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[Template:Infobox dot-com company](/wiki/Template:Infobox_dot-com_company)

**eBay Inc.** (stylized as **ebay** since late 2012; **ebaY** prior) is an American [multinational corporation](/wiki/Multinational_corporation) and [e-commerce](/wiki/E-commerce) company, providing [consumer-to-consumer](/wiki/Consumer_to_consumer) and [business-to-consumer](/wiki/Business_to_consumer) [sales](/wiki/Sales) services via the [internet](/wiki/Internet). It is headquartered in [San Jose](/wiki/San_Jose,_California), [California](/wiki/California). eBay was founded by [Pierre Omidyar](/wiki/Pierre_Omidyar) in 1995, and became a notable success story of the [dot-com bubble](/wiki/Dot-com_bubble). Today it is a multibillion-dollar business with operations localized in over 30 countries.[[1]](#cite_note-1) The company manages eBay.com, an [online auction](/wiki/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 sales, the website has since expanded to include "Buy It Now" shopping; shopping by [UPC](/wiki/Universal_Product_Code), [ISBN](/wiki/ISBN), or other kind of [SKU](/wiki/Stock_Keeping_Unit) (via [Half.com](/wiki/Half.com)); online classified advertisements (via [Kijiji](/wiki/Kijiji) or eBay Classifieds); online event ticket trading (via [StubHub](/wiki/StubHub)); and other services. It previously offered online money transfers (via [PayPal](/wiki/PayPal)),[[2]](#cite_note-2) which was a wholly owned subsidiary of eBay from 2002 until 2015.

The website is free to use for buyers, but sellers are charged fees for listing items and again when those items are sold.[[3]](#cite_note-3)

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## History[[edit](/index.php?title=(none)&action=edit&section=1)]

[thumb|left|eBay headquarters in](/wiki/File:Ebayheadquarters.jpg) [San Jose](/wiki/San_Jose,_California), California

### Early years[[edit](/index.php?title=(none)&action=edit&section=2)]

The AuctionWeb was founded in [California](/wiki/California) on September 3, 1995 by French-born [Iranian-American](/wiki/Iranian-American) computer programmer [Pierre Omidyar](/wiki/Pierre_Omidyar) (born June 21, 1967) as part of a larger personal site.[[4]](#cite_note-4)One of the first items sold on AuctionWeb was a broken [laser pointer](/wiki/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."[[5]](#cite_note-5) The frequently repeated story that eBay was founded to help Omidyar's fiancée trade [Pez](/wiki/Pez) candy dispensers was fabricated by a [public relations](/wiki/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](/wiki/Perfect_market)".[[6]](#cite_note-6) This was revealed in Adam Cohen's book, *The Perfect Store* (2002),[[4]](#cite_note-4) and confirmed by eBay.[[6]](#cite_note-6) 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.[Template:Citation needed](/wiki/Template:Citation_needed) It resulted in the hiring of Chris Agarpao as eBay's first employee to handle the number of checks coming in for fees.[Template:Citation needed](/wiki/Template:Citation_needed) [thumb|left|Pierre Omidyar, founder and chairman of eBay](/wiki/File:Pomidyarji.jpg)

[Jeffrey Skoll](/wiki/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 [Template:Formatnum:2000000](/wiki/Template:Formatnum:2000000) auctions, compared with [Template:Formatnum:250000](/wiki/Template:Formatnum:250000) during the whole of 1996.[[7]](#cite_note-7) 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](/wiki/Echo_Bay_Mines), a gold mining company,[[8]](#cite_note-8) so he shortened it to his second choice, eBay.com.[[9]](#cite_note-9) In 1997, the company received $6.7 million in funding from the venture capital firm [Benchmark Capital](/wiki/Benchmark_Capital).[[10]](#cite_note-10) [Meg Whitman](/wiki/Meg_Whitman) was hired as eBay President and CEO in March 1998. At the time, the company had 30 employees,[[11]](#cite_note-11) half a million users and revenues of $4.7 million in the United States.[Template:Citation needed](/wiki/Template:Citation_needed)

eBay went public on September 21, 1998,[[12]](#cite_note-12) 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.[[13]](#cite_note-13)

