# INFORMATION TECHNOGY



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# UNIVERSITE ROYALE DE DROIT ET DES SCIENCES ECONOMIQUES ROYAL UNIVERSITY OF LAW AND ECONOMICS













# eBay E-commerce

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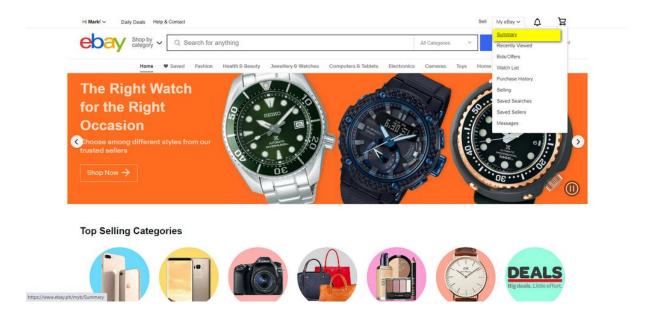
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#### Introduction

eBay is a global online marketplace that has transformed the way people buy and sell goods. Launched in 1995, it became one of the first platforms to offer an open marketplace for both individual users and businesses, primarily through auctions. Today, eBay is recognized as a pioneer in e-Commerce, enabling millions of users worldwide to participate directly in commerce. Over the years, the company has evolved from a simple auction website to a comprehensive e-Commerce platform supporting a wide range of business models.



eBay's homepage in 2025

#### **Background**

#### **Founding and Early Success**

eBay began as a personal project by Pierre Omidyar, a computer programmer who wanted to create an online platform where individuals could easily conduct business. The platform was initially launched as "AuctionWeb" on September 3, 1995. Omidyar's idea was revolutionary at the time, providing a space where buyers and sellers could interact directly, list items for sale, and conduct transparent transactions.

The first item sold on AuctionWeb was a broken laser pointer, which fetched \$14.83. Surprised by the sale, Omidyar realized the potential of online auctions, even for unconventional items. By 1996, the site had grown to the point where Omidyar hired his first employee and began charging listing fees to cover operational costs.

In 1997, AuctionWeb was officially renamed eBay, short for "Echo Bay," the name of Omidyar's consulting firm. By the end of that year, the platform had facilitated millions of transactions and attracted significant attention from investors.



AuctionWeb's humble beginnings in 1995

#### **Business Model**

eBay's original business model was based on auction-style listings, where sellers could list items, and buyers would bid until the auction ended. eBay charged sellers a fee for listing items and a final value fee once the item was sold. Over time, the platform expanded to include fixed-price listings, making it easier for buyers to purchase items immediately without participating in auctions.



The auction of ebay

#### **Key Milestones in Early Growth**

- 1. **1998**: eBay went public with its initial public offering (IPO), raising significant capital and gaining mainstream recognition.
- 2. **2002**: eBay acquired PayPal, a digital payment company, which became the primary payment method on the platform. This acquisition streamlined operations and improved trust between buyers and sellers.
- 3. **2004-2006**: eBay expanded globally by acquiring international auction sites and launching localized versions of its platform in countries like China, India, and Latin America.



photo of eBay's 1998 IPO celebration at the stock exchange

#### Their Business Platform

eBay's platform is designed as a C2C (Consumer-to-Consumer) and B2C (Business-to-Consumer) marketplace. Here's how it works:

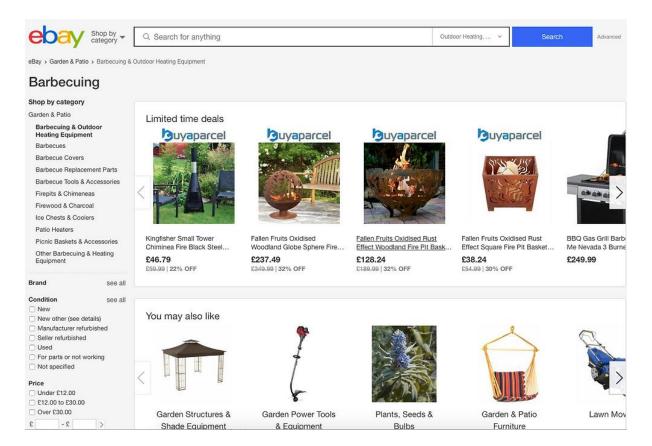
#### **C2C** (Consumer-to-Consumer):

- Individuals can sell used or new items directly to other individuals.
- Auction-style listings allow buyers to bid, creating a competitive environment that can drive prices up.

#### **B2C** (Business-to-Consumer):

• Small and large businesses use eBay as a sales channel to reach millions of customers worldwide.

