

Alibaba Group (NYSE: BABA; HKEX: 9988) runs China's largest online marketplaces, Taobao and Tmall, where it mostly does not own the goods: merchants pay it for pay-for-performance marketing and other customer management services, and it adds quick commerce delivery, international marketplaces, wholesale memberships and Alibaba Cloud. FY2026 (year ended Mar 31, 2026) revenue was RMB1,023.7B (US\$148.4B, +3%; +11% excluding the disposed Sun Art and Intime stores), of which customer management revenue was RMB343.9B (+5%) and Cloud Intelligence RMB158.1B (+34%). Income from operations fell 64% to RMB50.2B and net income 19% to RMB102.1B (US\$14.8B) as Alibaba spent heavily on quick commerce, user experience, Qwen app user acquisition and AI infrastructure; capital expenditure was RMB126.1B against operating cash flow of RMB76.2B. June quarter 2026 revenue was RMB269.0B (+9%), with AI Cloud and Compute Services up 45%.

BUSINESS MODEL CANVAS

Alibaba

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Evidence-backed · sources in companion brief

KEY PARTNERS

- Merchants, brands and retailers supply the goods sold on Taobao, Tmall, AliExpress and Alibaba.com (FACT).
- Third-party service providers and strategic alliance partners are part of the platform ecosystem (FACT, annual report).
- Cainiao, Freshippo and Alibaba Health sit in All others, revenue RMB254.4B in FY26 (FACT).
- More than 30 automakers and autonomous driving companies use T-Head Zhenwu chips (FACT).
- Sun Art and Intime were disposed of, cutting reported revenue growth to +3% from +11% like-for-like (FACT).

KEY ACTIVITIES

- Run marketplaces and sell merchants marketing and software services (FACT).
- **Scale quick commerce** — revenue RMB78.5B in FY26, +47% (FACT).
- Train and release Qwen models such as Qwen3.6-Plus, with a 1-million-token context window (FACT).
- Operate Model Studio, a model-as-a-service platform whose customer base grew eight-fold in a year (FACT).
- Design chips at T-Head; over 100,000 Zhenwu PPUs deployed on Alibaba Cloud's public cloud (FACT).

KEY RESOURCES

- 88VIP members passed 62 million, growing by double digits (FACT).
- Cash and other liquid investments RMB520.8B at Mar 31, 2026; RMB474.5B at Jun 30, 2026 (FACT).
- 131,462 employees at Mar 31, 2026 (FACT).
- Qwen LLM family, Model Studio platform and T-Head chips form the AI stack (FACT).
- Capital expenditure RMB126.1B in FY26 builds data centers and chip capacity

VALUE PROPOSITIONS

- **Shoppers** — wide selection, 88VIP benefits and the Qwen Shopping Assistant (FACT).
- Fast delivery of food and non-food goods through Taobao Instant Commerce and Ele.me (FACT).
- **Merchants** — traffic, marketing tools and the Wukong AI agent for operations (FACT).
- **Global SMEs** — Alibaba.com plus the Accio and Accio Work agents for cross-border trade (FACT).
- **Enterprises** — Qwen models, Token Plans and agents on Model Studio (FACT).

CUSTOMER RELATIONSHIPS

- **88VIP members** — more than 62 million, the highest-spending group (FACT).
- Business development program ties merchant subsidies to their marketing spend on the platform (FACT).
- The accounting change nets those subsidies against customer management revenue (FACT).
- AI agents (Qwen Shopping Assistant, Wukong, Accio) add service layers for shoppers and merchants (FACT).
- Model Studio customer base grew eight-fold year over year as of March 2026 (FACT).

CHANNELS

- Taobao and Tmall apps and sites (FACT).
- Qwen app, now with Taobao and Tmall e-commerce built in (FACT).
- Taobao Instant Commerce and Ele.me for quick delivery (FACT).
- AliExpress, Lazada and Alibaba.com for international and wholesale (FACT).
- Alibaba Cloud and Model Studio for enterprises and developers (FACT).

CUSTOMER SEGMENTS

- Chinese consumers, including 62M+ 88VIP members (FACT).
- Chinese merchants and brands paying for marketing and services (FACT).
- International shoppers and sellers on AliExpress and Lazada (FACT).
- Global small and medium businesses on Ailibaba.com wholesale (FACT).
- Enterprises, developers and carmakers on Ailibaba Cloud (FACT).

COST STRUCTURE

- Cost of revenue RMB616.1B, 60.2% of revenue (FACT).
- Sales and marketing RMB245.0B, 23.9% of revenue vs 14.5% a year earlier (FACT).
- Product development RMB66.5B (6.5%); general and administrative RMB33.1B (3.2%) (FACT).
- Goodwill impairment RMB9.5B vs RMB6.2B; share-based compensation RMB14.8B (FACT).
- Capex RMB126.1B vs operating cash flow RMB76.2B, so free cash flow was -RMB46.6B (FACT).

REVENUE STREAMS

- Customer management revenue RMB343.9B in FY26, +5% (FACT).
- Quick commerce RMB78.5B (+47%); direct sales, logistics and others RMB105.5B (+2%) (FACT).
- International commerce RMB144.2B (+9%) across retail and wholesale (FACT).
- Cloud Intelligence RMB158.1B (+34%); AI-related products RMB12.4B in the June quarter (FACT).
- **June quarter 2026** — revenue RMB269.0B (+9%); customer management revenue -7% (FACT).