leads students to a new understanding of how global companies act and interact, thus gaining up to date competences through proactively applying a more sophisticated knowledge about globalisation. This teaching note further explores a combination of didactic methods within the case and the sample questions. The case study, as described, was tested in a variety of teaching frames during five years, from November 2013 to December 2018 with an identical timeline. Feedback forms, written assignments and discussions were assessed using content analysis. Ninety-eight per cent of the students reported good learning results, a positive impact on their grasp of global issues and a deeper understanding of global economics and markets in their feedback forms.

Keywords: *case study, China, executive education, international markets, globalisation, retail*

1. INTRODUCTION

Jack Ma's autobiography and his struggle while creating the Alibaba Group Empire have proven to be an enticing and highly instructive case for teaching internationalisation and global business in an executive educational context. During over four years of teaching, all groups of students confronted with this case showed vivid interest in it, immediately engaged interaction with its issues and entirely revised their approach of solving the problems raised by it in the end. As a best practice, the Ali Baba case study (see Appendix) contains a new approach to teaching globalisation by focussing on how international companies enter the local markets instead of offering examples of local companies entering international markets as it is commonly done. The case study thus leads students to a wholly new understanding of how global companies act and interact thus gaining up to date competences through proactively applying a more sophisticated knowledge about globalisation [1][2].

2. TEACHING NOTES AND SCIENTIFIC BACKGROUND

2.1. Literature review and methodological foundation

Ventriss was amongst the first to address the impact of globalisation on business administration as well as the challenges that internationalisation poses for teachers and students [3]. Khan asked for an interdisciplinary approach teaching students how to manage interdependency [4] as only literature is available on the question of how to teach internationalisation to students. Most research focuses on the operational and organisational level of higher education [5][6][7]. The two major studies on teaching globalisation were published by Bigelow & Peterson [8] and Suarez-Orozco [9]. They focus, however on the ethical aspect of teaching globalisation. Mansilla and Gardner moreover advocate the establishment of global consciousness, demanding educators to act as brokers of information, rather than conveyors of information [9]. Exposure to economic ideas and information among college-educated individuals plays a crucial role in shaping attitudes toward trade and globalisation [10]. Alibaba has already been the subject of much research. However, most of these case studies focus on business models

or aspects of e-commerce [11][12], whereas very little attention has been given to its policies of globalisation [13], and the implications of the company's development in the global market [11] and it's founding of a financial service [14]. One study about Alibaba's entry into the Vietnamese market indeed comes very close to globalisation strategy analysis [15]. However, most detailed and substantial research scrutinises Alibaba's internal developments and the progress of its subsidiaries above all [16][17]. Narsalay [18] focuses on the aspect of low-income rural entrepreneurs and their public market access through Alibaba, and there exists moreover, several student work cases [19]. One case study focuses on the global expansion of the Chinese e-commerce venture Tencent [20]. As Tencent is a company exclusively committed to Internet services and business models, the insight gained for not Internet-related studies is limited.

Teaching globalisation requires exposure to global ideas and cases. Students will, therefore, benefit from exploring globalisations mechanisms from a foreign cultural and economic perspective instead of their own. The Alibaba case precisely meets these requirements with a clear focus on global commerce and trade [10]. The case study design is based on research about globalisation and the globalisation strategy analysis of Small and Medium Enterprises in Germany [21] showing that gradual internationalisation strategies are insufficient in today's global business [22]. Consequently, new phenomena of internationalisation have taken root. Alibaba does not fit the traditional criteria of a "born global" as defined by scholars. The main reason for this is the fact that initially, a global company characterises by a venture selling its products with a large share of export from a very early stage [23]. What makes Alibaba a "born global" for the authors is the mindset and attitude of its founder Jack Ma. Globalisation is driven by global opportunity recognition, the critical element of entrepreneurship [24]. In this context, we should draw attention to the concept of 'International Entrepreneurship' since it perfectly expresses the spirit of Alibaba's growth. It can be defined as "the discovery, enactment, evaluation and exploitation of opportunities – across national borders – to provide future goods and services" [23]. The questions of how to define globalisation strategy, of what identifies a global venture and how a company internationalises about both markets and products, can be discussed with the students in lectures before the group assignments.

