

# Research on Organization and Management in Taobao Operation

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**Abstract.** Credit swiping is a reality due to various flaws in Taobao's credit rating mechanism. As e-commerce enterprises' influence and service capabilities grow, the benefits of online shopping are further underlined. On April 21, 2003, Alibaba Cloud Computing purchased the domain name taobao.com. Today's mainland e-night shopping sector has seen C2C grow more faster than B2C recently. iResearch statistics indicate that Taobao's daily user increase is about 19,025. The Taobao business model is contradictory in and of itself. On the basis of this, Taobao.com creates a credit rating system. The primary sources of revenue for Taobao.com in 2018 are advertising and website click through fees, although this is not a sustainable business model. This article examines the C2C Taobao.com e-commerce business model without mentioning B2C mode. Additionally, Taobao is the indisputable market leader in vertical B2C and integrated B2C profit thanks to years of work developing consumer online purchasing habits. There is presently a three-way competition between Taobao, Eachnet, and Paipai on the local C2C market.

**Keywords:** Taobao, Business Model, Organizational Behavior.

## 1. Introduction

Taobao is used for a sizable portion of e-commerce transactions due to the size of its market and population. As a result, it is critical for us to comprehend their organizational structure, management methods, and marketing tactics. The purpose of this homework is to have a deeper understanding of Taobao. The most well-known online marketplace in China is Taobao, a well-known e-commerce website owned by Alibaba. Taobao works in tandem with its merchants to offer common consumers a safe and affordable purchasing environment. Online shopping has grown in importance for Chinese consumers as a result of the Internet's rapid expansion [1]. The volume of online shoppers and transactions in China will increase in 2021, there will be a clear uptick in consumer sophistication, and there will be greater domestic brand recognition among online shoppers. Future predictions indicate that the network replacement rate will likely increase even more, and that strict industry regulation will help the online retail sector grow. Online shopping can make purchases more convenient since there are no restrictions on time or space, it broadens the categories that are available to customers, and it helps them select better and more affordable products. purchasing online is therefore.

Consumers are favoring green, high-quality products that are also healthy and sustainable. For instance, there is a trend toward significant increase in the consumption of smart homes, smart clothing, and smart home products. Sales of smart wearables, such as smart watches and smart glasses, surged by 36.3 percent and 26.8 percent, respectively, year over year. Sales of smart home devices increased by 90.5 percent. Outdoor-related goods sales climbed by 30.8 percent over the previous year, with sales of tents, ski equipment, surfing, and diving gear up by 57.0 percent, 55.2 percent, and 39.2 percent, respectively. Organic vegetable, milk, and edible oil sales rose by 127.5, 24.1, and 21.8 percent respectively year over year. Numerous products from intangible cultural heritage that excellently represent traditional Chinese culture have emerged as the new national trends, with year-over-year sales growth.

Although the Chinese e-commerce business has grown quickly, 10 billion yuan worth of transactions were made in the first half of 2005. Overall, the number and quality are still at a relatively low level, well below those of developing nations. The market for internet purchasing in mainland

China is still developing as a whole. Regarding the current mainland e-night shopping market, C2C has recently grown more quickly than B2C. Personal online stores in the C2C market have posed serious threats to B2C due to the benefit of not paying taxes, which is shown in the phenomena that numerous businesses are competing for the C2C market one after another, such as Tencent's creation of paipai.com. Generally speaking, cross-domain and integration represent the upcoming development trends.

## 2. The Introduction of Taobao

A Chinese internet marketplace is called Taobao. It is owned by Alibaba and has its headquarters in Hangzhou. It is the eighth-most visited website globally in 2021, according to Alexa ranking. Alibaba Cloud Computing registered the domain name taobao.com on April 21, 2003. Commerce has grown quickly in recent years, and the government has implemented a number of policies to encourage and support online purchasing. Traditional businesses are moving quickly to enter the internet retail space. 2010 saw the first round of listing for B2C businesses that had been in business for almost ten years [2]. The advantages of online shopping are further highlighted, and e-commerce companies' influence and service capacities are further enhanced. In the domestic C2C market, there is currently a three-way battle between Taobao, Eachnet, and Paipai. Taobao.com, the market leader in the C2C sector, with a share of 90.5 percent, creating a strong competitive base for profitability.