• Fixed-price listings ("Buy It Now") are commonly used by businesses to sell products directly without auctions.



eBay's marketplace

#### 1. Customer Segments:

- Individual buyers
- Small businesses
- Collectors
- Bargain hunters
- International buyers

#### 2. Value Propositions:

• Wide selection

- Competitive pricing
- Trust and security
- Global reach
- Unique shopping experiences

#### 3. Channels:

- Website
- Mobile app
- Partner programs
- Social media
- Customer support

#### 4. Customer Relationships:

- Buyer protection
- Seller support
- Feedback system
- Personalized recommendations
- Community forums

#### **5. Revenue Streams:**

- Listing fees
- Final value fees
- Managed payments
- Promoted listings
- Subscription fees

• Advertising

#### 6. Key Activities:

- Platform development
- Customer support
- Marketing and advertising
- Data analysis
- Fraud prevention

#### 7. Key Resources:

- Technology infrastructure
- Intellectual property
- Brand reputation
- User data
- Human capital

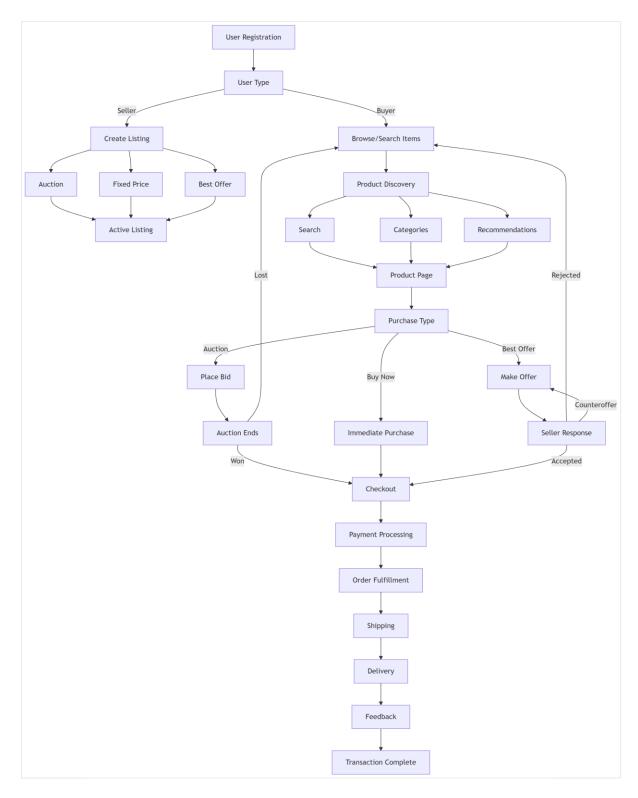
#### 8. Key Partnerships:

- Payment processors
- Shipping companies
- Technology providers
- Advertising networks
- Marketplace operators
- Developers

#### 9. Cost Structure:

• Technology infrastructure

- Customer support
- Marketing and advertising
- Fraud prevention
- Employee compensation



#### **Challenges and Opportunities**

#### **Challenges:**

- 1. **Intense Competition**: eBay faces strong competition from other eCommerce giants, particularly Amazon, which offers a more convenient shopping experience with faster shipping and a wider product range. Unlike eBay's auction-based model, Amazon's fixed prices and fulfillment services provide greater convenience to customers.
- 2. **Fraud and Trust Issues**: Since eBay primarily facilitates peer-to-peer transactions, issues like counterfeit products, fraud, and disputes between buyers and sellers have become significant concerns. eBay has had to invest heavily in trust-building measures, including buyer protection programs and advanced fraud detection systems.
- 3. **Shifting User Preferences**: Over time, user interest in online auctions has declined, with many preferring the immediacy of fixed-price purchases. eBay has had to adapt by promoting fixed-price listings and offering new services to attract a broader audience.
- 4. **Technological Advancements**: Rapid changes in the e-Commerce industry, including mobile commerce and AI-driven personalization, present ongoing challenges.



eBay vs. Amazon

#### **Opportunities:**

- 1. **Niche Markets and Collectibles**: eBay's strength lies in its ability to cater to niche markets, including collectibles, antiques, and rare items. By focusing on these areas, eBay can maintain a loyal user base and differentiate itself from competitors.
- 2. **Expansion into Emerging Markets**: With its global presence, eBay has significant opportunities to expand into emerging markets where e-Commerce is still growing. Partnerships with local businesses and tailored services can help eBay tap into new customer segments.
- 3. **Sustainability and Circular Economy**: As users become more environmentally conscious, eBay is well-positioned to promote the resale and reuse of products, reducing waste and supporting a circular economy.

4. **Technology and Innovation**: eBay can leverage AI and machine learning to enhance user experiences, including personalized product recommendations, improved search functionality, and better fraud detection. Additionally, advancements in mobile commerce present opportunities to capture a growing segment of mobile shoppers.