2.2. Learning objectives and target audience

By engaging with the entrepreneurial success story of Jack Ma and the Alibaba Group, students learn how to develop internationalisation strategies and identify opportunities for entrepreneurial growth. The case and its assignments aim at inducing executive students to take over into the role of a foreign entrepreneur automatically and therefore to change their perspective on the problem thus enlarging their understanding of how entrepreneurship works globally. Another objective is gaining up to date competences through proactively applying a more sophisticated knowledge about globalisation during the group assignments presentation. Though students' overall feedback has been very positive, experience shows that the teaching case primary use should be in executive master class education (MBA). As these students have several years of working experience, they generally showed a better understanding of global business and the subject in general. In the MBA classes, the rate of students having at least some knowledge about Alibaba was significantly higher than in regular Master courses. Analysing students' feedback rendered possible to monitor a steep learning curve on internationalisation strategy. MBA students immediately adopted the knowledge gained. They applied it to their own companies acknowledging that entrepreneurial growth requires a global understanding of internationalisation strategy. These results show that the Alibaba case is an excellent tool to lead future executives to a deeper understanding of international business and strategies of internationalisation as it combines a particularly exciting example from contemporary history with a new perspective of looking at these topics 'the other way around'.

2.3. Case structure, teaching strategy and methods

2.3.1. Structure

The case is taught in four steps starting with an introduction to the case method in general, the course of procedure, the explanation of the objective (a 15min presentation) as well as the evaluation criteria (see 2.3.2). Students are split up into up to five groups according to five existing group assignment topics.

The first team treats the vision, mission and value System. The second team addresses the globalisation strategy. The third team looks into product and product strategy. Team four works on the aspect of finance and five on human resource management. The case text can be emailed out to students allowing more convenient access to hyperlinks in the reference section. The second step is the reflection on the subject itself through case text, movie (see 2.3.2) and a general discussion. The third step is working on group assignments, translating knowledge into practice and presenting the findings. The fourth step is a final, general discussion, including students' feedback concerning the case with special consideration of the group assignment questions number five and six (see 2.3.4). The warming up questions in step two stimulates reflection on the subject and intends to create a shared understanding of the case based on individual research. The case study can be introduced in step two by looking at a picture of Jack Ma, without any further information of the text. For teaching purposes, several pictures are available under creative commons licence on the Internet. The students are asked to reflect on the image and to share their prior foreknowledge, their impressions and emotions induced by the picture. This step is based on the idea of an initial brainstorming map [25]. Students read the case and answer "warming up" questions in a general discussion that immediately transfers them into the perspective of an "Alibaba employee". During the break, the "Crocodile in the Yangtze" movie leads the students to a better understanding of Alibaba's strategies and adds a live case setting. Before proceeding to step three, it proved to be helpful to resolve remaining questions concerning the group assignments and resources admitted for further research. The students subsequently work on group assignments for about 60min that should result in a 15min presentation of each group.

A large amount of text, references and data provided with the case confront students with an overflow of information. The assignments in step three have students assume the perspective of Alibaba employees and their view on problems during the teamwork and presentation. This identification with the subject enhances the experience provided by the case study. It requires the students to apply their new knowledge on globalisation by developing solutions. The primary aim of the group assignments and presentations is to create a situation of stress for the student. They experience pressure as to the quantity and quality of their information, social pressure within the group and finally time pressure to come to terms with their task in 15 minutes. They are additionally pressured to supplement all this by more and new scientifically accurate literature. The positive didactic value of creating time pressure has been the subject of academic discussions for a considerable time [25]. This setting comes exceptionally close to executive decision-making situations in real life, proving a strong point in the educational value of teaching through case studies. It has also proven to increase a student's motivation to score high [26].

