



THE MARKET

Founded in September 1995 in the US, eBay, with a mission to provide a global trading platform and to create business opportunities, has grown into the world's biggest online marketplace. With more than 100 million people around the world buying and selling in through eBay, the company's dream is coming true.

EachNet, founded in Shanghai in August 1999, is widely recognised as the number one e-commerce website in China, and has brought new vigour to Chinese e-trade. EachNet is a household name in China. In the past five years, the number of its employees has grown to 350, several of them returned Chinese graduates of international universities. eBay EachNet has about 8.6 million users by the end of the third quarter of 2004 and in the third quarter alone, 1.7 million new users registered. There are about 64,000 new product listings a day on eBay EachNet, worth an average Rmb 690 million (about US\$85 million).

According to business insiders, the alliance of eBay and EachNet has been a major success story. The partnership was forged in March 2002, when eBay invested US\$30 million in EachNet. It has continued to give wide support to the Chinese company in terms of human resources, expertise, technology and marketing strategy. The co-operation between eBay and EachNet is so successful that it is fostering the growth of e-business in China generally.

The trades on eBay Eachnet are remarkable in terms of the range of items, especially with computers, clothing, electronic products, real estate and collectables. The site ranks number one for Internet sales in China. It attracts more visitors than any e-commerce web site in China, and ranks sixth worldwide.

Not only has eBay EachNet become an unmistakable economic entity in the Chinese Internet landscape, it has grown into the world's largest Chinese language transaction platform. In June 2003, eBay announced a new investment of US\$150 million to acquire the remaining shares



of the EachNet America. eBay EachNet has become one of the biggest local corporations founded by returned Chinese students and one that attracts the most foreign investments. The growth of eBay is due to the fact that it creates value for its users.

ACHIEVEMENTS

According to "The 5th Statistical Survey Report on Internet Development in China" conducted by the China Internet Network Information Centre in January 2000, EachNet is the country's leading and most popular on-line auction site.

HISTORY

EachNet was founded in Shanghai in August 1999 by two Harvard graduates, Yibo Shao and Haiyin Tan. The eBay-Eachnet Network Information Services Shanghai Ltd was set up then in Pudong

Zhang Jiang High-tech Park with registered capital of US\$29 million from high-tech venture capitalists from the US and China. In July 2000, EachNet began its personal eBay Stores service, which attracted more than 5,000 web users, who later were among the first Chinese to make money online.

Co-founded by Pierre Omidyar and Jeff Skoll in 1996, eBay got its name in 1997, when it first introduced Feedback Star, its reputation rating system. In 1998, Meg Whitman became one of the directors, and in the same year, its stock was issued and eBay Foundation was founded as a charitable fund. In May 1999, eBay announced the setting up of its Customer Service Center in Salt Lake City, Nevada. In August, eBay started cooperating with AOL in online auction. In October 1999 eBay entered the Australian market, and in the following year, it also set up local sites



in Canada, Germany, France and Austria. In October 2000, eBay and EachNet formed a strategic alliance. It furthered its reach in 2001 into Latin America, Korea, Italy, New Zealand, Switzerland, Ireland and Singapore. In the same year, eBay Store was born. In 2002, eBay bought PayPal, the global leader in online payment services, facilitating more convenient and safer online transactions. It was also in 2002 that eBay held its first community meeting in Anaheim, California.

THE PRODUCT

The main service of eBay EachNet is to provide an online market place, which can be interpreted as "Online Nanjing Road" or "Online Wang Fu Jing", where individuals and small businesses have their own shops on eBay EachNet to sell their goods. At the same time, eBay EachNet cooperates with payment and logistics companies, which gives both buyers and sellers a more complete transactional experience.

Users can find an array of value-for-money items on eBay EachNet as well as effectively handle their own unused items. Businesses now have a whole new way of retailing their products on eBay EachNet to increase sales while



In such an honest and open environment, not only does everyone enjoy trading with each other, they enjoy making friends, sharing experiences and fulfilling dreams.

eBay EachNet delivers a whole new experience. People from all over the world can meet there and become friends. Here is the commitment of eBay EachNet: more goods at great prices; a more personal marketplace with better business solutions.

PROMOTION

In mid-October 2004, Oriental Mortgage Corp, the top traditional mortgage firm in China, became interested in eBay, and decided to auction 21 items – all watches and diamonds – at a starting price of Rmb 1 on eBay EachNet. The auction

Conference, Yibo Shao, the founder of EachNet, promoted the idea of encouraging online businesses at the 9th Conference, and this soon caught on. The programme was first aimed at laid-off middle-aged workers who after some training in e-commerce financed by the government, were able to open a virtual shop online or join a franchise. With the support of several governmental departments which set related regulations, the e-commerce park was set up successfully as a good way to keep dealings with

virtual shops safe while enjoying the low start-up cost for online business.

BRAND VALUES

eBay EachNet got its name from the Chinese for "fun in trading", and from the English phrase "each person's net". The name conveys the mission of eBay EachNet: it hopes to become the most admired, easiest to use and safest and most effective transaction platform.

The credit system at eBay is a major factor in its reputation for safe trading. With customers ranging from big multinationals such as Dell to individuals, eBay EachNet provides sales channels at a low cost. Through its promotion of e-commerce, eBay EachNet also helps the government and the community resolve the problem of employment. It was actively involved in the Employment Campaign launched by the government by offering e-business trainings to thousands of the unemployed and fresh graduates and giving them a discounted rate for starting their online shops. Thirty per cent of them started their business on the web after the training, and lots of college students became successful online store operators on eBay EachNet. Cumulatively, more than 3,000 people have started their e-business through eBay EachNet in recent years.



effectively controlling business overheads without time and geographical boundaries. With the power of the Internet, eBay EachNet now covers more than 30 provinces in China.

RECENT DEVELOPMENTS

eBay EachNet is being developed for with the people of China in mind. This is a happy team built on kindness, sincerity, respect and unity. eBay EachNet believes that every individual is unique and is capable of making a contribution.

exercise ended after 10 days and attracted Rmb 300,000. The cooperation reflected the recognition of the Chinese traditional mortgage business on the effectiveness of eBay EachNet.

In November 2004, a 4,000 square-metre e-commerce park was set up in Shanghai's Putuo District for the purpose of providing offices, facilities, training and warehousing to encourage entrepreneurship in the e-commerce business. As a member of the Shanghai Committee of the Chinese People's Political Consultative

THINGS YOU DIDN'T KNOW ABOUT EBAY

- On eBay EachNet, a pair of shoes is sold every three minutes, a mobile every minute, a piece of jewellery every 30 seconds, and a T-shirt every 10 seconds
- More than 5,000 people have made their eBay EachNet online business a full-time job
- The most expensive item ever sold on eBay EachNet was a Sunny LS motor car for Rmb 190,300
- A man who successfully bought goods from vendors in 85 different cities was given a Networking the World award by eBay EachNet
- One seller has favourable feedback from 7070 buyers