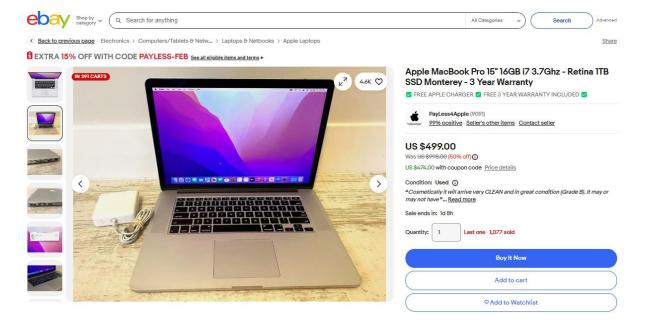


second-hand clothing sold on eBay

#### **Functionalities and Features**

#### 1. Diverse Selling Formats:

- Auctions: Sellers can list items for auction, allowing buyers to bid within a specified timeframe.
- **Buy It Now**: Items can be purchased immediately at a fixed price, bypassing the auction process.
- **Best Offer**: Buyers can propose a price, which the seller can accept, decline, or counter.



#### 2. Advanced Search and Filtering:

- Advanced Search: Users can search by location, price range, buying format, and more.
- **Search Refinement**: Filters like price range, item condition, and seller location help narrow search results.

#### 3. Shopping Cart:

 Allows buyers to add multiple items from different sellers into a single cart for streamlined checkout.

#### 4. Seller Tools and Resources:

- **eBay Mag**: A tool for listing items on international eBay sites, managing orders, and optimizing shipping.
- **Listing Quality Report**: Provides insights and recommendations to improve listing performance.
- **Multi-User Account Access**: Allows sellers to grant account access to employees or partners.

#### **5. Promotional Tools:**

- **Promoted Listings**: Sellers can increase visibility by promoting listings in search results.
- Newsletter Creation: eBay Store sellers can create email campaigns for subscribers and past customers.

#### 6. Buyer Protection and Reviews:

- **eBay Money Back Guarantee**: Ensures buyers receive the item they ordered or a refund.
- **Product Reviews**: Users can access reviews and ratings to make informed purchasing decisions.

#### 7. Global Reach and Localization:

• eBay operates in numerous countries with localized sites and supports cross-border trade.

#### 8. Mobile Accessibility:

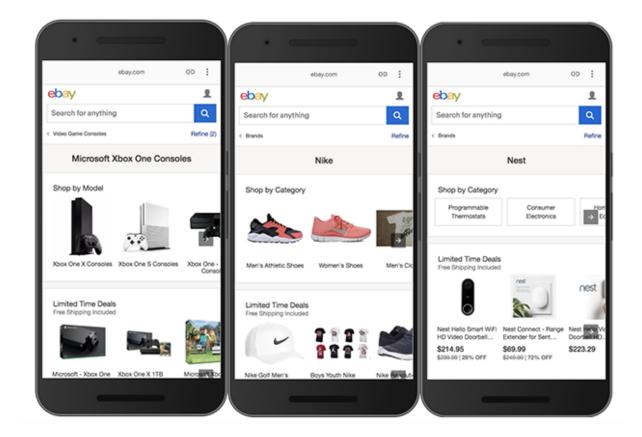
• The eBay mobile app allows users to browse, buy, and sell items on-thego.

#### **9. Developer Integration:**

• The eBay Developers Program enables developers to create applications that integrate with eBay's platform.

#### 10. Community and Social Features:

- Listings can be shared on social media platforms like Facebook, Twitter, and Pinterest.
- Users can save items or searches in favorites and wish lists for future reference.



#### **Customer Experience**

eBay has received mixed feedback from users. While some sellers have achieved significant success, others have faced challenges with customer service, account suspensions, and fraudulent activities.

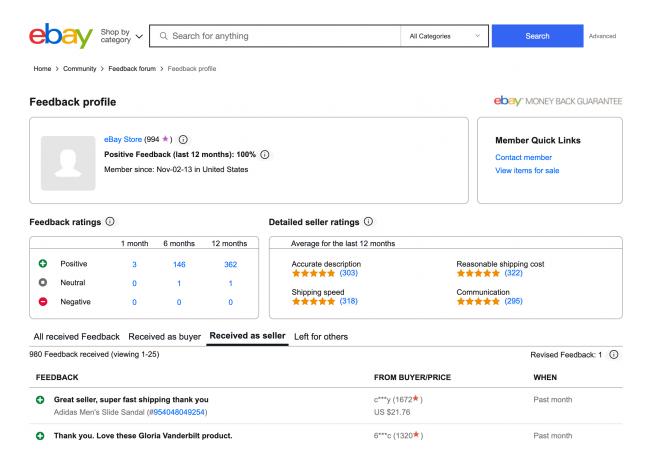
#### **Positive Feedback:**

• Some sellers have built multi-million-dollar businesses through eBay.