The job of taobao sellers should be to improve the quality of their products, ensure their logistics speed, and how to make reasonable prices. However, as Taobao system is more and more inclined to pay for advertising and online marketing, so as to achieve the purpose of promoting their own shops, therefore, More and more sellers have to spend money in this business environment to find advertising design professionals, building hot style gold title, to decorate their own shops, through to spend money to buy all kinds of marketing products, such as taobao advertising on the application of the most commonly used diamond booth, through train, the deduction by hits the software to make your baby or shop brush to the top of the top of several pages. Online shopping has become a part of people's life. Under the shopping standard of "the higher the seller's reputation, the more guaranteed the product quality", consumers choose which online store to shop in, often based on the seller's reputation. In order to make the online store operated by the seller occupy a place in the fierce online shopping environment, it can be said that the seller has used his skills in improving the reputation of his own store. Due to some defects in Taobao's credit evaluation system, there is the existence of credit swiping. Buyers can apply for multiple numbers by themselves, buy and sell by themselves, or hype by agreement with others.

The Taobao business model itself is riddled with contradictions [3]. For example, as Taobao traffic grows, hidden risks associated with mainstream e-commerce may go unnoticed. Additionally, years of cultivating consumer online shopping habits have made Taobao the undisputed leader in vertical B2C and integrated B2C profit. Therefore, Taobao must make the strategic decision to improve its core business in order to accelerate the platform's structure adjustment and resource integration, create online boutique bases, and create shopping platform enterprises with the highest level of global competitive power. According to market trend analysis, shopping platform taobao business orientation should be: to move directly affect consumers shopping online shopping goods quality varieties, shopping environment based trading services, logistics and distribution services for the core business, with advertising, promotion service, trading data of cloud computing, credit evaluation for value-added services. The distribution cost of individual transactions directly affects the transaction volume of both buyers and sellers. Currently, C2C transactions are still dominated by small quantities of goods, and the delivery cost generally accounts for about 10% of the transaction volume, which naturally increases the transaction cost [4]. Buyers and sellers are too dispersed, low commodity prices, small quantities and other characteristics, so that both parties can not solve the logistics problems by themselves, they must rely on the third party service. At present, most C2C websites in

China adopt recommended logistics, but this kind of cargo transport brings great inconvenience to traders. The logistics process is not only time-consuming, but also unsafe.

With the increasing competition of e-commerce platform, the competition for talents will become more and more fierce, especially for planning and creative talents. From the zenith of enterprise strategy development and company culture creation, Taobao should investigate the lack of talent cultivation and talent structure. From the zenith of enterprise strategy development and company culture creation, Taobao should investigate the lack of talent cultivation and talent structure. First, create a talent incentive system that stands out. Secondly, establish the thinking of international talent development. Focusing on the implementation of the international talent strategy should become the core of taobao's implementation of the new round of talent development strategy, with the internationalization of talent composition, talent quality and talent activity space as the basic ideas. Specifically, taobao sellers not only need to operate in good faith, adhere to selling real goods, good goods. Good after-sales service. While ensuring good service, we should learn taobao rules well, learn to use Taobao rules to protect ourselves and reasonably avoid operational risks. In addition, the problem of professional talents needed by Taobao is becoming increasingly prominent. For example, artists, background data analysis, shop beautification and decoration are in short supply, and these problems need to be solved urgently.

### 3. Taobao Business Model Analysis

Taobao.com's current business is conducted in both B2C and C2C formats. The C2C mode is the most common e-commerce business method of Taobao.com and is also the key to its rapid growth. Of these, the B2C mode mostly refers to the "Taobao Mall" part. Without taking into account B2C mode, this article discusses the C2C Taobao.com e-commerce business model. Consumer-to-consumer, or C2C, is to promote between private business models. Whether goods or services, this type of e-commerce connects people to trade.

