CHAPTER - III

PROFILE OF VARIOUS E-RETAILING WEBSITES

Electronic commerce, commonly known as E-Commerce, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail, mobile devices, social media, and telephones.

Electronics commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of business transaction. This is an effective and efficient way of communicating within an organization and one of the most effective and useful ways of conducting business. It is a market entry strategy where the company may or may not have a physical presence.

3.1 FLIPKART

Flipkart is an Indian e-commerce company headquartered in Bangalore, Karnataka. It was founded by Sachin Bansal and Binny Bansal in 2007. In its initial years, Flipkart focused on online sales of books, but later it expanded to electronic goods and a variety of other products. Flipkart offers multiple payment methods like credit card, debit card, net banking, e-gift voucher, Cash on Delivery and Card Swipe on Delivery.

Today, as per Alexa traffic rankings, Flipkart is amongst the top 20 Indian Web sites and has been credited with being India's largest online bookseller with over 11 million titles on offer. Further in 2012, Flipkart added
A.C, air coolers, stationery supplies & life style products to its product portfolio. As of today, Flipkart employs more than 4,500 people

3.1.1 Funding

Initially funded by the Bansals themselves with ₹400,000, Flipkart has raised funding from venture capital funds Accel India (US$1 million in 2009) and Tiger Global (US$10 million in 2010 and US$20 million in June 2011). Flipkart.com, on 24 August 2012, announced the completion of its 4th round of $150 million funding from MIH (part of Naspers Group) and ICONIQ Capital. The company announced, on 10 July 2013, that it has raised an additional $200 million from existing investors including Tiger Global, Naspers, Accel Partners and Iconiq Capital.

3.1.2 Acquisitions

2010: WeRead, a social book discovery tool.

2011: Mime360, a digital content platform company.

2011: Chakpak.com is a Bollywood news site that offers updates, news, photos and videos. Flipkart acquired the rights to Chakpak’s digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.

2012: Letsbuy.com is India's second largest e-retailer in electronics. Flipkart has bought the company for an estimated US$25 million. Letsbuy.com had been closed down and all the traffic of Letsbuy is diverted to Flipkart.

3.1.3 Business Results

Flipkart's reported sales were ₹40 million in FY 2008–2009, ₹200 million in FY 2009–2010 and ₹750 million for FY 2010–2011. In FY 2011–2012, Flipkart was set to cross the ₹5 billion (US$100 million) mark as Internet usage in the country increased and people got accustomed to making purchases online. Flipkart Revenue reached 60.8 billion in FY 2013-14. On an average, Flipkart sells nearly 20 products per minute and is aiming at generating a revenue of ₹100 billion by 2015.

3.2 MYNTRA

Myntra was established by Mukesh Bansal, Ashutosh Lawania, and Vineet Saxena in February 2007. All three are IIT alumni, and have worked for several start-ups. Myntra is headquartered in Bangalore and has been funded by Venture Capital funds like IndoUS, IDG and Accel Partners.

The company started off in the business of personalization of products, and soon expanded to set up regional offices in NEW DELHI, MUMBAI and CHENNAI. It began its operations in the B2B (business to business) segment with the personalization of gifts, which included T-shirts, mugs and caps to name a few. However, in 2010, the company shifted its strategy to becoming a B2C (business to customer) oriented firm, expanding its catalogue to fashion and lifestyle products.

From 2007 to December 2010, Myntra.com was in the business of online demand personalization. The products ranged from T-shirts, mugs, greeting cards, calendars, key chains, diaries, wine glasses.

Myntra has tied up with top fashion and lifestyle brands in India, such as Nike, Reebok, Puma, Adidas Asics, Lee, Lotto, Decathlon, FILA, John Miller, Indigo Nation etc. to offer a wide range of current season merchandise from these brands. Myntra currently offers products from more than 350 Indian and international brands. These include shoes for running, tennis, football,
basketball and fitness, along with casual footwear from world-renowned industry leaders like Nike, Puma, Converse, Adidas, Decathlon, Reebok, Lee Cooper, Numero Uno, Skechers, Crock, Asics, Fila, Lotto, ID and many more. There are also casual and dressy footwear for women from Catwalk, Carlton London and Red Tape to name a few.

