Alibaba is a very famous, successful, and well recognized name in Chine’s e-commerce market. Alibaba is influencing directly the Chine’s economy by working as intermediate between the sellers and the buyers. I believe that there are many facts and factors that help Alibaba to achieve competitive advantages. These factors will be discussed below and analyze if they are sustainable or not.

**The first advantage is Location**- China has a very strong purchasing power because of the large population. There are about 560 million Alibaba website users, which makes Alibaba attain required information to know exactly what products is highly on demand and what style, quality and quantity preferred . Decisions are made fast because the large amount of data received from the website users “[writes Ken Hao](http://finance.fortune.cnn.com/2013/06/21/ecommerce-global-internet-economics/).”1

**The second advantage, is Economy of scope**, the cost saving. Alibaba is selling different products by using one sales channel. “The websites” with two retails sites Taoboa & Tmall. So as I know most information Alibaba is getting from the revenue of the sales at Toaboa & Tmall. They can use those information to produce more as fast as possible, they will cut down the time. These advantages are making Alibaba very successful in reducing cost and increasing the revenue of sales. I think this is the most clever thinking if you want to growth fast efficiently and affectivity.2

**The third advantage is scale. “**Juro Osawa” argue that Alibaba has advantage on saving cost by associating with large volume of sales. There are deliver transaction volume by Toaboa and Tmall ($163 billion).

This gives Alibaba the advantage to be in a high position to lead the market. What better chosen method to sell your products or services b than Internet, which is accessible in every home without needing to leave the premises.

**The forth advantage is Networking**; there are many benefits return to Alibaba’s success.

1. Alibaba has built a very strong brand name, which make it very easy to attract customers and the suppliers. The more people knows the business the more people will join to buy their products.
2. Real time data, influence the qualitatively of the product and services.
3. Expanding the audience for your products and services, will increase your revenues.

**The fifth advantage is the good relationship with the Chain’s Government**. The government has the rule to encourage all people to buy from Alibaba because they should help the society to be development. In addition, it will reduce the unemployment and increasing the usage of the internal resources. This way Alibaba will assist the economy to keep growing. Good relationship with government will help Alibaba’s vision and mission to meet government goals and objectives.

**Information technology** support the company’s business processes and decision making to achieve the competitive advantages. Furthermore, they will help the business to generate revenue “Khaled Ahmed Nagaty**”5**. The internet can provide the information required in short time or let say in real time to infrastructure the business needs for efficient operations, which will lead to effective the management.

Organization are increasingly competing in global market. In my opinion, they should continue the investment in newer technologies to enable their ability to be very competitive. Also they required to develop new strategies with companies in exits industries this will help the organization to enter new markets. Whenever, the organization follow with better applications using with open system environment defiantly will force the organization to reduce the cost and increase the revenues.

I believe all companies should note that the field of technology is changing very fast. To catch those changing the business management to have to keep training their employees to improve their skills and to develop the system of hardware. They should follow the differentiation methods to sustainable the competitive advantages. Keeping updating with the technology changing with improving human skills will help in achieving goals. Information technology will save the efforts, and reducing the time, which need to the work be done. Increasing the quantity with high quality. The most magic thing that the information technology is getting benefits from the real time information. It is keeping the organization business updating with all required information in very short time.

Even it is helping to increase the customers; it is saving their time and reducing their other expenses such as travelling expense. It will encourage the management to come with clear and meangufil strategic. The information technology will help the organization to have clear mission and vision. For example, the quantity of their product or services will impress their customers.

It will give complete image about the other competitors in the market. In addition, collecting the data will help the organization to know more about their customers. They can easily segmentation the customers. It will determine which are their majority to follow it. It will show the organization the target audience, who and whom is interesting to buy their products or services. In addition, it can be exactly determine which sales strategy to be following, did they should go to follow the cost leadership or differentiation strategy to have the competitive advantage.

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