The primary reason why Taobao can occupy the C2C e-commerce market rapidly in a short time is the implementation of the free strategy. Based on this, Taobao.com accurately positioned its market as a service for consumers. By using the free strategy to save consumers' costs, taobao.com quickly gained popularity. Free store is the best example. According to iResearch statistics, Taobao's daily user growth is around 19,025. As a brand new way of shopping, Taobao cultivates users' feelings, habits and service trust through their continuous experience and feelings, thus rapidly occupying the market. At the same time, although the service is free, it is also committed to providing first-class customer service to members through the call center. Facts show that Taobao's free store and free transaction fee free strategy, for its brand set a great success.

However, business is not charity and cannot survive without profit. Taobao's free strategy has won it market share and brand reputation, while its own profit model is in an awkward position. In 2018, Taobao.com's profit mainly depends on advertising revenue and website click rate revenue, but this is not a long-term profit method for commercial companies. In order to open up a new profit model, Taobao added a series of innovations such as "Taobao Mall" in B2C mode and "Attract wealth and Enter Treasure", but the effect was not obvious from 2018 to 2019. Therefore, taobao.com's main task at that time was how to maximize income and profit from the implementation of the free strategy. Anyone who has been to Taobao.com knows that the most important thing to pay attention to when buying a commodity is the seller's credit, which is mainly shown by the buyer's evaluation information on the seller and the commodity [5]. Taobao.com also establishes a credit rating system based on this.

Credit rating system is undoubtedly set up to protect the interests of consumers, but this system is easy to be taken advantage of by some online stores. In order to increase their credit limit, some Taobao stores often use the method of "brushing reputation" to improve their ranking and credit rating, which obviously violates the original intention of taobao to establish the credit rating system. This behavior of hyping false credit limit creates the illusion of prosperity of online market, which not

only causes consumers to suffer losses, but also reduces the image of Taobao, and misleads the decision-making behavior of decision-making institutions. To summarize, the C2C e-commerce business model of Taobao.com consists of the pricing model for products, the secure payment model, and the credit evaluation methodology. Even though there are still many flaws, the combination of these three C2C modes is Taobao's secret weapon for quick rise [6]. Taobao also created its own special instant messaging program, Taobao wangwang, which is crucial to the success of Taobao net and helps it overcome communication and network transaction restrictions.

### 3.1 The enterprise culture

The corporate culture of the Alibaba Group is focused on defending the interests of small enterprises. Consumers, businesses, third-party service providers, and others all have the chance to develop or gain by being a member of our ecosystem. Our company's success and quick expansion depend on our appreciation for entrepreneurship and innovation as well as our persistent commitment to satisfying the needs of our clients [7]. Strong, shared values, in our opinion, help us keep a constant corporate culture and the cohesion of our business at any level of growth. Prioritizing customers, employees, and shareholders in that order. It's our prerogative. It is our first focus. Employees can only develop, and stockholders can only profit in the long run if there is constant value creation for the consumer. Trust is both the most valuable and most fragile thing in the world. The story of Alibaba's development is one of creating and valuing trust. Simple you, simple world; you complex, the world complex. Ali people are straightforward and effective because they don't try to be someone they're not, they trust one another, and they don't worry as much. Life is for a lifetime, work is for a while. You own your work, just as you own your life and your family. Live as seriously as you work, and work as cheerfully as you live. Life will only treat you fairly if you take it seriously. We appreciate each Ali person's decision because we all have our own work and life attitudes. It is up to life itself to judge this value.

### 3.2 Leadership style

Robert Hargrove once said, "More important than strategy is leadership." In this context, the term "strategic leadership" primarily refers to leadership that is aligned with the positional and non-positional authority of the strategic leader. There are three characteristics of strategic leadership: the first is the whole situation, or taking a broad view of issues; the second is inclusivity, or measuring individuals [8]. The third quality is acuity, which refers to the observation and solution of issues that deviate from the intelligence of regular people. Jack Ma, the principal creator of the Alibaba Group, was born on September 10, 1964, in Hangzhou, Zhejiang Province.