Myntra also stocks T-shirts for men and women from popular brands like Jealous 21, Forever New, Classic Polo, Inkfruit, Lee, Nike, Probase, Puma, Adidas, Reebok, Ed Hardy, Decathlon, Lotto, Ediots, Mr. Men, Tantra and Guerilla. The website has also launched Being Human and Fastrack watches. In July 31, 2012 Bollywood actor Kalki Koechlin launched Myntra’s ‘Star N Style’ feature. In 2013, Myntra acquired San-Francisco-based Fitiquette, a developer of virtual fitting room technology.

### 3.2.1 Business Model

Myntra.com is an aggregator of many brands. Its business model is based on procuring current season merchandise from various brands and making them available on the portal at the same time as in respective retail brand outlets. All these products are offered to customers on MRP.

In October 2007, Myntra received a seed funding from Accel Partners (formerly Erasmic Venture Fund), Sasha Mirchandani from Mumbai Angels and another angel investor. In November 2008, Myntra raised with its A funding of $5 million from NEA-IndoUS Ventures, IDG Ventures and Accel Partners. In the second round of funding led by Tiger Global and participated by existing investors IDG Ventures and Indo-US Venture Partners, Myntra raised $14 million.

Towards the end of 2011, Myntra.com raised $20 million in its third round of funding led by Tiger Global. Myntra launched a brand campaign with its first TVC in July 2011. The commercial 'juxtaposes new-age fashion with old-world grit' and positions Myntra as a 'fashionable new age' brand.
Myntra's second campaign, with the tagline "Ramp It Up", was launched in October 2011 with a TVC. The new ad scored high on fashion quotient and the core message was to communicate the launch of the Autumn Winter 2011 collection on Myntra.com. In February 2012, Myntra also rolled out an OOH (out of home) campaign across Tier 2 cities, to build brand awareness and promote online shopping. In June 2012, Myntra launched its third campaign. Created by Taproot, the communication emphasises the benefits of buying online, and is titled 'Real life mein aisa hota hai kya'. In which they offer free shipping, cash on delivery, 30 day return and 24 hours dispatch. Myntra continued the 'Real life mein aisa hota hai kya' theme in its next campaign in October 2012 and extended it to showcase its wide catalog and hassle-free Returns Policy. On 22nd May 2014, Flipkart acquired Myntra in a deal estimated at Rs. 2000 crore.

3.2.2 Awards

Myntra.com was announced as a winner of the Red Herring Global 100 award. Red Herring announced its Global 100 awards in recognition of leading private companies from North America, Europe, and Asia, celebrating these startups' innovations and technologies across their respective industries.

CNBC - TV18 awarded Myntra.com as one of the Hottest Internet Companies of the Year at the Mercedes - Benz CNBC - TV18 Young Turks Awards. Myntra.com won IAMAI's Best Ecommerce Website of the year award for 2012 at the 7th India Digital Summit, 2013. Myntra.com also won the Fashion eRetailer of the Year Award at the Indian eRetail Awards 2013 organised by Franchise India in Delhi.

3.3 SNAPDEAL

Snapdeal.com is an online retail website, headquartered in New Delhi, India. The company was started by Kunal Bahl, a Wharton graduate and Rohit Bansal, an alumnus of IIT Delhi in February 2010. Snapdeal started off as a
daily deal website and has grown to become one of the largest eCommerce
websites in India shipping more than 25,000 products daily.

Snapdeal.com was started in February 2010, as a daily deal platform, but
later expanded into product retailing across various categories. Snapdeal claims
to have a subscriber base of more than 20 million and has a presence across
4000 plus towns and cities. In 2013, Snapdeal has started moving away from
product retailing towards pure marketplace model. Snapdeal is one of the
largest Ecommerce Company in India with an assortment of 500,000 plus
products, 800,000 plus books and offer products in over 400
categories. Snapdeal offers multiple payment methods like credit card, debit
card, net banking and Cash on Delivery.

3.3.1 Funding

Snapdeal has received 3 rounds of funding totaling to $102 million

Round 1: In January 2011, Snapdeal received a funding of $12 million
from Nexus Venture Partners and Indo-US Venture Partners.

Round 2: In July 2011, the company raised a further $45 million from
Bessemer Venture Partners, along with existing investors Nexus
Venture Partners and Indo-US Venture Partners.

Round 3: Snapdeal then raised a 3rd round of funding worth $50 million
from eBay and received participation from existing investors –
i.e. Bessemer Venture Partners, Nexus Venture and IndoUS
Venture Partners. With this round, Snapdeal has raised a total of
$102 million of funding.