2.3.2. Teaching strategy

Papers and presentations are in general assessed according to the scientific quality of the presented results, the stringency of reasoning, layout quality and form of presentation, i.e. rhetoric, expression, presentation techniques, team play and overall performance. The students should be informed of these rules before the assignment at best during the introduction. Due to the specific setting of the teaching case, it is suggested to rate teamwork looking at how students cope with information overflow, divide the work tasks and prevent redundant work. The acquisition of core competencies reflects in how fast and efficient students work and cope with complexity. Especially the additional researched online material should meet academic standards. It is advisable to assess the overall configuration, the order of questions and reasoning as well. As a best practice example, sample questions regarding the case are suggested in the following paragraphs.

The first questions address the movie "Crocodile of the Yangtze" available on YouTube [27]. Integrating the movie within the case creates a live case experience for the students enhancing their engagement. For discussion, purposes, movie playback should be stopped at 00:16:36 and questions about the company's vision should be asked? How does Alibaba see themselves? As a global as a Chinese enterprise? Again playback can be stopped at 00:31:00 in order to ask questions about what happened or changed during the last 15minutes. How does Jack Ma treat himself? What mistakes did the Alibaba Group make? Again at 00:59:48 playback can be stopped for questions on what happened since the last break? After the movie, students ought to proceed with reading the case text to the end.

Depending on the group size and learning objective, it has proven its worth to introduce students in a specific scenario for their assignments. As a group of future MBAs, they are invited to pay a visit to the advisory staff of Jack Ma and assist them. It is 9 am; on a Monday morning and they embark on their mission in the Alibaba Headquarter at Hangzhou. In order to provide them with a first insight into the history and possible future of the company, they are given the "Case Study: The Rise of Ali Baba" (see 0) and are told to accomplish group assignments based on the information received. The professor, as fictive Chief of Staff, asks the students about their opinion on the manuscript. They are advised to study the text, research the relevant information during one hour and to present and justify their findings in a fifteen minutes presentation. Five teams are set up and work on one topic per team. The students are Alibaba employees of the following departments (differing as to team): Vision, Mission & Value System, Globalisation Strategy, Product, Finance and HRM. Finally, they are given full Internet access for research purposes.

2.3.3. Method

For the group assignments, it is recommended to provide each group with an identical set of six precise questions for their preparation. The design of all group assignment questions is informed by a meta-level explained in the following paragraph. The first question induces students to start operationalisation regarding their topic. For the Team treating Vision, Mission and Value System an Example could be:" Please portray Jack Ma's that is the Alibaba Group's Vision, Mission and Value", for the globalisation team:" Please describe Jack Ma's that is Alibaba's stratagems for globalisation!" and so forth. The second question compels the groups to work out an approach by analysing the status quo. Example:" Describe which principles they held on to and which they discarded? Explain why they were milestones." The third question is designed to elaborate contextualisation and create references. Example:" Investigate when and why? Investigate their significance in the global economic context and as to competitors." The fourth question incites students to strive for a certain level of abstraction in their argument. Example:" Explain why, in your opinion, they constitute strength or weakness." The fifth question aims at obtaining knowledge transfer. Example:" What can be learned from them and applied to your business?" The last and sixth question leads students to personally relate to the problem at hand by shifting from the global to a national context. Example:" What does this mean regarding your country and yourself personally?"