Jack Ma is an extremely rigorous boss that expects a lot from his team members. He has long anticipated that Alibaba will emerge as the ideal venue for young people to launch, expand, and build their businesses. His advice to prospective hires was to follow the five steps of look, believe, think, act, and share to grow oneself within three years of joining the organization. First, gaze, that is, speak less, pay attention, and act positively. The second is faith, which entails repeatedly assessing your level of belief in your business and your idea. If you are sincere, work hard and without hesitation; if not, make the decision to stop. Then, is thinking, that is, being good at thinking, thinking things through before acting, being cautious and conscientious, abiding by their own obligations, thinking more about how to seek benefits for the company, do not cause the company undue trouble, and make contributions to the company's future. Learning without thought is pointless, just as learning without knowledge is dangerous. They are typically self-aware, adept at identifying their own issues, and proactive in solving them. Additionally, action—that is, the ability to actually do something—is more important than merely speaking. The only standard for determining truth is practice. More employee initiative is needed to advance the interests of the employer. Finally, share for their own opinions and to communicate more with superiors and coworkers. Our business will be stronger if everyone is skilled at sharing. Then and only then can Alibaba be developed into a great Chinese corporation.

Ma is also skilled at speaking clearly with her team. Communication is a form of self-promotion and a useful tool for self-expression. He frequently talks with his staff in his role as an organization's leader to prevent misunderstandings and alienation [9]. Concerned about their ability to work, employers frequently inspire and encourage staff members and let them know how much they care about their lives and jobs. Learn about the engagement and satisfaction of the workforce. In terms of motivation, Ma said that he did not know how to motivate his employees, but that they carried out the goals they thought were feasible. So, a great entrepreneur is not lip service, need is strength. Jack Ma is such a person.

#### **4. Suggestions Based on Organizational behavior Thoery**

The science of organizational behavior examines the psychology and predictable behavior of individuals inside a certain organization. In order to more effectively accomplish the goal of organization reservation, it adopts the system analysis method and integrates the use of psychology, sociology, anthropology, physiology, biology, economics, and political science knowledge. This method studies a certain regularity of psychology and behavior of its people and helps leaders and managers at all levels be better at predicting and directing that behavior. The fundamental laws and common practices of management activities are methodically studied by the science of management. The goal of management is to increase productivity by rationally allocating resources like as people, money, materials, and other resources in order to satisfy the demands of modern socialization of large-scale production. An extensive interdisciplinary subject, management.

Clarifying the issue is the first stage in conducting an organizational behavior research. The aim of a researcher is to frame the issue in terms that are acceptable to all sides, making it clear and manageable. Early investigations may show that the majority of managers think that while staff follow directions, they are not organized. Employees worry that there aren't enough people to handle requests at the same time [10]. Combining data from different examples will uncover patterns that reflect the company's reality as the information you receive from each case only provides a limited view of the situation. The type of data you gathered will determine how you do your analysis. Run statistical analyses on quantitative data, using the proper sample size, ranging from straightforward correlations to multiple regressions. Analyses for qualitative data might range from straightforward classification schemes to meticulous coding, always keeping the sample size into consideration. Use these methodical strategies to identify the underlying causes and their respective consequences. Use visual aids like tables, graphs, and flowcharts to present the findings in an easy-to-understand, well-organized manner wherever possible.

The last study phase makes suggestions for solutions after the true causes of the organization's problem are made clear. Every resolution should be expressed as a goal statement that depicts ideal circumstances and that supports constructive forces: "Build a collaborative environment where management and workers share accountability for the manufacturing process and its results." Inhibit negative influences as well by "reducing unnecessary corporate expenses, shifting funds to hire more staff for the clothes segment." Employees and managers should work together to design and implement initiatives, and the situation at the organization should be reviewed frequently to track success and make necessary adjustments.

#### **5. Conclusion**

However, as the Taobao system is more and more inclined to pay for advertising and online marketing, in order to achieve the purpose of promoting their own shops, more and more sellers are required to spend money in this business environment in order to find advertising design professionals, build hot style gold titles, and decorate their own shops through the expenditure of money to purchase all types of marketing products, such as Taobao advertising on the application of the most widely used marketing strategies. The following should be the business orientation of the Taobao shopping

platform, per market trend analysis: to move directly affect consumers shopping online for goods of quality varieties, trading services based on the shopping environment, logistics and distribution services for the core business, with advertising, promotion service, trading data of cloud computing, and credit evaluation for value-added services. Taobao's new round of talent development plan should center on the implementation of the international talent strategy, with the internationalization of talent composition, talent quality, and talent activity space as the fundamental concepts.

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