3.3.2 Acquisitions

In June 2010, Snapdeal acquired Bangalore-based group buying site,
Grabbon.com. In April 2012, Snapdeal acquired esportsbuy.com, an online
sports goods retailer based out of Delhi. In May 2013, Snapdeal acquired
Shopo.in, an online marketplace for Indian handicraft products.
3.3.3 Business Results

In the year 2012-13 Snapdeal had said that it expects to garner revenues of about Rs 600 crore. Betting big on the growth of mobile commerce, Kunal Bahl CEO Snapdeal said at present 15-20 per cent of the sales on Snapdeal comes through m-commerce. Snapdeal.com expects the total sale of products traded on its platform to cross Rs 2,000 crore in the fiscal 2013-14 helped by its robust growth in the past two years and the growing popularity of e-commerce in India.

3.3.4 Partnership with eBay

In the 3rd round of funding of $50 million eBay came out as the largest investor in Snapdeal. The investment also includes a commercial partnership under which eBay will get access to Snapdeal’s 20 million registered users, logistics software and distribution network. Snapdeal CoFounder Kunal Bahl told that Snapdeal will offer a limited number of products on eBay India and eBay too will list its merchandise on Snapdeal, following the partnership.

3.3.5 Awards and Recognition

- E-Retailer of the Year & Best Advertising campaign of the year - Indian eRetail awards 2012 organized by Franchise India in Feb, 2012.

- Winner of Red Herring Asia Awards 2011.

- E-Commerce site of the year at WAT awards that took place in Jan 2012, Mumbai.

- Hottest Internet Companies of the year at the premier edition of the 'Young Turks Awards' organized by Mercedes Benz and CNBC-TV 18 in New Delhi - Jan, 2012.

- Rated the #1 e-commerce site in India, in terms of traction by Dataquest/Sapient E-commerce Survey 2011.
- Voted amongst the Buziest brands of India in afaqs's annual buzz-making poll.

- Silver for the Best Website – Service, at the Indian Digital Media Awards 2011, organized by the Exchange 4 Media group - June 2011.

3.4 **INFIBEAM.COM**

Infibeam was founded in 2007 by Vishal Mehta, a Cornell and MIT Sloan alumni. After working for Dell computers and Amazon.com in the US for five years, Mehta returned to India in 2007 and started Infibeam along with a group of ex-Amazon employees. He funded the company by selling his personal assets rather than opting for external equity funding. Infibeam.com started as an automobile portal in 2007, but later turned into an online retailer. In 2010, Infibeam launched 'Pi', India's first e-book reader.

3.4.1 **Businesses**

Infibeam's businesses include online retailing through its flagship website 'infibeam.com', e-commerce platform software service through 'buildabazaar.com', e-commerce marketplace 'dhamaal.com' and its own branded e-book reader. The strategy of Infibeam was described by Forbes as "that seems to defy most standard models".

3.4.2 **Online Retailing**

Infibeam.com, the online retail website of the company, sells books, electronics and lifestyle products. The website has a selection of 1.2 Crore products across books, electronics, lifestyle, gifts and media. In 2011, the company established Infibeam Logistics, its own logistics arm in major Indian cities. In September 2010, infibeam was among Economic Times's Top 5 Digital Brands in the e-commerce category. It acquired Picsquare.com, a photo printing website based in Bangalore. Infibeam's acquisition of customer base at very low cost has been recorded as a B-school case study by Ivey Publishing.
3.4.3 E-Commerce Platform

Infibeam extended its e-commerce platform to build online stores for HiDesign, TTK Prestige and Crossword Bookstores and NDTV Shopping. In 2011, the e-commerce platform was opened to everyone through Build a bazaar, which allows users to create their own web store.

3.4.4 Marketplace

In August 2013, Infibeam launched the e-commerce marketplace Dhamaal.com in association with CCAvenues. Dhamaal has a selection of 1.5 crore products. The website which is built on Build a bazaar platform, is also extended as co-branded marketplace with 50 Indian banks.

3.4.5 E-Book Reader

- **Infibeam Pi**

  In February 2010, Infibeam launched Pi, an e-book reader that uses E Ink electronic paper technology. Pi has a six inch screen with eight level grey scale non-backlit display. The device has the capability to play music files, read word documents and supports 13 Indian Languages. It has an internal memory of 512MB, that can store 300 books and supports external memory up to 4GB. The device, which is less than 10 mm thick, weighs 180 gm.

