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Upbeat e-Tailers Market “Merry & Bright” To Increase Holiday Sales

Word-of-mouth tops marketing tactics for US e-tailers;

Women spend early and four times more than men on holidays

Santa Clara, Calif., November 9, 2011 – Are you tired of all the doom and gloom? “So are we,” U.S. e-tailers say in a new survey conducted by Alibaba.com, one of the world’s largest business-to-business (B2B) online marketplaces. E-tailer optimism was the overriding message from the survey of more than 1,200 online merchants, with a sleigh-load of creative marketing ideas promising to keep consumers’ spirits bright this season.

Optimism Reigns

The survey shows that more e-tailers are feeling upbeat about this year’s holiday sales. In fact, six out of 10 (64%) e-tailers say they plan to use optimism as a theme to market their products. More than half (60%) of e-tailers say they may focus on products that are bright, bold and cheerful, for example, and avoid conservative designs and colors.

Overall, seven out of 10 (70%) e-tailers surveyed had changed their product offerings either drastically or moderately in the past year to follow market trends and customer needs. Some also expressed a desire to explore a new niche market to try new products that will attract budget-conscious customers. However, seven out of 10 (69%) online merchants in the survey had not designed or customized their own products, though a few are currently working on ideas. This presents a huge opportunity for those with the courage to innovate.

“Alibaba.com understands the value of optimism. Our online community is driven by innovation, providing a marketplace for entrepreneurs with a vision of new or improved products. Despite our global economic woes, this spirit of entrepreneurship is not flagging in the U.S. - which is good news for consumers and the market as a whole,” said Linda Kozlowski, director of global marketing and customer experience.

Spend by Gender

According to e-tailers, women spend about four times more than men during the holidays. Women buy early and buy more; men buy last-minute and big-ticket items. Women can be pickier, too, and tend to ask more questions before they buy; men buy exactly what is wanted regardless of the price. E-tailers also say that people are treating themselves more and buying more for themselves than for others. In fact, six out of 10 (62%) of the e-tailers themselves plan to spend the same or less on gifts for others in comparison to what they spend on themselves this year. As one respondent said, "People are tired of living economically and have been splurging on just one large-ticket vanity item."

Word-of-Mouth Wins

To reach consumers this holiday season, e-tailers plan to use word-of-mouth as their main marketing tactic. It takes the top spot (45%), beating out social media (42%), email marketing (34%), online advertising (33%) and coupons (14%). For e-tailers who do use social media, Facebook is their number one go-to tool (61%), followed by Twitter (21%) and YouTube (13%). But not everyone is a social media convert; four out of 10 (40%) of the respondents say they still don't use social media. Additionally, three-quarters (75%) of those who use Facebook use the fan page to promote their products and have not used other advanced features such as Facebook ads.

"Word-of-mouth marketing is incredibly important in a world of online communities and instantaneous communications. But it can also be a great advantage to the entrepreneur or start-up since it has the ability to level the playing field between them and even the largest well-established corporation," said Susie Wang, founder of [100% Pure](#). "If you have a good business idea, Alibaba.com can help you marshal global resources to make it a reality and word-of-mouth marketing can help you make it a success."

The survey also finds that e-tailers plan to drive holiday sales by offering free ground shipping (47%), expedited shipping (43%) and discounts (43%). Other popular tactics include offering limited-time deals (28%) and updating website design (25%). Only a very small percentage will partner with popular group buying sites (3%). In terms of discounts, most e-tailers are offering discounts of between 10% and 20%. Larger discounts will be very rare this year: only 3% of the

e-tailers planned to offer discounts of more than 30%. The holiday discounts will start in mid-November and run through early December, but will drop sharply after mid-December.

About the Survey

The survey was conducted by Alibaba.com and its U.S. subsidiaries Vendio and Auctiva, e-commerce solution providers for more than 250,000 online merchants, between October 26 and November 2, 2011. The survey polled a sample of 1,268 e-tailers who have 10 or fewer employees. A majority of them sell in the collectibles, fashion, and home and electronics categories.

About Alibaba.com Limited

Alibaba.com (HKSE: 1688) (1688.HK) is the global leader in e-commerce for small businesses and the flagship company of Alibaba Group. Founded in 1999 in Hangzhou, China, Alibaba.com makes it easy for millions of buyers and suppliers around the world to do business online mainly through three marketplaces: a global trade platform (<http://WWW.ALIBABA.COM>) for importers and exporters; a Chinese platform (www.1688.com) for domestic trade in China; and a transactionbased wholesale platform on the global site (www.aliexpress.com) geared for smaller buyers seeking fast shipment of small quantities of goods. Together, these marketplaces form a community of close to 69 million registered users in more than 240 countries and regions. As part of its strategy to transition into a holistic platform where small companies can build and manage their online business more easily, Alibaba.com also offers Chinese traders a wide array of business management software, Internet infrastructure services and export-related services directly or through companies it has acquired including HiChina and One-Touch, as well as educational services to incubate enterprise management and e-commerce professionals. Alibaba.com also owns Vendio and Auctiva, leading providers of third-party e-commerce solutions for online merchants. Alibaba.com has offices in more than 70 cities across Greater China, India, Japan, Korea, Europe and the United States.

About Vendio and Auctiva

Vendio is a leading multi-channel e-commerce software solution that helps merchants sell wherever buyers are shopping. Vendio enables merchants to sell through online marketplaces,

comparison shopping engines, a SEO-friendly web store and harness the power of social commerce, with an integrated app to sell on Facebook. Merchants use the Vendio platform to list products, and manage inventory, orders, and customers. To learn more, please visit

<http://www.vendio.com>

Auctiva is a leading provider of e-commerce solutions, and the largest eBay Certified Provider. Founded in 1998, Auctiva gives small merchants the power of large corporations by helping them build their brands, market their products and sell efficiently. Auctiva offers a wide array of listing, marketing and managing tools, as well as image hosting. For more information, please visit <http://www.auctiva.com>.

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