China Retail Marketplace - Massive and Fast Growing Ecosystem

JIANG Fan, President of Taobao, Tmall and Alimama
01 Fast & High-quality Growth
商家与多元供给发展
高质量规模增长

02 Development of Merchants & Product Supplies
消费体验创新

03 Consumer Experience Innovation
商业基础设施升级
Rapid User Growth with Increasing Consumer Engagement

中国零售市场MAU达8.74亿
874 Million Mobile MAUs

中国零售市场年度活跃消费者达7.42亿
742 Million AACs

Notes:
1. China retail marketplaces mobile monthly active users (MAU) for each month.
2. China retail marketplaces annual active consumers (AAC) for the twelve months ended on the last day of each quarter.
3. Average number of purchases per AAC in the twelve-month period ended on the last day of each quarter.

Annual Purchases per AAC

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2. China retail marketplaces annual active consumers (AAC) for the twelve months ended on the last day of each quarter.
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Number of Annual Purchases per AAC
YoY Growth of Number of Annual Purchases per AAC
User Value Growth: ARPU of New Consumers

平台消费者价值提升：新消费者年度ARPU

Annual ARPU of New Consumers

各年度新增消费者在未来几年的ARPU变化趋势

Note:
1. Annual average ARPU of consumers for each year indicated, starting from the year in which the consumers made their first purchase on our marketplaces.

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Fast Growth in Paying 88VIP and Taobao Pass Members

Paid Membership Programs

Number of paying members (1) >30Mn

ARPU increase for consumers after joining Taobao Pass Program (2) +30%

Notes:
1. Expected number of paying members of 88VIP members and Taobao Pass members at the end of September 2020.
2. ARPU increase achieved in A/B testing.
## YoY Growth of Tmall GMV(1)

<table>
<thead>
<tr>
<th>Category</th>
<th>Q2 FY20</th>
<th>Q3 FY20</th>
<th>Q4 FY20</th>
<th>Q1 FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>26%</td>
<td>24%</td>
<td>10%</td>
<td>27%</td>
</tr>
<tr>
<td>FMCG</td>
<td>8%</td>
<td>8%</td>
<td>30%</td>
<td>4%</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Notes:
1. Tmall online physical goods GMV excluding unpaid orders.
2. China retail sales from the National Bureau of Statistics.

## YoY Growth by Category: Tmall(1) vs Market(2)

<table>
<thead>
<tr>
<th>Category</th>
<th>Tmall: YoY Q1 FY21</th>
<th>China Retail Sales: YoY Q1 FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>17%</td>
<td>-8%</td>
</tr>
<tr>
<td>FMCG</td>
<td>40%</td>
<td>6%</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>27%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Taobao: Strong Growth Potential Ahead

Taobao GMV YoY Growth (1)

New Shops Opened in H1 2020 (2)

Notes:
1. YoY growth of Taobao monthly GMV excluding unpaid orders and online auction business.
2. Includes newly opened and reopened shops.

Taobao: Strong Growth Potential Ahead
淘宝展现出明确的增长潜力

Taobao GMV YoY Growth
淘寶GMV增長（不含拍賣）

New Shops Opened in H1 2020
H1 2020 淘宝新开店铺数

7Mn+

Notes:
1. YoY growth of Taobao monthly GMV excluding unpaid orders and online auction business.
2. Includes newly opened and reopened shops.
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Tmall: Better Engagement for Brands and More Diverse Products for Consumers

Brands:
Better Connections with Consumers

Products:
More Differentiated Brands

Tmall Flagship Store 2.0
Comprehensive Portfolio of Marketing Programs
New Brands Incubation
Trendy Brands
Luxury Brands

天猫：更好的消费者触达，更丰富的差异化供给
Tmall Flagship Store 2.0: Empowering Brands to Reach and Engage Consumers

旗舰店2.0：助力品牌触达与运营消费者

Enhanced Data Applications
数据应用升级

- Merchants benefiting from enhanced segmentation
- Value generated by each unique visitor

~270K
+15%

Improved Online-Offline Connectivity
线上线下能力升级

- Tmall flagship stores opened by existing offline shops
- Daily consumer interactions with mini programs

~120K
93Mn

Increased Openness
开放能力升级

Notes:
2. Value increase achieved in A/B testing.
Comprehensive Portfolio of Marketing Programs for Different Objectives

营销活动矩阵：助力品牌达成营销目标

Brand/Product Awareness
Purchase Growth
Customer Loyalty
...
Tmall: New Brands Incubation

Fast Growth of New Brands

Number of new brands YoY growth (1)
~70%

New brands GMV YoY growth (2)
~120%

Notes:

New Brands Support Program

Lip Gloss Top Seller (3)
COLORKEY

Meal Replacement Top Seller (3)
WonderLab

Robot Vacuum Cleaner Top Seller (3)
Narwal

Undergarments Top Seller (3)
Ubras
Tmall is Driving Trendy Fashion Brands Consumption

Tmall is leading the rapid growth of trendy fashion brand consumption.