### 2000s[[edit](/index.php?title=(none)&action=edit&section=3)]

As the company expanded product categories beyond collectibles into almost any saleable item, business grew quickly.[[5]](#cite_note-5)In February 2002, the company purchased iBazar, a similar European auction web site founded in 1998,[Template:Citation needed](/wiki/Template:Citation_needed) and then bought [PayPal](/wiki/PayPal) on October 3, 2002.[[14]](#cite_note-14) The name stylized with the name of "**ebaY**" between September 2007 and October 2012, after which the style became "**ebay**", which is currently used.[Template:Citation needed](/wiki/Template:Citation_needed)

By early 2008, the company had expanded worldwide, counted hundreds of millions of registered users, [Template:Formatnum:15000](/wiki/Template:Formatnum:15000)+ employees and revenues of almost $7.7 billion.[[15]](#cite_note-15) 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](/wiki/John_Donahoe) was selected to become President and CEO.[[16]](#cite_note-16) Whitman remained on the Board of Directors and continued to advise Donahoe through 2008. In late 2009, eBay completed the sale of [Skype](/wiki/Skype) for $2.75 billion, but will still own 30% equity in the company.[[17]](#cite_note-17) In 2012 [eBay was charged](/wiki/High-Tech_Employee_Antitrust_Litigation) by the United States Department of Justice with entering into non-solicitation agreements with other technology companies involving their highly skilled employees.[[18]](#cite_note-18) On September 30, 2014, eBay announced it would spinoff PayPal into a separate publicly traded company, a demand made nine months prior by activist hedge fund magnate [Carl Icahn](/wiki/Carl_Icahn). The spinoff completed on July 18, 2015. eBay’s then chief executive, John Donahoe, stepped down from that role.[[19]](#cite_note-19)[[20]](#cite_note-20)[[21]](#cite_note-21)

## Corporate affairs[[edit](/index.php?title=(none)&action=edit&section=4)]

### Board of directors[[edit](/index.php?title=(none)&action=edit&section=5)]

As of November 2014, the board of directors was as follows:[[22]](#cite_note-22)\* [Devin Wenig](/wiki/Devin_Wenig), new eBay CEO and President since 2015

* [Fred D. Anderson](/wiki/Fred_D._Anderson), former managing director of [Elevation Partners](/wiki/Elevation_Partners), director of eBay since July 2003
* [Edward W. Barnholt](/wiki/Edward_W._Barnholt), former president and CEO of [Agilent Technologies](/wiki/Agilent_Technologies), director of eBay since April 2005
* [Scott Cook](/wiki/Scott_Cook), founder of [Intuit](/wiki/Intuit), director of eBay since June 1998
* [John Donahoe](/wiki/John_Donahoe), eBay’s former president and CEO since March 2008, former director of eBay since January 2008
* [David Dorman](/wiki/David_Dorman), non-executive chairman of [Motorola](/wiki/Motorola), director of eBay since June 2014
* [William Clay Ford, Jr.](/wiki/William_Clay_Ford,_Jr.), executive chairman of [Ford Motor Company](/wiki/Ford_Motor_Company), director of eBay since July 2005
* [Kathleen C. Mitic](/wiki/Kathleen_C._Mitic), founder and CEO of Sitch Inc, director of eBay since September 2011
* [David M. Moffett](/wiki/David_M._Moffett), former CEO of [Freddie Mac](/wiki/Freddie_Mac), director of eBay since July 2007
* [Pierre Omidyar](/wiki/Pierre_Omidyar), director and chairman of eBay, since its incorporation in May 1996
* [Richard T. Schlosberg](/wiki/Richard_T._Schlosberg), former president and CEO of the [David and Lucile Packard Foundation](/wiki/David_and_Lucile_Packard_Foundation), director of eBay since March 2004
* [Thomas J. Tierney](/wiki/Thomas_J._Tierney), co-founder of the [Bridgespan Group](/wiki/Bridgespan_Group), director of eBay since March 2003

