Zhuan Zhuan:
Pioneering Sustainability in Second-Hand E-Commerce

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EXECUTIVE SUMMARY

This case study examines Zhuan Zhuan, a prominent second-hand e-commerce platform in China, focusing on its development, sustainability initiatives, strategic partnerships, and prospects. Founded under the leadership of Yao Jinbo from 58 Group, Zhuan Zhuan has strategically positioned itself in the circular economy by facilitating the trade of idle goods to reduce carbon emissions and promote sustainable consumption. Rigorous quality control measures, extensive user engagement via Tencent's WeChat, and partnerships enhancing logistical and financial capabilities underscored the platform's success. Zhuan Zhuan's plans include deeper integration with Tencent for user acquisition and trust-building, expanding product categories to include larger appliances, and leveraging its parent company's ecosystem to streamline operations and foster environmental stewardship. This case highlights Zhuan Zhuan's role in sustainable commerce and its trajectory towards broader societal and environmental impact in the e-commerce landscape.

DESCRIPTION OF ZHUAN ZHUAN

Brief History of Zhuan Zhuan

Launched on November 12, 2015, Zhuan Zhuan is a second-hand e-commerce platform in China that the 58 Group incubated. It was developed with the core value of "users first" and the corporate vision of "let resources be reconfigured, let people trust each other more". A year later, 58 Group officially announced that the second-hand channel of 58 & Catch.com had been upgraded to an independent app - "Zhuan Zhuan", realizing the sharing of data and traffic and making every effort to build the most professional second-hand trading platform (Editorial Board of the Journal, 2018). Between 2017 and 2021, after the completion of a total of five rounds of financing totaling more than 1.08 billion U.S. dollars (among the investors include 58 Group, Tencent Investment, Xiaomi Group, Shunwei Capital, etc.) as well as acquiring a 100% equity interest in the operator of second-hand mobile phone trading app Zhaoliangji, Zhuan Zhuan became a unicorn of the second-hand transaction industry in China.

In modern Chinese society, the rise in income levels and decrease in Engel's coefficient have given people more disposable wealth for purchasing commodities other than food, including durable and non-durable goods. With the rapid growth of consumer spending power in China, consumer goods are being iterated at an unprecedented rate, resulting in some goods being considered obsolete before they reach the end of their useful lives. This increase in "out of date" items has made resource efficiency one of the most critical challenges that industries must face. The "idle economy", or second-hand market, is an essential way of rationalizing the utilization of resources and has received increasing consumer affirmation in recent years.

Zhuan Zhuan encompasses over 30 categories of second-hand trade, including mobile phones, books, 3C digital products, clothing, footwear, maternity and baby supplies, furniture, and household appliances. The company is dedicated to establishing standardized services, offering comprehensive second-hand mobile phone inspections, and ensuring quality assurance service. With continuous development and growth, Zhuan Zhuan has won several honors inside and outside the industry. On April 9, 2024, Zhuan Zhuan was listed on the Global Unicorn Index 2024 at 320th with an enterprise valuation of RMB 21 billion. It has been named one of the most trusted brands by consumers for many consecutive years, which is not only a recognition of its quality assurance and user experience but also an affirmation of its good reputation in the industry. Behind these honors are the unremitting efforts of the operational team and the constant pursuit of users' interests.

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