

Japan's Softbank ties up with eBay in online billing

May 9 2012



Softbank president Masayoshi Son (C), eBay CEO John Donahoe (L) and PayPal president David Marcus announce a joint venture to bring the online billing system to Japan for the first time.

Internet auction giant eBay and mobile phone operator Softbank said Wednesday they were teaming up to bring the US firm's PayPal online billing system to Japan for the first time.

The [PayPal](#) Here offering will let retailers accept payments by credit or debit card via a thumb-sized device on retailers' smartphones, with Softbank President Masayoshi Son saying the pair "will seek to become number one" in online settlements in Japan.

Despite being a major force in online billing worldwide, [eBay](#) has yet to make inroads in the Japanese market with other forms of electronic

money more commonly used.

But the soaring smartphone market has opened up an opportunity to expand credit card use in a country where many people still pay in cash.

The US firm and Softbank, Japan's number three mobile operator, said the offering was much cheaper than the fees of up to 100,000 yen (\$1,250) a month that retailers often pay credit card companies to process customer purchases.

The PayPal Here system will cost about 1,200 yen initially with a flat-rate charge of 5.0 percent on purchases, a level the firms said they hoped would be attractive to small and medium-sized merchants.

The pair said they will invest about 2.0 billion yen to set up the joint venture, PayPal Japan, with each providing half.

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Citation: Japan's Softbank ties up with eBay in online billing (2012, May 9) retrieved 28 April 2024 from <https://phys.org/news/2012-05-japan-softbank-ties-ebay-online.html>

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