### Logo[[edit](/index.php?title=(none)&action=edit&section=6)]

In September 2012, eBay introduced their new logo set in [Univers](/wiki/Univers).[[23]](#cite_note-23) This new logo was installed onto the main website on October 10, 2012. <gallery heights=85 mode="packed"> File:EBay former logo.svg|1995–2012 File:EBay logo.svg|2012–present </gallery>

### Profit and transactions[[edit](/index.php?title=(none)&action=edit&section=7)]

eBay generates revenue by a complex system of fees for services, listing product features, and a *Final Value Fee* for sales proceeds by sellers. As of November 2012, the U.S.-based eBay.com charges [$](/wiki/United_States_Dollar)0.10 to $2, based on the opening or reserve price, as an insertion fee for a basic auction-style listing without any adornments. The Final Value Fee amounts to 10% of the total amount of the sale, which is the price of the item plus shipping charges.[[24]](#cite_note-24) Fixed-price listings have an insertion fee of $0.30, and the final value fee varies based on category and total amount of the sale (e.g., 13% for DVDs & Movies up to $50).[[25]](#cite_note-25) The UK-based ebay.co.uk[[26]](#cite_note-26) takes from [£](/wiki/Pound_sterling)0.15 to a maximum rate of £3 per £100 for an ordinary listing and up to 10% of the final price. Reduced Final Value Fees are available to business registered customers.

Under U.S. law, a state cannot require sellers located outside the state to collect a [sales tax](/wiki/Sales_tax), making purchases more attractive to buyers. Although some state laws require resident purchasers to pay [use tax](/wiki/Use_tax) on out-of-state purchases, it is not a common practice.[Template:Citation needed](/wiki/Template:Citation_needed) However, sellers that operate as a business do follow state tax regulations on eBay transactions.[[27]](#cite_note-27)[[28]](#cite_note-28) However [Value Added Tax](/wiki/Value_Added_Tax) (VAT), the EU countries' sales tax, is different. eBay requires sellers to include the VAT element in their listing price and not as an add-on and thus profits by collecting fees based not only on the sale price "ex VAT" but also on the VAT.[[29]](#cite_note-29)In a similar manner eBay also charges its Final Value Fees on all shipping charges.

The company's business strategy includes increasing international trade.[[30]](#cite_note-30)[[31]](#cite_note-31) eBay has already expanded to over [two dozen countries](/wiki/#International), including China and India. Strategic international expansion has failed in Taiwan and Japan, where [Yahoo!](/wiki/Yahoo!) had a head start, and New Zealand, where [Trade Me](/wiki/Trade_Me) is the dominant online auction website. eBay also notably failed in China due to competition from local rival [Taobao](/wiki/Taobao).[[32]](#cite_note-32) eBay entered the Chinese market in 2002 and shut down its Chinese site in 2007.[[33]](#cite_note-33) In its Q1 2008 results, total payment volume via PayPal increased 17%, but off the eBay auction site it was up 61%.[[34]](#cite_note-34) For most listing categories, eBay sellers are permitted to offer a variety of payment systems such as Escrow.com,[[35]](#cite_note-35) [PayPal](/wiki/PayPal), [Paymate](/wiki/Paymate), Propay, and Skrill.[[36]](#cite_note-36) Propay and Skrill will be banned effective September 27, 2015, citing low usage.<ref name=ecom-ebayban>[Template:Cite web](/wiki/Template:Cite_web)</ref>

