

E-commerce, the need for partners

UPU Congress - General Debate
Geneva, 25 July, 2008

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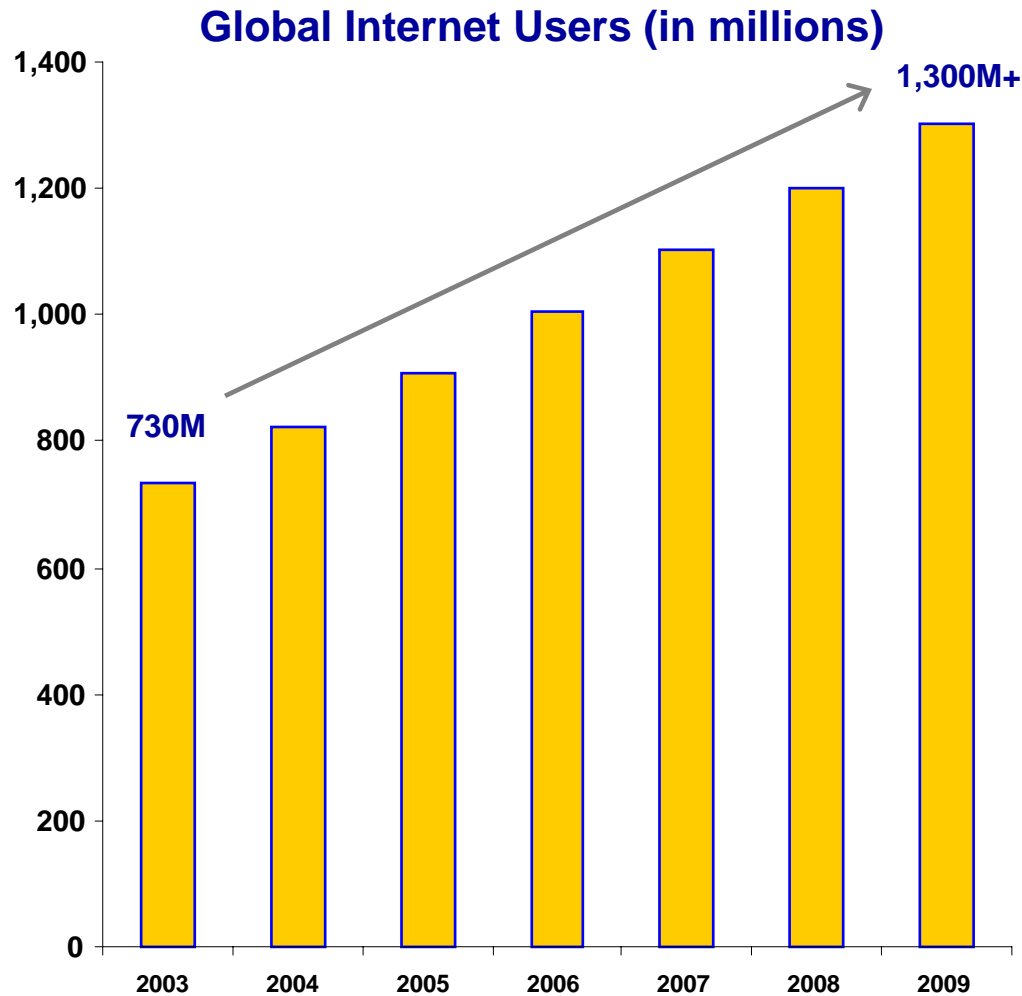


1. Agenda



- eBay
- Role of Shipping at eBay
- Cross Border Transactions - a World of Opportunities
- Challenges to be Overcome
- What are we doing to help?
- What we can do together
- Looking Forward and Working Together

2. Internet adoption - Steady growth



The fastest rate of technology adoption in history

3. The eBay family: Facilitating the eCommerce experience



Marketplaces



Payments



Communications

↓

Provide a global online trading platform where practically anyone can trade practically anything.

4. eBay - the World's Online Marketplace

233 Mil.
registered users
Worldwide

More than
100 Mil. items
offered on the site
(over 6 Mil. each day)

Every second,
36 items
are sold on eBay

Every second,
more than **USD 1,800**
worth of goods is sold

On eBay, a pair
of shoes
is sold **every 4 sec.**

A mobile phone
every 7 sec.

USD 52 B.
Trade volume (GMV)
2006
(worldwide)

170,00 people
in Europe and 1.3 Mil.
people worldwide make a
significant portion of
their living on eBay.

5. Shipping is crucial to our success

Importance to Sellers

- Packaging and shipping is the 3rd most time consuming activity for sellers (~15% of time)
- Packing and shipping ranked the 2nd most difficult task by sellers
- Shipping impacts on users' feedback

Shipping Mission:

Ensure the final stage of the buyer and seller's eBay transaction is a great experience

Importance to Buyers

- 5 of top 7 bad buyer experiences on eBay are shipping related
 - Item was late
 - Shipping was too expensive
 - Item was never received
 - Item was damaged/defective
 - Item was poorly packaged

6. Cross Border Trade – Already Large, Huge Potential



Cross Border Trade currently accounts for **20%** of eBay Inc's business

However, Cross Border Trade remains a relatively underdeveloped area of eCommerce

We believe that real opportunity for eCommerce growth lies in opening international markets and providing smoother Cross Border operations

7. Cross Border Trade – Barriers in the EU

The EU Single Market was created 16 years ago. However 20th century regulations still exist that allow the segmentation of the EU market, deny consumers access to greater value and choice, and undermine buyer/seller confidence:

- EU competition rules allow the distribution of goods to be restricted to geographic markets and not allowed online.
- Sellers must comply with 27 sets of consumer protection rules!!
- EU trademark rules restrict the ability of Europeans to import authentic goods from outside the EU and sell them on to consumers at a cheaper price than they are available in the EU.
- EU consumers suffer price discrimination and are denied access to goods online due to their geographic location.

