

## E-commerce: 'giants' trampled on each other

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**The players are trampling on each other, the trend of 'big fish swallowing small fish' is becoming mainstream, and the opportunity is still like 'water bird fish' - that is the general situation of e-commerce today. .**

After nearly 15 years since the advent of e-commerce, the recognition and reassessment of their effects and effects is essential to see how far the names in this field have gone. The reality is sad to know that pioneers are treading on each other, activities overlap and do not achieve the desired effect. For example, Amazon has been moving into the traditional Netflix field of activity; and so is eBay. Certainly these stories are far from over, and one might suspect that Amazon might 'swallow' Netflix one day.

Last weekend, both Amazon, eBay and Netflix both released first-quarter revenue in 2009. All were excited to say that their sales were better than expected. In all three cases, Amazon is worth mentioning. As a major retail-oriented model, it also faces many challenges, but the first quarter 2009 revenue of Amazon is still quite smooth, especially in the context of economic difficulties today.

### Amazon



Amazon's first quarter 2009 revenue increased impressively, reaching 18% (US \$ 4.89 billion). Revenue per share rose 17%, to 41 cents - up nearly 10 cents from 34 cents a year ago. Amazon's revenue is even higher than

analyst estimates of \$ 4.75 billion (31 cents per share). And so the expectation of investors is still met despite the economic difficulties that have made many businesses falter.

Amazon continues to hold the attitude of 'hat and hat' when asked about sales of Kindle products, only saying that sales are higher than its expectations. Last week, Amazon also announced plans to acquire Lexcycle, the brand behind Stanza, a popular free e-book app for the iPhone. Most likely, Amazon also annexed BlueNile, a diamond jewelry business based in Seattle, USA.

According to comScore, Amazon has 60 million visitors to its online shopping site, 15% higher than a year ago. Meanwhile, eBay has 70 million visitors, down more than 10% from 80.1 million a year ago. Looking at this data, we can see that the future of Amazon will surpass eBay to become the world's largest e-commerce site.

## **eBay**

Meanwhile, eBay's business performance is inferior to Amazon. eBay's first-quarter revenue was only \$ 2 billion, slightly higher than the Wall Street forecast of \$ 1.9 billion, but down 8% from the same period last year. Its stock revenue of only 39 cents per share - is also higher than Wall Street's forecast of 34 cents per share, but 7% lower than the same period last year.

Revenue from eBay's main auction business division fell 18% to \$ 1.2 billion, mainly because the overall transaction volume on the service fell 20% in the first quarter of this year, but no one else. It is the economic crisis. This reduction continues even though eBay has implemented many preferential policies and promotions, such as free delivery for nearly 30% of items sold on this website.

## **PayPal, Skype and Netflix**

Contrary to eBay, PayPal's business is brighter. The number of registered users increased by 22%, reaching 184 million. There are already a number of third-party e-commerce sites that use PayPal, such as Sears, and it is certain that PayPal will continue to dominate this area in the future.

Like PayPal, Skype works quite well. Revenue for the first quarter of this year increased by 6% to 150 million USD, and the number of users increased to 37.9 million. However, eBay is about to separate Skype from its business. Although this may take time, analysts believe that this separation will be good for both. eBay is also said to be trying to 'dispose' of its subsidiary, StumbleUpon, which it previously purchased. StumbleUpon is seen as a mistake like Skype. However, it is still unclear whether StumbleUpon 'death' is as clear as Skype.

In the past quarter, the number of Netflix users increased by nearly 10% (10.3 million) compared to the previous quarter. This is the biggest increase in Netflix history. The company said it would continue to invest in consumer electronics manufacturing, and hoped to establish strong ties in the field in the next few years.

However, Netflix is facing stiff competition from DVD rental kiosks operated by Redbox. These kiosks are located in busy business locations, and Redbox only charges 1USD for each movie rental. Netflix is aware of this threat and frankly admits that if the company does not take any drastic moves, Redbox's movie rental kiosks will be rampant within the next 3 years.

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