

AntChain's Blockchain as a Service: Digitising Industry Collaboration

AntChain's management team was reviewing different proposals and ideas regarding which applications and industries they should target for their blockchain AntChain, which was offered as a Blockchain-as-a-Service (BaaS). AntChain's parent company Ant Group had made significant investments in the development of blockchain technologies for enterprise-to-enterprise collaborations in industrial settings. AntChain's aim was to enable a more efficient and safer way for different types of company and local and regional public agencies to collaborate and conduct business. This was often done in collaboration with other technologies, such as Internet of Things (IoT) solutions. Ant Group's blockchain solution had many potential applications across energy, industrial connection, intelligent manufacturing and information-sharing. The question was: Where should the team focus in order to maximise growth and value?

Ant Group: a Brief History

Ant Group (previously known as Ant Financial) was a Chinese financial technology company launched in 2014 by Jack Ma, who had founded the ecommerce giant Alibaba Group in 1999. Alibaba provided B2B, B2C and C2C services through its platforms. The main means of payment in the early 2000s was by bank draft or sending payments through the post; on receipt of payment, the seller would ship the product. Lack of payment infrastructure and insufficient consumer protection laws caused problems. The lack of trust between seller and buyer was a particular problem, according to Ma.¹ To build trust and resolve the friction and effort of payment, in 2004 Alibaba developed an online escrow payment service called Alipay. Alipay withheld payment from the buyer until the buyer confirmed receipt of goods, whereupon it released payment to the seller. Alipay enabled the exponential growth of Alibaba's ecommerce platforms, such as Taobao and T-Mall, and became the largest online payment system in China. In 2010, before Alibaba went public, Alipay was spun off to avoid uncertainties in the payment license application process because, at the time, it was not clear whether a non-PRC entity could apply for a payment license in China.²

In October 2014 Ant Financial Services Group (Ant) was launched with a focus on facilitating small transactions and targeting the underserved in China; particularly those in rural areas and SME owners who were of little interest to incumbent banks. Being uncoupled from Alibaba meant that Ant could offer financial services to anyone. It benefited from the growth in mobile phone usage across China and interest in digital payments.

Ant's ambitions went beyond China and, from as early as 2015, it invested in or partnered with companies such as India's Paytm, South Korea's Kakao, Thailand's Ascent and the Philippines'

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