- **Pi2**

  In 2011, Infibeam launched the second version of its eBook readers and named it Pi2. Pi2 is a touch screen device and has wireless connectivity. It has 2GB of internal memory and expandable up to 32GB through external SD card slot. The battery power is claimed to last up to 8000 page reads. The company has 5 lakh e-books on its web store which can be directly accessed from the e-book reader through Wi Fi to purchase e-books. Infibeam followed up the Pi2 with an Android tablet called Phi.
3.5 INDIAPLAZA

Indiaplaza is an Indian electronic commerce. Indiaplaza was one of the pioneers in the online shopping space in India. It was earlier known as Fabmall or indramall, after which the company acquired US-based online shopping firm Indiaplaza.com and rebranded itself as Indiaplaza.in in India, and as Indiaplaza.com in the United States, which were later merged into a single website.

In June 1999 K Vaitheeswaran (often referred to as "father of e-commerce in India") and five of his friends including V S Sudhakar, Vipul Parekh, Hari Menon, V S Ramesh and Sundeep Thakran founded, India’s first online departmental store. The website Fabmart.com was launched in September 1999 which then offered only music CDs for sale. Between February and October 2000, the website introduced additional categories including books, movies, watches, and groceries. In February 2002, they launched the first offline grocery store in Bangalore, India.

However in December 2002, their online and offline ventures were rebranded as Fabmall. In May 2004, the company was re-structured into two independent entities - Fabmall.com, which focused purely on the online retailing business, and Fabmall which focused on the Fabmall chain of grocery stores. In June 2004, Fabmall merged with Trinethra to become one of the largest grocery chains in India, which was in turn acquired by Aditya Birla Group in December 2006 and rebranded as ‘More’ chain of stores in January 2008. In January 2007, Fabmall.com acquired US-based Indiaplaza.com and created the world’s largest India-centric online shopping company with two distinct websites - Indiaplaza.com to serve customers in the US, and Indiaplaza.in to serve customers in India. In February 2011, the company merged both websites into a common single website, Indiaplaza.com to serve customers worldwide.
3.5.1 Funding

Indiaplaza.com has received angel funding from The Indigo Monsoon Group (IMG), a private investment firm based in the USA and investing in Indian Internet and mobile domains. Other investments of IMG include Sulekha.com, a leading online community for Indians integrating social media with local commerce and EShakti.com, a leading online India-inspired and customized apparel retailer aimed at a global audience. In February 2011, Indiaplaza successfully concluded Series A US $ 5 million funding from Indo-US Venture Partners (IUVP) who have invested in other internet companies like Myntra, Seventymm, and Snapdeal.

3.5.2 Partnerships

In September 2003, Microsoft’s MSN Corporation entered into a strategic partnership with Fabmall.com to offer online shopping facilities to its MSN users in India. Indiaplaza has business alliances with several media companies including Business Standard (bsbazaar.com), Sify.com, and with publishing houses like The Hindu and Business Standard to power their e-commerce initiatives.

➤ Product Range

Indiaplaza offers nearly 8 million products online including books, CD-ROMs, cameras, mobile phones, apparel, jewelry, flowers, chocolates, watches, and food items, and has nearly 1.5 million customers worldwide. The site also offers loyalty programs for customers.

3.6 HOME SHOP18

HomeShop18 is the online and on-air retail and distribution venture of Network 18 Group, India. HomeShop18 was launched on 9 April 2008 as India's first 24-hour Home Shopping TV channel, where anchors performed live demonstration of products on sale similar to HSN or QVC in USA. The television channel established HomeShop18's foothold in Indian retail because
of high television penetration. Later, as the internet reach grew all over the country, HomeShop18 launched www.homeshop18.com which was ranked as the #5 most trafficked Ecommerce portal in India by Comscore in July 2013.

3.6.1 Investors

G S Home Shopping of Korea, the third largest home shopping company in the world, has a 15% stake in the company. Network 18 has the controlling stake of 51%.

3.6.2 Partnerships and Acquisitions

HomeShop18 has partnered with major brand owners such as Reebok, Nokia, LG, Motorola, Philips, Kaya and Godrej. Home Shop 18 acquired CoinJoos.com, an online book, movies and music retailer in August, 2011 for an undisclosed amount. The acquisition is the main contributor to HomeShop18.com's Books catalogue.

3.6.3 Television Channel

The HomeShop18 television channel was launched on 9 April 2008. The television network can be currently seen on cable, satellite and some terrestrial channels in India.