8. Cross Border Trade – Getting the facts straight

- Counterfeits are a major problem. eBay is committed to fighting counterfeits, they are simply bad for our business.
- We invest more than \$20 million each year to ensure counterfeit goods are found and removed from our websites.
- We partner with over 18,000 brand owners around the world and employ over 2,000 people to carry out this fight on a daily basis.
- When we find counterfeit goods on our sites we take them down.

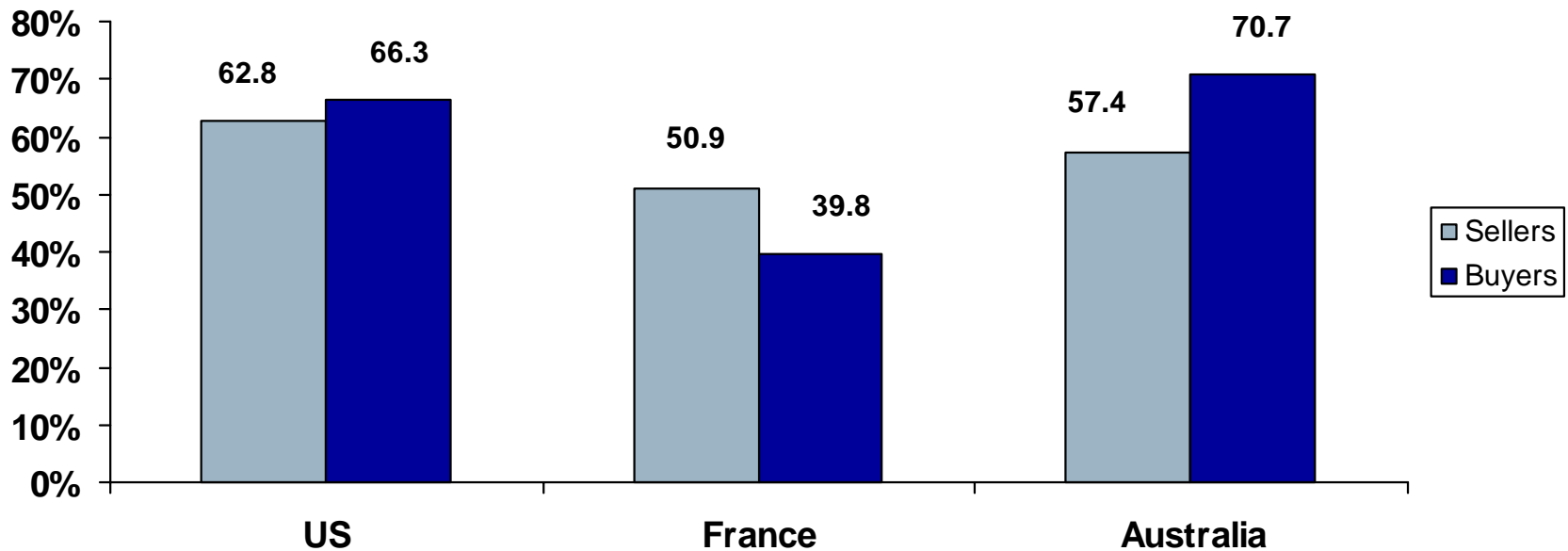
However...

Opponents of eCommerce are using counterfeits to attack the growth of our business and the development of eCommerce in general. They openly blame US (marketplaces, shippers, and credit card companies) !!!

9. Cross Border Trade - Shipping does matter

Problems with international shipping is one of the biggest barriers to international selling.

Non-CBT users citing Intl. shipping as a major concern



10. Cross Border Trade and shipping – Challenges and solutions

- The shipping challenges most often cited by eBay sellers as barriers to selling items internationally include:
 - Higher shipping costs
 - Availability of tracking and delivery confirmation
 - Variability in shipping time
 - Customs paperwork, cost and delays
- eBay has developed tools to help sellers and buyers:
 - **For Sellers:** shipping calculators to integrate shipping cost directly into their eBay Listing; possibility to purchase shipping labels online
 - **For Buyers:** onsite trackers to monitor shipping status
- eBay has developed relationships with posts and shipping companies

11. Examples of our Shipping Relationships

Deutsche Post 

CANADA POST POSTES CANADA 

AUSTRALIA POST 


UNITED STATES
POSTAL SERVICE™



LA POSTE





FedEx®


Royal Mail

12. An example of good cooperation: eBay - Canada Post

A starter kit

Starter Kit includes:

- Stack & Weigh postal scales
- eBay flexi-packs
- Labelopes
- Measuring tape
- Canada Post step-by-step shipping guide
- eBay brochure with free consulting offer to learn how to grow your business on eBay



13. Looking Forward and Working Together

- In a more competitive environment for Postal Services, there will always be pressures to maintain revenues. **eCommerce is part of the solution.**
- eCommerce is an enormous opportunity for Postal Services across the EU and the rest of the world. Proactive and competitive Postal Services will be those who grasp the importance of eCommerce.
- eBay is different from other eCommerce players: we are 'big business powered by small business'.
- The small businesses on eBay depend on their local Post Office for their survival, but local Post Offices also depend on eCommerce for an increasing part of their business.
- **This is a symbiotic relationship.**



Thank You!