3. RESULTS

The case study, as described, has been tried out in a variety of teaching frames during four years, from November 2013 to December 2018 with an identical timeline. The teaching contexts included a total of ten different settings, such as executive MBA courses, regular Master degree and Master of Law (LL.M.) courses. The classes had 12 to 25 students majoring in Strategic Management, International Management, Global Business and Marketing. Within all settings, the case study was conceived as an all-day course (8 hours). The students' reaction to and their perception of the case study were very positive, with 98% of students reporting good learning results whenever they were invited to evaluate the case and their learning experience. They graded students were asked to grade the lecture and case study according to the German educational system from 1 (very good) to 5 (insufficient). Evaluations resulted in an average grading of 1,5 (very good). When requested to conclude for themselves in the sense of morphological analysis [28], answers produced a broad range of emotional reactions. Most students ascertained a positive impact on their grasp of global issues. Some, however, while gaining a deeper understanding of global economics and markets and a more accurate view of the speed of global entrepreneurs' development and growth, expressed negative emotions. They felt threatened, helpless, overwhelmed and frightened by global developments. One student maintained the opinion that "ignorance is bliss" [29] and satirically referred to the European Union as an "island of bliss". Especially the ethical implication of the experience provided by the case study has been observed repeatedly [30]. Reflective learning within the frame of a case study helps students to broaden their global understanding of interdependence and ethical behaviour. According to Pillow [31] reflexivity as implied in this case study places the emphasis not on what students believe they know, but on how they acquire their knowledge. The vast majority of students did not know about Jack Ma or Alibaba. While most of them

were aware of entrepreneurial activities in China, very few knew about this one particular example of entrepreneurship. Several students reported that their perception of Chinese entrepreneurs changed within the course of the case study, while a slight minority of students continued to stick to stereotypes of Chinese business and ethics [32], most students reported an improvement in their perception of Chinese entrepreneurship and the global interaction between economies. Our evaluation of the success of our teaching in terms of acquiring skills is based on the students' group presentations, individual assignments and feedback sheets. Their results were ninety-eight per cent positive. Grades ranged between 1,6 and 2,4 (very good - good) and the ideas put forward as well as the solutions proposed for the problems were consistent and thoroughly thought out.

4. FINDINGS

The case of Alibaba constitutes a unique example of successful entrepreneurial globalisation. By using this case study in different teaching contexts, the authors were able to expose students in Germany to a global company that many of them had not heard of. Students and company executives in the MBA classes were thus given the possibility to apply their knowledge of globalisation strategies to an unfamiliar setting resulting in groundbreaking lessons and unique learning curves. The participants' feedback was unanimously positive, and we have received an overwhelming resonance from students, who reported that they had acquired a broadened and more complex perspective on the subject of globalisation as the case study incited them to view the development of their competencies and company endeavours from international perspectives. The quality of the learning effect was best with MBA students of at least one, preferably three years of business experience, as these students were able to compare the development of the Chinese company with their own experience of corporate development and globalisation in their firms. They, therefore, profited most from the case study by improving their competences considerably. Many students admitted that it was a surprising discovery for them when, despite their disbelief, they had to realise that there existed a global trade giant such as Alibaba, which they had never heard of before.

Since all groups over the five years were subject to the same questions the content analysis of presentation, written assignments and discussions concerning the question what students and company executives could adopt from the teaching case about Alibaba's phenomenal growth was representative. Over 78% identified three key factors that led to Alibaba's success. For one an extreme domination in the home market as a backbone for future development. Second a global attitude and outlook from the very beginning that spots global opportunities. Moreover, for third, a network approach to globalisation that funds partnerships and joint ventures in order to explore the target markets and to prepare market penetration. This result confirmes that the most valuable lesson taught to the students using this case study was to look at globalisation strategies from a genuinely global perspective. Looking at companies outside of our cultural context endeavouring to understand their motivation and strategies of globalisation is better than analysing those we know managed to go global well. Jack Ma is an ideal example of an international entrepreneur, and the development of his company can serve a variety of teaching subjects. These findings suggest didactics would generally profit from more frequent use of international examples in the teaching of competencies.