Escrow.com is eBay's approved [escrow](/wiki/Escrow) site. The transactions processed through Escrow.com largely are in relation to eBay Motors; however, they are not restricted to this type of listing.[[35]](#cite_note-35) eBay runs an affiliate program under the name eBay Partner Network.[[37]](#cite_note-37) eBay affiliate marketers were originally paid a percentage of the eBay seller's transaction fees, with commissions ranging from 50% to 75% of the fees paid for an item purchased. In October 2009, eBay changed to an affiliate payout system that it calls Quality Click Pricing, in which affiliates are paid an amount determined by an undisclosed algorithm. The total earnings amount is then divided by the number of clicks the affiliate sent to eBay and is reported as Earnings Per Click, or EPC. In October 2013, ePN launched a new pricing model. The new model is more transparent, and is based on category-level base commission rates with bonuses available for referring new and reactivated buyers.<ref name=autogenerated5>[Template:Cite web](/wiki/Template:Cite_web)</ref>

On April 18, 2012 eBay reported a 29% Q1 revenue increase to $3.3 billion compared to their Q1 in 2011. Net income was reported to be at $570 million for the quarter.[[38]](#cite_note-38)

### Environmental record[[edit](/index.php?title=(none)&action=edit&section=8)]

On May 8, 2008, eBay announced the opening of its newest building on the company's North Campus in [San Jose](/wiki/San_Jose,_California), which is the first structure in the city to be built from the ground up to [LEED](/wiki/Leadership_in_Energy_and_Environmental_Design) Gold standards.[[39]](#cite_note-39) The building, the first the company had built in its 13-year existence, uses an array of 3,248 solar panels, spanning [Template:Convert](/wiki/Template:Convert), and providing 650 kilo[watts](/wiki/Watt) of power to eBay's campus.[[40]](#cite_note-40)[[41]](#cite_note-41) The array can supply 15%–18% of the company's total energy requirements, reducing the amount of [greenhouse gases](/wiki/Greenhouse_gas) that would be produced to create that energy by other means.[[40]](#cite_note-40) [SolarCity](/wiki/SolarCity), the company responsible for designing the array, estimates that the solar panels installed on eBay's campus will prevent 37 million pounds of [carbon dioxide](/wiki/Carbon_dioxide) from being released into the environment as a result of replaced power production over the next three decades. Creating an equivalent impact to remove the same amount of carbon dioxide from the atmosphere would require planting [Template:Convert](/wiki/Template:Convert) of trees.[[41]](#cite_note-41) The design of the building also incorporates other elements to reduce its impact on the environment. The building is equipped with a lighting system that detects natural ambient light sources and automatically dims artificial lighting to save 39% of the power usually required to light an office building. eBay's newest building also reduces demand on local water supplies by incorporating an eco-friendly irrigation system, and low-flow shower heads and faucets. Even during construction, more than 75% of the waste from construction was recycled. eBay also runs buses between San Francisco and the San Jose campus to reduce the number of commuting vehicles.[[39]](#cite_note-39) In 2014, eBay and several other Oregon businesses signed the Oregon Business Climate Declaration to promote local job growth and slow carbon pollution.<ref name=bizjournal>[Template:Cite web](/wiki/Template:Cite_web)</ref>

### Acquisitions[[edit](/index.php?title=(none)&action=edit&section=9)]

[Template:Main](/wiki/Template:Main)

#### StubHub[[edit](/index.php?title=(none)&action=edit&section=10)]

StubHub was acquired by eBay in January 2007 for a reported $310 million.[[42]](#cite_note-42)[[43]](#cite_note-43)[[44]](#cite_note-44)[[45]](#cite_note-45) According to [CNN Money](/wiki/CNN_Money), 2007 was a very successful year for the company, handling five million individual transactions, more than in the previous six years combined of its history.[[46]](#cite_note-46) Staffing at StubHub had increased to 350 workers by the time of the sale.[[45]](#cite_note-45) Eight months after the acquisition, StubHub reached an exclusive agreement with [Major League Baseball](/wiki/Major_League_Baseball) (MLB).[[46]](#cite_note-46) They get a piece of the 25% in commissions StubHub earns on either end of a season tiy in 2007, alleging "intentional interference" with Ticketmaster's contractual rights.[[47]](#cite_note-47)

