

What's Going on with Global Online Marketplaces?

Amazon rules in the US, but this dominance isn't universal

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Rimma Kats

There is little doubt that [Amazon dominates online marketplace sales in the US](#), but is this the case worldwide? Where does Alibaba fit in, and do these major retail players have competition?

[Website Builder Expert](#) compiled data about the most visited online marketplaces worldwide in August 2018 and—perhaps not surprisingly—[Amazon](#) came out on top. The massive retailer had a user base of 1.22 billion across 58 countries. [India has been a recent focus](#) for Amazon's expansion.

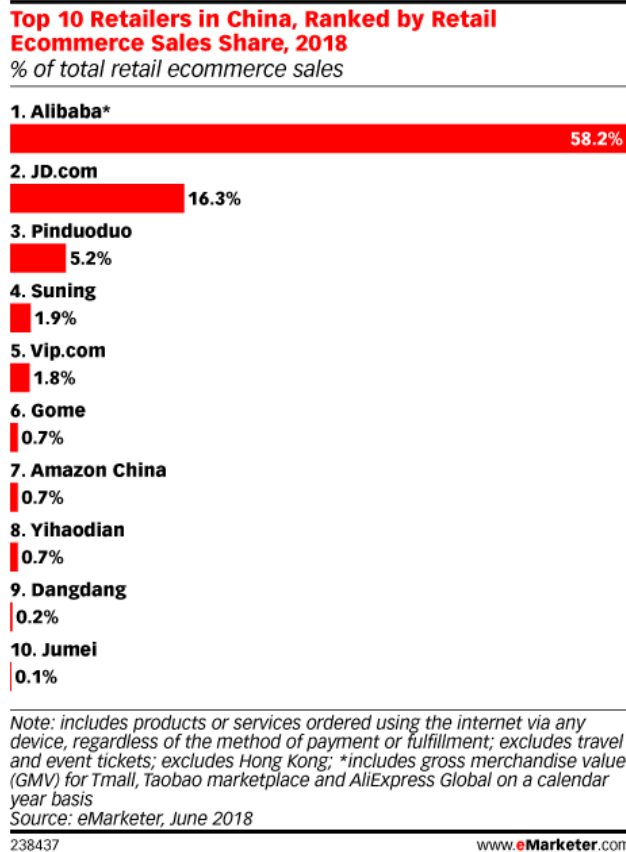
In some ways, Alibaba (the second most visited site) has more impressive numbers considering it has a presence in a fraction of Amazon's countries: 15 in total, accounting for 1.07 billion users. Of course, many of those users are concentrated in China, which has a population of roughly 1.4 billion.

Alibaba reported Q1 2018 earnings last week. Core commerce revenues from Tmall and Taobao grew 61% year over year to RMB69.2 billion (\$10.2 billion).

Measured by visits or sales, Amazon and Alibaba operate in a class of their own. In a May 2018 [Kantar Millward Brown](#) ranking of the top 20 retail brands (not just marketplaces) worldwide, Amazon was first with an assessed \$207.59 billion in value. Alibaba was second, worth

\$113.40 billion. Alibaba, however, grew 92% over last year, while Amazon increased 49%.

According to our estimates, Alibaba has a majority share of 2018 retail ecommerce sales in China (58.2%). JD.com ranks second with a 16.3% share. Amazon China has only a 0.7% share, but there are a **growing number of smaller retailers in China** that could be disruptive in the future.



Amazon and Alibaba have different business models: Amazon is a sales platform, while Alibaba operates online marketplace Tmall and Taobao, a consumer-to-consumer (C2C) ecommerce site (as well as AliExpress, which is geared toward foreign buyers). In some ways, though, Amazon and Alibaba have taken similar approaches, recognizing the value of brick-and-mortar retail and realizing that food sales are becoming more omnichannel. While Amazon acquired **Whole Foods**

Market in 2017, Alibaba created Hema (a chain of futuristic grocery stores) from scratch.

US brands trying to break into China's market often gain entry selling through Tmall. **Kroger** is one of the latest retailers to try this approach. The company is offering selections from its organic Simple Truth line to capture **consumers in China who buy food and supplements cross-border for authenticity**. On the flip side, retail brands in China appear to be less interested in courting customers in the US.

So, who was third among online marketplace usage worldwide? According to Website Builder Expert, MercadoLibre held that distinction with 341.0 million users in nine countries. Latin America is an online retail microcosm, though; MercadoLibre ranks first in all of the countries where it had a presence, not Amazon.

Data from **comScore Inc.** backs that up. In May 2018, MercadoLibre was the No. 1 retail ecommerce site in Latin America as ranked by unique visitors (56.3 million). Amazon sites were second (22.4 million) and Brazil-based B2W Digital was third (16.1 million). Alibaba came in fourth.

Rounding out the top five online marketplaces on Website Builder Expert's list were South Africa-based Naspers (261.2 million) and eBay (132.1 million).

Ecommerce has opened up the world to online buyers, yet even the top three online marketplaces have users that are still concentrated regionally. Amazon has aggressively moved into the most countries, but Alibaba still dominates in China. MercadoLibre is the first choice for digital buyers in Latin America, while a number of smaller merchants in Europe, Asia-Pacific and the Middle East and Africa are favored over these global retail giants.