5. CONCLUSIONS

What makes the case of Alibaba stand out amongst other case studies is the multitude of teaching subjects it can be adapted to. Although initially used to teach global business, it could also be employed to teach corporate social responsibility, supply chain management, as well as business ethics. Alibaba's traditionally responsible business approach [33] as expressed for instance by Jack Ma's projects to conserve China's natural environment and to fight pollution could serve as an excellent example for exercising how to address critical social issues [34]. CSR problems could be discussed by comparing Ma to eminent western entrepreneurs who, such as Steve Jobs, showed no signs of socially responsible behaviour whatsoever [35][36]. The supply chain could be picked as a central theme since Alibaba is an example of how a global trade company develops its areas of operation and business divisions along the

supply chain. Alibaba started from a simple trading platform and expanded to payment and banking services [14][37], communication service, logistics, recently entering delivery services and even brick and mortar shops in China. Thus continuously expanding its value creation along the supply chain, including consulting and sales support, media, mobile devices, big data and AI [38][39][40] – going as far as to change the entire business landscape in China. Issues of business ethics can be worked on by comparing, for instance, Ma to Carlos Slim. The latter is notorious for his monopolistic business approach and questionable ethics [41].

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APPENDIX

TEACHING CASE STUDY: THE RISE OF ALI BABA

Introduction - In 2017, Alibaba was ranked as the world's second most valuable retail brand behind Amazon [42] closing in on Wal-Mart [43]. It now counts among the biggest internet companies worldwide behind Apple, Google and Facebook [44]. The Financial Times [45] referred to its founder, Jack Ma, as the entrepreneurial godfather of China, nominating him Person of the Year 2013. He ranks as the third richest Chinese billionaire with a fortune of US Dollar (USD) 38.6bn [46] and yet until recently, many people in business outside China may never have heard of him. This text intends to trace the rise of Alibaba from 1999 including its initial public offering (IPO), that became the biggest one in history, leading to its increasing internationalisation until today [47][48][49].

The Beginning (1995 -2003) - Jack Ma was born in 1964 in Hangzhou, China. He repeatedly failed to pass his university entrance exam, however, eventually obtained a Bachelor's Degree in English and became an English lecturer at Hangzhou University, with a salary of approximately 12-15 dollars a month [50]. In 1995, Ma decided to quit his employment and ventured into the Internet and e-commerce industry. He borrowed 2000 USD, set up a company named "Chinapages.com" [51] confessing later: "*I knew nothing about personal computers or e-mails. I had never touched a keyboard before that*". It was the first Internet Company in China – and a complete failure. However, from the very beginning, Ma thought global and understood the functioning of international business [52]. In one of his speeches discussing how to compete with American high-tech companies, he made the legendary statement: "eBay is a shark in the ocean. We are a crocodile in the Yangtze River. If we fight in the ocean, we will lose. However, if we fight in the river, we will win" [53] [54]. The crocodile founded Alibaba in his Hangzhou apartment in 1999, backed by a team of 18 entrepreneurs [51]. They started with a total cash reserve amounting to 60'000 USD gathered by the team, their friends and relatives [54]. However, in the following two years they contrived to raise a stunning total of 25 Million USD, mostly from Softbank, Goldman & Sachs and Fidelity. The company reached profitability in the year of 2003 and quickly started to launch different business platforms. Its basic idea was to open up the access of small and medium-sized Chinese companies to global buyers that they would only meet at trade shows otherwise [49]. Very soon, Alibaba became the gate to the global market for the Chinese manufacturing companies that up to this time lacked international connections. While opening the global markets for Chinese Small and Medium Enterprise's (SME's), Alibaba began to explore these markets for itself.