Accelerated Onboarding of International Trendy Brands

Global representative trendy brands are accelerating their入驻.

Marketing Programs for Trendy Brands

Trendy brands have exclusive marketing playgrounds on the Tmall platform.

Fast Growing Demand

Demand for trendy brands on the Tmall platform is growing rapidly.

Notes:
2. YoY growth in the number of consumers purchasing trendy brands for the month ended June 30, 2020.
Global luxury brands onboarding rapidly

- Luxury product listings YoY growth: ~50%
- Number of brands: 400+

Notes:
Taobao: Rich Product Assortment to Meet All Kinds of Demand

Specialty Collections
- Fast Fashion: Taobao iFashion
- Home Decoration: Taobao Jiyoujia

Diverse Long-tail Supply
- Influencer Shops
- Directly-sourced Products

淘宝：多元化供给满足消费群体的各类需求

淘宝极有家
## Taobao iFashion: Rapidly Growing Fast Fashion Apparel Platform

### Quick Launch of New Products

<table>
<thead>
<tr>
<th>Monthly new items&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>New items’ GMV contribution (11.11 2019)&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;600K</td>
<td>~60%</td>
</tr>
</tbody>
</table>

### High Engagement

<table>
<thead>
<tr>
<th>GMV contribution from fans&lt;sup&gt;(3)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;50%</td>
</tr>
</tbody>
</table>

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Notes:
1. For the month of June 2020.
2. New items as percent of iFashion GMV in 11.11 Global Shopping Festival 2019.
Taobao Jiyoujia: One-stop Home Decoration Shopping Platform

- **Influencer Shops**
  - Number of merchants YoY growth: ~50%
- **Online-to-Offline**
  - Number of New Retail merchants YoY growth: >200%
- **Designers**
  - GMV YoY growth: ~100%
- **Factory Outlets**
  - GMV YoY growth: ~50%

Notes:
Taobao: Influencer Incubation Driving New Supplies
淘宝：持续达人孵化与商业化带来平台增长

Influencer Shops Business Models
达人店铺商业模式

- **Influencer select shops**
  - 达人严选买手店
  - 13,000

- **Influencer original brands**
  - 达人原创品牌
  - 200+

Top Influencer Incubation
头部达人店铺孵化

- **Number of influencer shops with annual GMV >RMB 10Mn**
  - 7,000+

Notes:
Taobao: Driving Prosperity in Agricultural Areas and Industry Belts

Agricultural Areas

- County-level Economies
- Farmer Live Streamers

Industry Belts

- Export-oriented Enterprises
- Wholesalers
- High-Performance Factories

Taobao: Driving Prosperity in Agricultural Areas and Industry Belts

淘宝助力农业原产地与产业带繁荣发展
Taobao Deals: A New Marketplace for Value-Conscious Consumers

淘宝特价版：打造极致性价比的购物平台

Value-for-money Products

特色供给：外贸企业，1688供给，产业带等性价比产品

Gamified Shopping Experience

消费者体验：全端游戏化

Winning Value-for-money Mindshare

营销策略：专属IP，打造性价比心智

Taobao Deals MAU

~55Mn

C2M orders YoY growth (Aug 2020)

>90%

2020年8月C2M订单同比增长
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商业基础设施升级
Product Evolution to Enhance User Experience

2003-2013: Display shelves: search & buy
2014-2019: Recommendations & content: discover & buy
2020+: Immersive and interactive shopping experience

User Experience
- Display shelves: search & buy
- Recommendations & content: discover & buy
- Immersive and interactive shopping experience

User Products
- Search
- Recommendation Feeds
- Live Streaming
- Short-form Videos
- Interactive Entertainment
- Immersive Brand/Item Display

New user products are accretive and complement existing ones
Search: Product Upgrade is Driving Sustained Growth