3.6.4 E-Commerce

3.6.5 M-Commerce

The mobile version of the HomeShop18.com was officially launched on Android and iOS in the beginning of the year 2013. Scan N Shop - HomeShop18's Virtual Shopping Wall.

As a part of its mobile platform launch, HomeShop18 set up SCAN N SHOP Virtual Shopping Wall at Terminal 3 of Indira Gandhi International Airport at New Delhi (domestic departure wing). The virtual wall comprises dynamic LED TV screens. Each TV screen displays products on sale accompanied by a unique QR code, which people may scan to display the respective product's details. The customers can place their orders by scanning the QR code against each item or over the phone, through Cash on Delivery.

3.7 INDIATIMES SHOPPING

Indiatimes Shopping is the ecommerce division of the The Times Group, India's largest media conglomerate. It is one of the pioneers electronic commerce in India and services its customers through various channels including online, selling over phone and also selling in bulk through B2B channel. It also provides platform services for brands to go online and sell their wares in partnership through its White-label product. Some of the major categories sold through Indiatimes Shopping include Mobile phones and other Consumer electronics, Books, Apparels & Accessories, Jewellery, Music, Movies, Games, Baby Products etc. Indiatimes Shopping operates through a mix of warehousing, drop-shipment and pure marketplace models.

Indiatimes Shopping was created in 2000 within the Times Group as the opportunity was felt for the first time of selling goods online due to growth of internet usage in the country. For a long time it operated essentially as a marketplace model, much like eBay, with sellers being allowed to sell directly on the website under their name and warranty. However, it has recently made moves towards the stocking mode of operation, with its deal with Nokia and also in some of its traditional categories like Movies, Music and Games.
Indiatimes Shopping also has a highly popular and successful business called Reader's Offer which is essentially its print shopping business in partnership with the print arm of BCCL.

3.7.1 Website

Indiatimes Shopping website has gone through multiple changes over the past decade. However the latest and most significant change happened in November, 2011 when the complete layout and architecture of the website was changed to align with the ecological changes in the online design space as well as to provide a more enriching customer experience.

3.7.2 Locations

The company's headquarters is located in Gurgaon's prime DLF Phase Five neighborhood on the Golf Course Road. It has offices, warehouses and customer service centers across India, including Noida and Delhi. Indiatimes Shopping's warehouses are located in Chennai and Delhi (in Mahipalpur and Daryaganj), often near airports.

3.7.3 Products

Indiatimes Shopping has products in all major online categories including books, mobiles, cameras, computers, electronics, apparels, jewellery, flowers, gifts, health and beauty products.

3.8 FUTUREBAZAAR.COM

Future Group is an Indian privately held corporation that runs chains of large discount department stores and warehouse stores. Future Group has a number of businesses across the financial, service and retail industries.

- Financial
- Future Capital Holdings
- Future Generali
- Future Ventures
Services
Future Innoversity
Future Supply Chains
Future Brands
Retail
Big Bazaar
Brand Factory
Central
Pantaloon Retail India
Joint Venture Partnerships
Generali Group - Generali is a European insurance company.
Staples Inc - Staples Inc. is a United States based office supply retailer.
Celio - French fashion wear maker
Clark

C and J Clark International Ltd. is a UK-based footwear and accessories retailer. The Future Group has entered into a 50:50 joint-venture (JV) to form 'Clarks Future Footwear Ltd.'. The JV launched its first (1,600 sq ft.) stand-alone store in Connaught Place, Delhi on 19 April 2011. The brand seeks to gain a share of the premium segment in this category.

3.9 eBay.Com

e-Bay Inc. is an American multinational internet consumer-to consumer corporation, headquartered in San Jose, California. It was founded in 1995, and became a notable success story of the dot-com bubble; it is now a multi-billion dollar business with operations localized in over thirty countries. The company manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide. In addition to its auction-style selling, the website has since expanded to include "Buy It Now" standard shopping; shopping by UPC, ISBN, or other kind of SKU (via Half.com); online classified
advertisements (via eBay Classifieds); online event ticket trading (via StubHub); online money transfers (via PayPal) and other services.