Expansion - In 2003, Alibaba made its first steps to penetrate the business to customer (B2C) market. Inspired by a visit to the US Jack Ma conceived the idea of a platform free of fees and commissions that became Taobao [51]. A B2C platform for the Chinese consumer market that quickly became the most extensive online auction platform in entire Asia [53]. Since the group anticipated problems of trustworthiness related to Internet payments in China, a payment service named Alipay was introduced at the same time [55]. Alibaba's idea was simple: suppliers are not paid until the customer is happy with the merchandise [14]. Ma moreover used this principle as a device to obtain capital since this new service is known as the 'Trust Passed Scheme,' meant that the supplier firms had to pay a deposit guaranteeing their trustworthiness, bringing Alibaba 6 million Renminbi (RMB) in profits [51]. Alipay was separated from Taobao as an independent venture in 2004 [51]. In the same year, Alibaba celebrated its fifth anniversary and managed to raise 82 million USD through private equity [56]. From its early years onwards, Alibaba established a close relationship with Yahoo. In 2005 Jack Ma managed to strike a deal with Yahoo. The latter bought into Alibaba with a 40% share, paying one billion USD and handing over the entire Yahoo China business to be operated by Alibaba [57]. The relationship with Yahoo, however, never existed without difficulties. Thus Alibaba preparing its upcoming IPO in 2013 bought back most of its shares, leaving Yahoo with only a minority share in the company, that is still considered to be its crown jewel [57]. Soon the earnings of Alibaba outweighed those of Yahoo by a factor of two. Comments by tech analysts made in February 2014 reflect that: "*Alibaba is boosting Yahoo's valuation and earnings […]. It is safe to say that without Alibaba, Yahoo would be a dead and gone company. Jack Ma saved Yahoo is a***."

Pre IPO - In 2007, the Alibaba Group took a first step in going public. On November 5th, the company's B2B platform alibaba.com went public at the Hong Kong Stock exchange with breath-taking results

[58]. Within hours, their shares immediately soared up 122%, from 13.50 Hongkong-Dollar (HKD) initial price to over 30 HKD. The public offering of the shares was oversubscribed 257 times, and the company cashed around 1.5 billion USD [59]. However, after this fulminant start, the share price plummeted and never fully recovered its initial height. Soon after Ma declared war on eBay, and by the end of 2007, eBay's market share in China dropped to 8%. eBay finally fled the Chinese market suspending operations.

In contrast to this, Alibaba's B2C daughter platform, Taobao controlled a market share of 84%, thus making Jack Ma the unrivalled king of Chinese e-commerce [50]. Self-renewal (Since 2008) During the upheavals of the global financial crisis in 2008, the price of the company's shares fell by over 700%, hitting an all-time low around 4.33 HKD. At the same time, Ma created Tmall, a retail website, in order to extend the group's share in the B2C market [51]. The same year Alibaba established its research and development (R&D) division for software and hardware. Early in 2009, the price of the company's shares stabilised, and by the middle of 2009, it retrieved its previous peak around 20 HKD, however, declining again in the next years. Alibaba, however, continued to establish cross border alliances such as its cooperation with Yahoo at the very beginning of its career. In 2009 the company launched a massive operation of internationalisation expanding to the US, India, Japan and Europe. Thanks to the success of its business model in China Alibaba conquered new markets by connecting SME's globally through the Internet [60]. Cloud Computing followed in 2009 under the brand name Aliyun. In the same year, the Alibaba group acquired two young software companies from Silicon Valley in order to improve its logistics and online distribution activities. Break to watch the documentary "Crocodile in the Yangtze" on YouTube [27].

Bumps on the road - In 2010 Alibaba launched eTao, a shopping search engine. In the same year, the R&D division announced their first operating system for cloud-based smartphones, and Alibaba established AliExpress – a sales platform conceived to connect smallest enterprises to the global community of online buyers. The platform immediately reached sellers from 220 countries. In 2010 the retail division Taobao established cooperation with Yahoo Japan, who was to list over 50 million Chinese products while Taobao in return included Japanese products in its listings [19]. Commercial alliances depend on propitious social and geopolitical developments. However, if the context is favourable, co-marketing alliances are an attractive option. Alibaba thus concluded a marketing and testing alliance with Microsoft to back up their ETao search engine in its competition with stronger players in the B2C market [38]. In June 2012, alibaba.com was furtively delisted from the Hong Kong stock exchange. After being suspended from trade for over two weeks, Jack Ma decided to privatise the company and submit it to substantial scale reforms and restructurings [47].