Daily unique visitors from search steady YoY growth

Daily item page views from search YoY growth acceleration

Location-based Search

Enhanced Category Search

Profile-based Smart Search

Multi-modal Search

Profile-based Smart Search

Enhanced Category Search

Multi-modal Search

+10pp
Recommendations: Increasing Popularity and Clear Growth Potential

Diverse content in recommendation feeds

Page views from recommendation feeds

~30%

Q1 FY20  Q1 FY21

Mobile Taobao: expanded recommendation feeds

信息流产品：更多渗透带来明确增长潜力

Recommendations: Increasing Popularity and Clear Growth Potential

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Q1 FY20  Q1 FY21

Mobile Taobao: expanded recommendation feeds

信息流产品：更多渗透带来明确增长潜力
Taobao Live Maintaining Rapid Growth
淘宝直播：规模保持高速成长

- **GMV**
  - LTM Q1 FY21
  - Q2 FY20-Q1 FY21直播GMV

- **Unique Visitors**
  - YoY Growth in Q1 FY21
  - 直播间UV同比增长

- **Live Streaming Merchants**
  - YoY Growth in Q1 FY21
  - 直播覆盖商家数同比增长

- **Live Streaming Hosts**
  - YoY Growth in Q1 FY21
  - 直播覆盖人数同比增长

- **RMB 300Bn+**
- ~160%
- ~220%
- >8X
Taobao Live: Diverse Ecosystem Driving Sustained Fast Growth

- MCN/KOL
- Merchants
- Juhuasuan Self-operated Channel

Notes:
1. For the quarter ended June 30, 2020.
Short-form Videos: Product Innovation Drives Growth
短视频：产品创新驱动短视频爆发式增长

+170%
Unique Viewers YoY Growth (1)
短视频观看人次同比

+800%
Video Views YoY Growth (1)
短视频观看UV同比

Empowering Retailers and Brands
短视频升级店铺 + 品牌展示

Smart Bundled Recommendations
短视频+搭配购

Immersive Content
短视频+沉浸式内容详情

Note:
1. For the quarter ended June 30, 2020.
Interactive Entertainment Products

~260Mn
MAU

Interactive Entertainment

Innovative Engagement

In-game Branding and Shopping

“Super Interactive Ads”

>40%
MAU YoY Growth

Note:
1. Deduplicated number of monthly active users (MAU) of interactive games in July 2020.
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Avg. Time Spent on Page</th>
<th>Avg. Item Purchases</th>
<th>Purchase Conversion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home decoration 3D showroom</td>
<td></td>
<td>+50%</td>
<td>+25%</td>
<td></td>
</tr>
<tr>
<td>Luxury: spectacle frames virtual try-on</td>
<td></td>
<td>+100%</td>
<td></td>
<td>+35%</td>
</tr>
<tr>
<td>Apparel: shoes virtual try-on</td>
<td></td>
<td>+150%</td>
<td></td>
<td>+50%</td>
</tr>
</tbody>
</table>

Note:
1. Increase achieved in A/B testing.
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Integrated Design of User Products and Monetization Products

用户产品与商业化产品的一体化设计战略

Native design based on evolving user experience

基于用户体验变迁的原生商业化设计

User Experience

用户体验

Display shelves: search & buy
货架式：搜索后购买

Recommendations & content: discover & buy
信息流&内容化：发现后购买

Immersive and interactive shopping experience
沉浸式、互动式体验中购买

User Products

用户产品

Search
搜索

Live Streaming
直播

Interactive Entertainment
交互娱乐

Monetization Products

商业化产品

Search Advertising
搜索推广

Short-form Videos
短视频

Immersive Brand/Item Display
沉浸式品牌/商品展示

"Super Recommendations" 超级推荐
"Super Live Streams" 超级直播
"Super Videos" 超级短视频
"Super Interactions" 超级互动

Monetization Products Innovation
Monetization Products Innovation

Upgrading Existing Products

- Display Ads
- Super Recommendations
- Search Advertising

Innovative New Products

- Super Live Streams
- Super Videos
- Super Interactions
- SMB Ads

New Formats\(^1\) as % of CMR in Q1 FY21

(Q1 FY21新型广告产品在客户管理收入中的占比)

\(~20\%

Note:

1. The new formats in CMR mainly include recommendation feeds, Taobao Live and BABA farm, which are in addition to our traditional formats, such as search monetization, display marketing services and Taobaoke program.
Merchants Brand Marketing Spending during 2020 6.18 Mid-Year Shopping Festival YoY Growth ~100%

Number of Brand Advertisers YoY Growth Q1 FY21 ~100%

Brand Advertising Innovation

Brand Building

Search

Interactive

Display

Interstitial
Product Innovation Drives Healthy Growth of Advertisers

商业化产品创新推动广告客户增长

Tmall and Taobao Daily Average Active Advertisers YoY Growth

热门/跨境电商活跃广告客户数同比增速

- Tmall
- Taobao

YoY >20%
Continuous Customer Value Creation Drives Long-term Growth
To Make It Easy To Do Business Anywhere

让天下没有难做的生意