

eBay

Growth and Changes Over Time

Then and Now

The screenshot shows the eBay homepage with the following elements:

- Top Navigation:** eBay logo, Search bar with "Search" button and "tips" link, Stats (1,309,481 items for sale in 1,096 categories now), and a welcome message for user "justbuynosomesstuff".
- Left Sidebar:** Categories list including Antiques (31858), Books, Movies, Music (139714), Coins & Stamps (50604), Collectibles (433888), Computers (46944), Dolls, Figures (29969), Jewelry, Gemstones (45151), Photo & Electronics (20550), Pottery & Glass (83789), Sports Memorabilia (172850), Toys & Beanies® (174750), and Miscellaneous (80072).
- Center Content:** Promotional text: "Over 41 million for sale on eBay inception!", "Over 151 million made since inception!", "Over 600 million views per month", and "Fun Stuff" section with a link to "Read a your e commu Check".
- Right Sidebar:** "My eBay | Sell | Community | Customer Support | Cart" and "dailydeals Shop now".
- Main Banner:** "eBay Buyer Protection covers your purchase price plus original shipping. It's FREE and automatically included." with a shield icon.
- Footer/Bottom Section:** "Your recent searches" (euro gold earrings, morgan silver dollar, etc.), "Shop safely on eBay" (eBay Buyer Protection, Top-Rated Sellers, PayPal), "Sign in" (Sign in, Register buttons), "Tech favorites and best sellers" (Apple iPod touch, Canon Digital Cameras, Nintendo Wii, HTC EVO 3D), and "eBay stories" (Lost Loves found on eBay).

From the Wayback Machine on the Internet Archive.

1998 versus 2013

	1998	2013
Users	2.1 million registered (340,000 in 1997)	128 million active
Listings on December 31st	1 million	550 million
Revenues	\$81,129,000 (\$372,000 in 1996)	\$16,047,000,000
Percent items in auction format	100%	<37%?

Stock Price

eBay Inc. (EBAY) - NasdaqGS ★ Follow

52.09 ↓ 0.31 (0.60%) 10:54AM EDT - Nasdaq Real Time Price

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Jul 1999: ■ EBAY 12.2109



■ Volume: 31,513,644



1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Sep 24 1998 TO: Sep 2 2014 +2,690.80%

Market Capitalization

eBay Inc.

Zoom: 1d 5d 1m 3m 6m 1y Max

• Shares (Millions) • Monthly Price (\$) • Market Cap (\$Billions) 65.12 | September 04, 2012



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Other Auction Sites

- Lucking-Reiley (1999) identifies 142 internet auction sites operating fall 1998
- Large majority no longer in existence (but new ones do open---Quibids, Ubid, etc.)
- Yahoo and Amazon both launched high-profile competitor sites to eBay in 1998/99
- Both have closed in US (although Yahoo still very successful in some countries)

Why has eBay succeeded while others have failed?

- Better business model?
 - Listing site versus merchant site
 - Charging listing fee (so more auctions result in sale)
- Early mover combined with network externalities?
 - But what is the nature of the network externality here?
- Shift to “buy-it-now”?
 - Perhaps auctions simply aren’t a good way to buy most things and Ebay has figured that out.

Auction Listing Fees

Organization	Listing fee	Fraction of successful listings
Yahoo	\$0	16%
Amazon	\$0.10	37%
eBay	\$0.25-\$2 (depending on minimum bid on reserve)	54%

Network Externalities

- Sellers want to be where prices are high. Few sellers=Lots of buyers
- Buyers want to be where prices are low, selection is good—Lots of sellers, few buyers.

Organization	Auctions or Closings/Day	Est. revenues/month
eBay	340,000	\$190,000,000
Yahoo	88,000	\$19,000,000
Amazon	10,000	\$2,000,000

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14.27 Economics and E-Commerce
Fall 2014

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