

China's Alibaba splits online shopping unit Taobao

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A woman in Beijing shops online at the Taobao website in 2008. China's largest e-commerce company Alibaba Group announced Thursday it has split its consumer online shopping platform Taobao into three firms to adapt to an increasingly competitive landscape.

China's largest e-commerce company Alibaba Group announced Thursday it has split its consumer online shopping platform Taobao into three firms to adapt to an increasingly competitive landscape.

Privately-held Taobao has been split into Taobao Mall for consumers to shop from brand-name stores, Taobao Marketplace for individuals to buy and sell goods and eTao for shopping-related searches, Alibaba said in a statement.

The reorganisation will "create more value for the company and

shareholders", group chairman and chief executive Jack Ma said in a letter to employees announcing the restructuring.

"Over the past two years, search, social networking and e-commerce have witnessed disruptive changes catalysed by the development of [open platform](#) and social trends, while countless new companies have popped up," Ma said.

"We hope the shopping search of eTao, the [social networking](#) innovations of Taobao Marketplace, and the quality and sophistication of Taobao Mall will give consumers a variety of brand-new experiences."

As part of the reorganisation, Jonathan Lu will step down as the [chief executive officer](#) of Taobao to focus on his role as chief executive of Hong Kong-listed Alibaba.com, the group's business-to-business unit.

Each of the three [Taobao](#) companies will be managed by their own president, Alibaba said.

Ma added he would not rule out the possibility of taking Alibaba Group public in the future "as a way to reward our employees and shareholders who support and continue to believe in us".

The announcement came after a public rift with Yahoo!, a major stakeholder in the group, over the ownership of Alipay, Alibaba's [payment platform](#).

Yahoo! owns a 43 percent stake in Alibaba Group while Japan's Softbank holds around one third of the group.

Yahoo! notified the US [Securities and Exchange Commission](#) in May that ownership of Alipay had been shifted to a Chinese firm owned mostly by Ma.

Yahoo! said the transfer was done without the knowledge or approval of Alibaba's board of directors or shareholders but Ma has insisted Yahoo! and Softbank were informed of the ownership transfer, which he said complied with Chinese regulations.

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