

eBay enlists China and US post services to battle Taobao

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US auction site eBay announced a partnership with China Post and the US Postal Service in its latest bid to re-establish itself in China, where the market is dominated by homegrown rival Taobao.com. Under the plan, eBay hopes to woo Chinese merchants by developing shipping programmes that make it easier for them to sell to US consumers, eBay said in a statement.

US auction site eBay announced a partnership Friday with China Post and the US Postal Service in a new bid to re-establish itself in China, where the market is dominated by homegrown rival Taobao.com.

Under the plan, eBay hopes to woo Chinese merchants by developing shipping programmes that make it easier for them to sell to US consumers, eBay officials said at a signing ceremony in Shanghai.

"The collaboration will make the most of the advantages of the three

while helping expand profits," Jeff Liao, eBay's Greater China chief executive and head of Asia-Pacific cross-border trade, told reporters.

The partnership centres on an express delivery service to the US that will be run by China Postal Express and Logistics Corporation, part of China Post, and which will include online tracking systems, eBay said.

Liao said China's e-commerce market was growing very fast and was worth more than four trillion yuan (586 billion dollars) last year.

He did not, however, say what eBay's share of that market was, saying only that its Chinese transaction volumes grew "between 50 and 100 percent in 2009 and so far this year" and providing no specific figures.

The US [auction site](#) largely withdrew from China years ago after being overtaken by Taobao, part of China's largest e-commerce firm, the Alibaba Group, which also operates business-to-business marketplace Alibaba.com.

The American firm shut down its Chinese consumer website in late 2006 and folded its China operations into Eachnet, a joint venture run by Hong Kong's Tom Online Group, after Taobao won the lion's share of the [Chinese market](#).

Unlike eBay, Taobao charges no commission to list items for sale and the site's revenue comes from advertising.

Starting as a consumer-to-consumer auction website, Taobao has grown into an online retailer that also features a growing number online shops run by big brands such as US computer maker Dell.

However, eBay is fighting to make a comeback in [China](#), a market with more than 400 million web users, by refocusing on export-oriented

Chinese merchants who are keen to reach overseas buyers through international websites.

The firm's current Chinese operations include [eBay.cn](#), a Chinese platform targeting Chinese merchants -- mostly small and medium-sized enterprises -- by offering online training courses on international trade and listing tips.

It also runs Beibao.com, a Chinese version of payment site Paypal.

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