#### Skype[[edit](/index.php?title=(none)&action=edit&section=11)]

eBay Inc. acquired [Skype](/wiki/Skype) in 2005[[48]](#cite_note-48) and significantly expanded its customer base to more than 480 million registered users worldwide. To focus on its core e-commerce and payments businesses, eBay Inc. sold a majority stake in Skype in November 2009, retaining a minority investment in the company.[[49]](#cite_note-49) In May 10, 2011, Microsoft announced that they had acquired Skype for $8.5 billion.[[50]](#cite_note-50)

#### Craigslist[[edit](/index.php?title=(none)&action=edit&section=12)]

In the summer of 2004, eBay acknowledged that it had acquired 25% of classified listings website, [Craigslist](/wiki/Craigslist). Former Craigslist executive Phillip Knowlton was the seller, and he insisted that his former employer was aware of his plans to divest his holdings. Initially, eBay assured Craigslist that they would not ask the company to change the way it does business. eBay spokesman Hani Durzy stated that the "investment was really for learning purposes; it gives us access to learn how the classified market online works."[[51]](#cite_note-51) In March 2005, eBay launched the classifieds service [Kijiji](/wiki/Kijiji). In April 2008, eBay sued Craigslist to "safeguard its four-year financial investment," claiming that in January 2008, Craigslist took actions that "unfairly diluted eBay's economic interest by more than 10%."[[52]](#cite_note-52) Craigslist countersued in May 2008 "to remedy the substantial and ongoing harm to fair competition" that Craigslist claimed was constituted by eBay's actions as a Craigslist shareholder.[[53]](#cite_note-53) In September 2010, Delaware Judge William Chandler ruled that the actions of Craigslist were unlawful, and that the actions taken by Craigslist founders Jim Buckmaster and Craig Newmark had "breached their fiduciary duty of loyalty," and restored eBay's stake in the company to 28.4% from a diluted level of 24.85%.[[54]](#cite_note-54) However, the judge dismissed eBay's objection to a staggered board provision, citing that Craigslist has the right to protect its own trade secrets.[[55]](#cite_note-55)[[56]](#cite_note-56) eBay spokesman Michael Jacobson stated "We are very pleased that the court gave eBay what it sought from the lawsuit."[[54]](#cite_note-54)

#### PayPal[[edit](/index.php?title=(none)&action=edit&section=13)]

On October 3, 2002, PayPal became a wholly owned subsidiary of eBay.[[57]](#cite_note-57) Its corporate headquarters were sited in [San Jose, California](/wiki/San_Jose,_California),<ref name=samuels2012>[Template:Citation](/wiki/Template:Citation)</ref> United States at eBay's North First Street satellite office campus. On September 30, 2014, eBay Inc. announced it would spin off PayPal into an independent company. The spin was completed on July 20, 2015.[[58]](#cite_note-58)

## Use for data analysis[[edit](/index.php?title=(none)&action=edit&section=14)]

As eBay is a huge, publicly visible market, it has attracted a great deal of interest from economists, who have used it to analyze many aspects of buying and selling behavior, auction formats, etc., and compare these with previous theoretical and empirical findings.

Just as economists have shown interest in eBay's operations, computer information systems researchers have also shown interest in eBay. Recently Michael Goul, Chairman of the Computer Information Systems department of the [W. P. Carey School of Business at Arizona State University](/wiki/W._P._Carey_School_of_Business), published an academic case based on eBay’s big data management and use. In the case, Goul discusses how eBay is a data-driven company that processes 50 petabytes of data a day.[[59]](#cite_note-59) eBay uses a system that allows different departments in the company to check out data from their data mart into sandboxes for analysis. According to Goul, eBay has already experienced significant business successes through its data analytics. To continue improving the business through data-driven decision making, eBay employs 5,000 data analysts.[[59]](#cite_note-59)

### Third party[[edit](/index.php?title=(none)&action=edit&section=15)]

In 2006, the accounting software company [Intuit](/wiki/Intuit) launched a free web-based donation tracking service called ItsDeductible. The service uses data from eBay to help users assign a [market value](/wiki/Market_value) to the items they donate.[[60]](#cite_note-60)