AuctionWeb was founded in San Jose, California, on September 3, 1995, by French-born Iranian-American computer programmer Pierre Omidyar (born on June 21, 1967) as part of a larger personal site that included, among other things, Omidyar's own tongue-in-cheek tribute to the Ebola virus. One of the first items sold on AuctionWeb was a broken laser pointer for $14.83. Astonished, Omidyar contacted the winning bidder to ask if he understood that the laser pointer was broken. In his responding email, the buyer explained: "I'm a collector of broken laser pointers." The frequently repeated story that eBay was founded to help Omidyar's fiancée trade Pez candy dispensers was fabricated by a public relations manager in 1997 to interest the media, which were not interested in the company's previous explanation about wanting to create a "perfect market". This was revealed in Adam Cohen's 2002 book, *The Perfect Store*, and confirmed by eBay.

Reportedly, eBay was simply a side hobby for Omidyar until his internet service provider informed him he would need to upgrade to a business account due to the high volume of traffic to his website. The resulting price increase (from $30/month to $250) forced him to start charging those who used eBay, and was not met with any animosity. In fact it resulted in the hiring of Chris Agarpao as eBay's first employee to handle the number of cheques coming in for fees.

Jeffrey Skoll was hired as the first president of the company in early 1996. In November 1996, eBay entered into its first third-party licensing deal, with a company called Electronic Travel Auction to use SmartMarket Technology to sell plane tickets and other travel products. Growth was phenomenal; in January 1997 the site hosted 2,000,000 auctions, compared with 250,000 during the whole of 1996. The company officially changed the name of its service from AuctionWeb to eBay in September 1997. Originally, the site belonged to Echo Bay Technology Group, Omidyar's consulting firm.
Omidyar had tried to register the domain name echobay.com, but found it already taken by the Echo Bay Mines, a gold mining company, so he shortened it to his second choice, eBay.com.

In 1997, the company received $6.7 million in funding from the venture capital firm Benchmark Capital. Meg Whitman was hired as eBay President and CEO in March 1998. At the time, the company had 30 employees, half a million users and revenues of $4.7 million in the United States. eBay went public on September 21, 1998, and both Omidyar and Skoll became instant billionaires. eBay's target share price of $18 was all but ignored as the price went to $53.50 on the first day of trading.

As the company expanded product categories beyond collectibles into almost any saleable item, business grew quickly. In February 2002, the company purchased iBazar, a similar European auction web site founded in 1998 and then bought PayPal on October 14, 2002.

By early 2008, the company had expanded worldwide, counted hundreds of millions of registered users, 15,000 plus employees and revenues of almost $7.7 billion. After nearly ten years at eBay, Whitman decided to enter politics. On January 23, 2008 the company announced that Whitman would step down on March 31, 2008 and John Donahoe was selected to become President and CEO. Whitman remained on the Board of Directors and continued to advise Donahoe through 2008. In late 2009, eBay completed the sale of Skype for $2.75 billion, but will still own 30% equity in the company.

In July 2010, eBay was sued for $3.8 billion by XPRT Ventures that accused eBay of stealing information shared in confidence by the inventors on XPRT's own patents, and incorporated it into features in its own payment systems, such as PayPal Pay Later and PayPal Buyer Credit. On December 20, 2010, eBay acquired German online shopping club, brands4friends.de, for €150 million ($197 million), strengthening the company's interests in the fashion industry in Europe. It is subject to regulatory approval and expected to close it
in the Q1 2011. On September 26 2013, eBay acquired Braintree for US$800 million, with the intention to continue running it as a separate service.

3.9.1 Item

Millions of collectibles, décor, appliances, computers furnishings, equipment, domain names, vehicles, and other miscellaneous items are listed, bought, or sold daily on eBay. In 2006, eBay launched its Business & Industrial category, breaking into the industrial surplus business. Generally, anything can be auctioned on the site as long as it is not illegal and does not violate the eBay Prohibited and Restricted Items policy. Services and intangibles can be sold, too. Large international companies, such as IBM, sell their newest products and offer services on eBay using competitive auctions and fixed-priced storefronts. Separate eBay sites such as eBay US and eBay UK allow the users to trade using the local currency. Software developers can create applications that integrate with eBay through the eBay API by joining the eBay Developers Program. In June 2005, there were more than 15,000 members in the eBay Developers Program, comprising a broad range of companies creating software applications to support eBay buyers and sellers as well as eBay Affiliates.

Controversy has arisen over certain items put up for bid. For instance, in late 1999, a man offered one of his kidneys for auction on eBay, attempting to profit from the potentially lucrative (and, in the United States, illegal) market for transplantable human organs. On other occasions, people and even entire towns have been listed, often as a joke or to garner free publicity. In general, the company removes auctions that violate its terms of service agreement.