The Alibaba groups bought back all minority shares (27%) of its alibaba.com daughter at IPO price, delisted it from the exchange, and reintegrated it fully into the company network. While some considered the delisting as the end of a hype, others expected to see Alibaba recover very soon. Jack Ma used the time after the delisting to restructure the company further, buying back half of Yahoos stake in the company for approximately 7 billion USD. They were left with a 23% stake in Alibaba against 63% held by the Alibaba Holding structure held 63% [57]. In 2013 the company moreover announced the suspension of a third-party messaging application as they released their web messaging service for all websites as a unique solution. Another significant and highly efficient move in Alibaba's diversification strategy was their upgrading of the Taobao/Tmall payment system, Alipay. It was a coherent and cogent online payment system relying on Escrow, i.e. a licensed money transaction system conforming to Chinese legislation, which interlinked with personal wealth management and eventually became known as Yuebao in 2013. In a simplified manner, Alipay could be described as a kind of current account, whereas Yuebao like a sort of savings accounts offered a higher interest than local banks based on daily changing interest rates. Alibaba scarcely had managed to squeeze eBay out when they were confronted with a new opponent since PayPal entered the Chinese market [13]. In 2013 the alibaba.com platform alone had over 76 million registered users from 240 countries. The company maintained five distinct B2B and B2C platforms for SMEs and had over 19'000 employees and associates in 60 cities worldwide [55]. The Alibaba group had by then become a collective entity of web businesses and online marketplaces with added values and services along the entire value chain. In 2012 two of its platforms alone processed over 160 billion USD worth of goods – more than Amazon and eBay combined [61]

[62]. In the 2013 year, 2.7 billion users were connected to the Internet. While, e.g. the US with 245 million users and Japan with 100 million had respectively reached a very high degree of development in China there were "only" 500 million users, which meant that less than half of its population were connected with the market. In India, only 100 million users had access to the Internet. In order to achieve growth, Alibaba thus had to focus on the developing markets. While the company managed to gain extreme market penetration in China, it had to confront fierce competition in other uprising markets.

The IPO in 2014 it is the aftermath - A year of rivalry between the Hong Kong Stock Exchange and the New York Stock Exchange followed the IPO announcement. The New York Stock Exchange (NYSE) suggested that the IPO should be realised in New York as problems with China had led to delays [63]. In May 2014, Alibaba finally dropped the plans for a Hong Kong IPO and announced that the company would file for an IPO in the US, which was to be listed at the NYSE [64]. The 2300 page document revealed Alibaba grew rapidly and was highly profitable, with a profit in the fourth quartile 2013 of 1.3 Billion USD. Even though key figures were not disclosed, the filing triggered off a craze in the global financial industry. At that time, the company value was around 100 Billion USD. In the course of the following four months, this sum doubled with the last valuations ranking around 190 Billion Dollars. However, even this figure was defied during the IPO, resulting in a company valuation of approximately 231 Billion USD. The stage was all set for a brilliant IPO to take place on September 19th. Breaking with tradition Jack Ma did not ring the trade-opening bell himself at the New York Stock Exchange. Instead, he chose eight customers to ring the bell for Alibaba at 9:30 am, and subsequently, success took care of itself. Within hours Alibaba managed to cash in 21.8 Billion USD, and by September 22nd, this number rose to 25 Billion, counting all options that were executed within the IPO [17][64]. The IPO surpassed that of the Agricultural Bank of China in 2010 or that of Mark Zuckerberg's Facebook IPO at NYSE and made it the biggest IPO listed so far at the Hong Kong Stock Exchange [48]. However, even the historical IPO did not diminish Alibaba's élan in breaking all records [50]. One month after the IPO, on October 28th, the stock price hit a new high, resulting in a market capitalisation of 251 Billion USD. Making the Chinese e-commerce giant the most significant retailer in the world outranking the most prominent physical retailer, Wal-Mart's market capitalisation of 246 Billion USD [62]. By November 12th, Alibaba's market capitalisation reached 285 Billion thus surpassing companies such as Chevron, JP Morgan Chase, General Electric, Procter & Gamble as well as Wells Fargo. Alibaba is currently numbered among the ten largest companies in the S&P 500 and ready to surmount giants such as ExxonMobil, Microsoft, Google and Berkshire Hathaway. In order to obtain an idea of how many goods Alibaba handles let us look at the date of 11.11.2014. In 2009 Chinese e-commerce companies pretending to follow an old tradition had established this date as so-called "Singles' Day", offering huge discounts exclusively on that day, a procedure recalling the practice on Black Friday or Cyber Monday in the US. On Singles' Day five years later Alibaba broke all records in online sales: Within 40 minutes the fabulous revenue of 1,3 Billion USD were generated and a total of 6,3 Billion in 24 hours (compared to 4,7 Billion in 2013) [51].