#### **Negative Feedback:**

- **Customer Service Issues**: Many users report dissatisfaction with eBay's customer support.
- Account Suspensions: Some sellers have had accounts suspended without clear explanations.

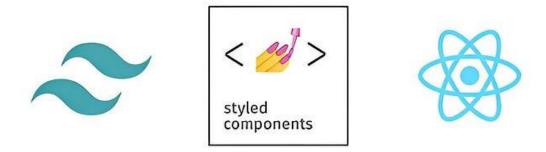
- Fraudulent Activities: Buyers have encountered issues with deceptive sellers.
- Payment and Refund Problems: Users have reported difficulties with unauthorized transactions and refunds.



#### **Technologies**

**Front-end (User Interface):** Next.js (React), Tailwind CSS or Material-UI for styling.

- **Next.js**: The core framework for server-side rendering (SSR), static site generation (SSG), and API routes.
- **React**: For building reusable UI components.
- Tailwind CSS: A utility-first CSS framework for styling.
- Material-UI: A React component library for pre-built UI elements.



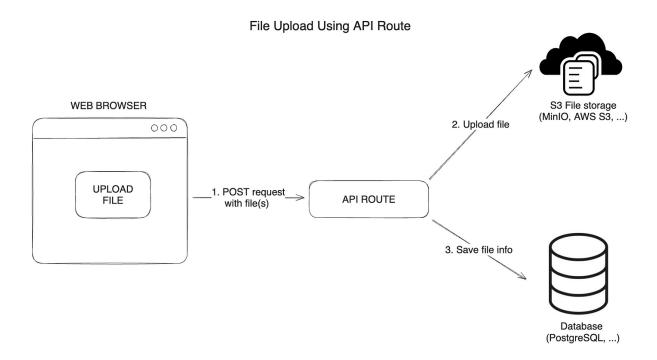


### with Styled-components

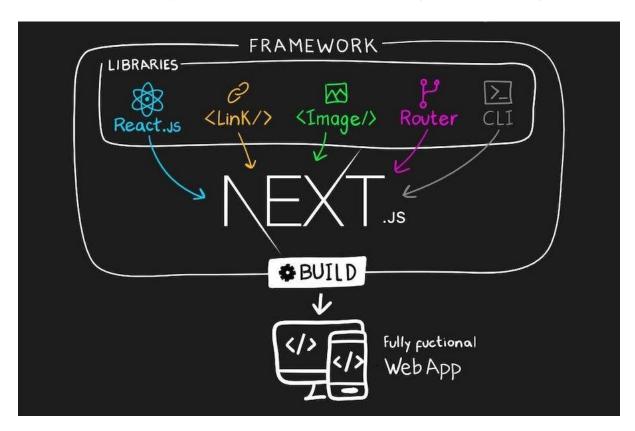
#### **Back-end: Next.js API routes.**

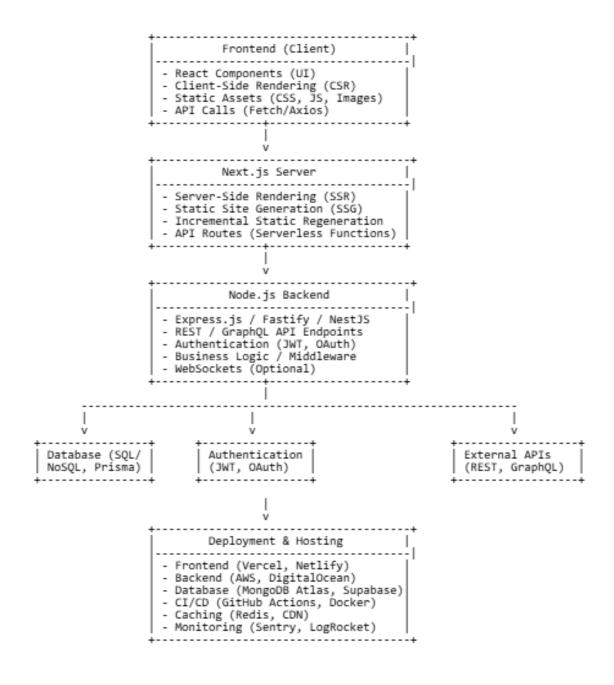
Next.js API Routes: Built-in API routes in Next.js for handling serverside logic.

Express.js (optional): If you need a more robust back-end, you can use Express.js alongside Next.**js.** 



Frameworks: Next.js is used for server-side rendering and static site generation.





#### **Summary**

eBay has evolved from a simple auction site to a global e-Commerce platform. While it faces challenges like competition and fraud, it also has opportunities in niche markets, emerging economies, and technological innovation. The platform offers a wide range of features for both buyers and sellers, supported by advanced technologies. However, customer experience remains a mixed area, with some users achieving great success while others face significant challenges.

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