Beginning in August 2007, eBay required listings in "Video Games" and "Health & Beauty" to accept its payment system PayPal and sellers could only accept PayPal for payments in the category "Video Games: Consoles". Starting January 10, 2008, eBay said sellers can only accept PayPal as payment for the categories "Computing > Software", "Consumer Electronics > MP3 Players", "Wholesale & Job Lots > Mobile & Home Phones", and "Business, Office &
Industrial > Industrial Supply / MRO". eBay announced that starting in March 2008, eBay had added to this requirement that all sellers with fewer than 100 feedbacks must offer PayPal and no merchant account may be used as an alternative. This is in addition to the requirement that all sellers from the United Kingdom have to offer PayPal.

Further, it was a requirement to offer PayPal on all listings in Australia and the UK. In response to concerns expressed by the Australian Competition and Consumer Commission, however, eBay has since removed the policy on the ebay.com.au website requiring sellers to offer PayPal as a payment option.

In April 2006, eBay opened its new eBay Express site, which was designed to work like a standard Internet shopping site for consumers with United States addresses. It closed in 2008. Selected eBay items were mirrored on eBay Express, where buyers shopped using a shopping cart to purchase from multiple sellers. The UK version was launched to eBay members in mid-October 2006 but on January 29, 2008 eBay announced its intention to close the site. The German version, eBay Express Germany, was also opened in 2006 and closed in 2008.

At the 2008 eBay Developer's Conference, eBay announced the Selling Manager Applications program (SM Apps). The program allows approved developers to integrate their applications directly into the eBay.com interface. The applications created by developers are available for subscription by eBay members who also subscribe to Selling Manager.

eBay maintains a number of specialty sites including the discussion boards, groups, answer center, chat rooms, reviews and guides. eBay has a robust mobile offering, including SMS alerts, a WAP site, Java ME clients, and mobile applications for Windows Phone, Android OS and Apple iPhone.
3.9.2 Unusual Items

Many unusual items have been placed for sale on eBay, including at least two previously undiscovered species, including the Coelopleurus exquisitus sea urchin, military vehicles, and items of food.

3.9.3 Prohibited or Restricted Items

In its earliest days, eBay was essentially unregulated. However, as the site grew, it became necessary to restrict or forbid auctions for various items. Note that some of the restrictions relate to eBay.com (the U.S. site), while other restrictions apply to specific European sites (such as Nazi paraphernalia). Regional laws and regulations may apply to the seller or the buyer. Generally, if the sale or ownership of an item is regulated or prohibited by one or more states, eBay will not permit its listing. Among the hundred or so banned or restricted categories:

- Tobacco (tobacco-related items and collectibles are accepted.)
- Alcohol
- Drugs and drug paraphernalia
- Nazi paraphernalia
- Bootleg recordings
- Firearms and ammunition, including any parts that could be used to assemble. Various types of knives are also forbidden
- Police and emergency service vehicular warning equipment such as red or blue lights and sirens (antique or collectible items are exempt)
- Used underwear (see Panty fetishism) and dirty used clothing
- Forged, illegal, stolen, or confidential documents, which include passports, social security cards, drivers licences, voter registration cards, birth certificates, school documents, medical records, financial information, government license plates, government classified
information, or CarFax documents. Any item that is used to modify documents is also restricted

- Human parts and remains (with an exception for skeletons and skulls for scientific study, provided they are not Native American in origin)
- Live animals (with certain exceptions)
- Certain copyrighted works or trademarked items
- Lottery tickets, sweepstakes tickets, or any other gambling items
- Military hardware such as working weapons or explosives
- Any object of Iranian, Cuban, or North Korean origin
- Enriched uranium, plutonium, and other fissile material
- Sexually oriented adult material, which must be listed in the "Adult Only" category, notwithstanding certain items prohibited
- Child pornography
- Materials deemed obscene, including bestiality, necrophilia, rape, coprophilia, and incest
- Used sex toys
- Services including any sexual activity
- Links to sites that contain prohibited items
- Adult products that are delivered digitally
- Virtual items from massively multiplayer online games, restrictions that vary by country

### 3.9.4 Ivory Products

Knives, other than some cutlery, are prohibited in the UK following the criminal importation into the UK (by BBC Watchdog researchers) of several knives that were already illegal to own or import under existing UK legislation.
The ban also includes empty leather knife scabbards if they are listed under the category of "knives" on one of the eBay sites

- Fortune-telling and witchcraft-related services
- Souls, ghosts, and other "items whose existence cannot be verified" are prohibited
- Many other items are either wholly prohibited or restricted in some manner

3.9.5 Shipping

Before an auction, eBay lets sellers choose which shipping options to offer regular mail, express mail, or courier service. The website lets buyers choose which option to accept.