Brick & Mortar E-conomy - In October 2014 the Alibaba Group declared their intention to invest 10 billion RMB during the next three to five years in order to build 1,000 county-level "Taobao rural operation centres" and 100,000 village-level "Taobao rural service centres" throughout China [37]. In the following year, the Alibaba Group extended its logistic and e-commerce alliances by investing RMB 28.3 billion in a 19.99 % share of Suning Commerce improving not only e-commerce but also logistics and incremental business through joint Omni-channel measures. In order to seize opportunities within China's local services market, Alibaba Group and Ant Financial Services Group set up an online to offline joint venture named Koubei in June 2015 [51]. The 2017 joint venture with Intime Retail (Group) Co. Ltd continues this development towards involvement in the brick and mortar market [65]. Pursuing the diversification of its portfolio by including social-media technologies the Alibaba Group launched its own mobile social media-networking app Laiwang (DianDianChong) in 2013 investing USD 200 million in the photo-messaging app SnapChat they officially launched DingTalk as a mobile group-messaging tool. It was tailored to meet the needs of SME's and announced their definitive merger agreement with Youku Tudou, the Chinese equivalent to YouTube enabling Alibaba to offer high-quality US films and series to their consumers and to strengthen its dominant position in Chinese e-commerce. However, investments in classical news and media companies were not neglected. By

acquiring 60% of the movie and television program producer ChinaVision Media group Ltd. during 2014 [66], Alibaba intended to increase the number of spectators watching Ali TV. Amongst other media assets of SCMP Group Ltd. Alibaba purchased Hong Kong's leading English language newspaper, South China Morning Post in 2015 and made a substantial investment of 193.6 million US $ into a 30 % stake of China Business News thus completing the formal establishment of the Alibaba Digital Media & Entertainment Group [67]. Alibaba music and Alibaba sports branch followed within this expansion. Reinforcing its global position as a cloud service provider, Alibaba Cloud announced plans to open its international headquarters in Singapore by the end of 2015. At the end of 2016, came the cooperation with Vodafone concerning the usage of their high-security data centres at Frankfurt a.M. (Germany), which complied with strict German data protection laws and thus appeased European customers' concern with data privacy [68]. Accelerating retail innovation, Taobao recently inaugurated a staff-less Tao Café [69], a smart speaker, as well as a fully automated car vending machine closely following the launch of their OS'Car in collaboration with SAIC Motor Corp at the end of 2016 [70]. OS'Car is the first YunOS-enabled, mass-produced Internet car. Incited by Jack Ma's vision of becoming the world's fifth largest company by 2036 [71] Alibaba also looks beyond e-commerce investing in bleeding-edge technologies of A.I. and machine learning to make cities smarter while enhancing customer experience [40]. Alibaba.com, the first Alibaba group platform, remains up to now the most significant B2B marketplace in the world, connecting SME's and other businesses on a global level. However, MA's dreams are large, and his ambition is no less than to build the future infrastructure of commerce. "We envision that our customers will meet, work and live at Alibaba and that we will be a company that lasts at least 102 years!" [56].