Since 2012, eBay has also allowed US sellers to opt into its Global Shipping Program. The program works as follows: Each seller decides whether or not to opt into the program. If a seller opts in, and a non-US buyer buys an item from the seller, then the buyer pays an additional fee to Pitney Bowes. The seller ships the item to a Pitney Bowes facility in the US. After receiving the item, Pitney Bowes forwards it to the buyer. The program enhances the selection available to buyers, but considerably increases buyers' costs.

3.10 NAAPTOL.COM

Naaptol registered as Naaptol Online Shopping Pvt Ltd, headquartered in Mumbai, Maharashtra is an ecommerce portal based in India. Founded in 2008 by Manu Agarwal (Man behind naaptol.com), naaptol started its operation as product research and price comparison engine in initial stage with a seed capital of Rs.50 lakhs. Later in 2009 it was expended as an online market place and started offering products to purchase online in categories like mobiles, tablets, cameras, home appliances and a variety of other products. In this journey naaptol shot up its turnover to Rs. 10 Crore in 2009-2010 which
was Rs. 1 Crore in 2008-2009 and facilitating transactions worth Rs 1.5 crore every single day.

In 2010, naaptol started investing in print media and increased its print media market share by 0.3% with top 3 position for two consecutive years. Naaptol has raised funding from New Enterprise Associates (NEA), Canaan Partners and Silicon Valley Bank during its journey since 2008 and launched a site Naaptol Club and forayed into television.

Naaptol.com was also conferred with "New Brand Award" in 2011 by Star News.

3.11 JUNGLEE.COM

Junglee.com was launched in Feb 2012. Junglee is an online shopping service by Amazon which enables customers to find and discover products from online and offline retailers in India and from Amazon.com. Junglee organizes massive selection and multiple buying options from hundreds of sellers, and leverages Amazon’s proven technologies and millions of customer reviews to help customers make smart purchase decisions.

Junglee.com provides customers with tools to quickly find products and compare prices from sellers both online and offline. Customers can compare prices based on dimensions of popularity, relevance, total price (including shipping) and customer reviews. In its current release, customers cannot purchase items directly on Junglee.com. Instead, customers are redirected to seller sites to complete their purchase.

3.12 AMAZON.COM

Amazon.com, Inc. is an American international multibillion dollar electronic commerce company with headquarters in Seattle, Washington, United States. It is the world's largest online retailer. Amazon.com started as an online bookstore, but soon diversified, selling, DVDs, VHSs, CDs, Video and MP3 downloads / streaming, software, video games, electronics, apparel,
furniture, food, toys, and jewelry. The company also produces consumer electronics notably the Amazon Kindle e-book reader and the Kindle Fire tablet computer and is a major provider of cloud computing services.

Jeff Bezos incorporated the company (as Cadabra) in July 1994 and the site went online as Amazon.com in 1995. The company was renamed after the Amazon River, one of the largest rivers in the world, which in turn was named after the Amazons, the legendary nation of female warriors in Greek mythology.

Amazon has separate retail websites for United States, Canada, United Kingdom, France, Germany, India, Italy, Spain, Brazil, Japan, China, Mexico and Austria, with international shipping to certain other countries for some of its products. In 2011, it had professed an intention to launch its websites in Poland, Netherlands, and Sweden, as well.

Amazon has offices, fulfillment centers, warehouses, customer service centers and software development centers across North America, Latin America, Europe, Africa, and Asia.

3.12.1 Headquarters

The company's global headquarters are in 14 buildings in Seattle's South Lake Union neighborhood. The European headquarters are in Luxembourg's capital, Luxembourg City. In Seattle, as of 2013, a 3-tower headquarters near Amazon's existing buildings with a capacity of 12,000 employees was under construction.

It has its software development center in many countries. In India, its Centre is in Hyderabad, Bangalore and Chennai and its customer service center is in Hyderabad only. Its warehousing is placed at Mumbai.

The next Chapter deals with the Overview of Online Buying Behaviour.