### GCHQ[[edit](/index.php?title=(none)&action=edit&section=16)]

UK's [GCHQ](/wiki/GCHQ) has a suite of tools for monitoring target use of eBay, named ELATE.[[61]](#cite_note-61)

### Items[[edit](/index.php?title=(none)&action=edit&section=17)]

Millions of [collectibles](/wiki/Collectable), [decor](/wiki/Interior_design), [appliances](/wiki/Home_appliance), computers, [furnishings](/wiki/Furniture), [equipment](/wiki/Tool), [domain names](/wiki/Domain_name),[[62]](#cite_note-62) 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.[[63]](#cite_note-63) Services and [intangibles](/wiki/Intangible_asset) can be sold, too. Large international companies, such as [IBM](/wiki/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](/wiki/EBay_API) by joining the eBay Developers Program.[[64]](#cite_note-64) 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.

Numerous government and police agencies[[65]](#cite_note-65) around the world now use eBay as well as traditional [auctions](/wiki/Auction) to dispose of seized and confiscated goods.

Controversy has arisen over certain items put up for bid. For instance, in late 1999, a man offered one of his [kidneys](/wiki/Kidney) for auction on eBay, attempting to profit from the potentially lucrative (and, in the United States, illegal) market for [transplantable human organs](/wiki/Organ_transplant).[[66]](#cite_note-66) On other occasions, people and even entire towns have been listed, often as a joke or to garner free publicity.[Template:Citation needed](/wiki/Template:Citation_needed) In general, the company removes auctions that violate its [Terms of Service](/wiki/Terms_of_Service) agreement. [thumb|200x200px|eBay North First Street satellite office campus (home to PayPal)](/wiki/File:PayPal_San_Jose_Headquarters.jpg) Beginning in August 2007, eBay required listings in "Video Games" and "Health & Beauty" to accept its payment system [PayPal](/wiki/PayPal) and sellers could only accept PayPal for payments in the category "Video Games: Consoles".[[67]](#cite_note-67) 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".[[68]](#cite_note-68) 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](/wiki/Merchant_account) may be used as an alternative.[[69]](#cite_note-69)[[70]](#cite_note-70) This is in addition to the requirement that all sellers from the United Kingdom have to offer PayPal.[[71]](#cite_note-71) Further, and as noted below, 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](/wiki/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.[[72]](#cite_note-72) [thumb|eBay Express logo](/wiki/File:Ebay_express.png) [thumb|eBay Office in Toronto](/wiki/File:EBayTorontoOffice.JPG) On April 24, 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.[[73]](#cite_note-73) It closed in 2008.[Template:Citation needed](/wiki/Template:Citation_needed) 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.[[74]](#cite_note-74) The German version, eBay Express Germany,[[75]](#cite_note-75) 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).[[76]](#cite_note-76) The program allows approved developers to integrate their applications directly into the eBay.com interface.[[77]](#cite_note-77) 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, and reviews and guides. eBay's mobile offerings include [SMS](/wiki/Short_message_service) alerts, a [WAP](/wiki/Wireless_Application_Protocol) site, [Java ME](/wiki/Java_ME) clients, and mobile applications for [Windows Phone](/wiki/Windows_Phone), [Android OS](/wiki/Android_(operating_system)), and Apple iPhone.

The initiative [Choice in eCommerce](/wiki/Choice_in_eCommerce) was founded on May 8, 2013 by several online retailers in [Berlin](/wiki/Berlin), Germany.[[78]](#cite_note-78)[[79]](#cite_note-79)[[80]](#cite_note-80)[[81]](#cite_note-81)[[82]](#cite_note-82)[[83]](#cite_note-83)[[84]](#cite_note-84)[[85]](#cite_note-85)[[86]](#cite_note-86) The cause was, in the view of the initiative, sales bans and online restrictions by individual manufacturers. The dealers felt cut off from their main sales channel and thus deprived them the opportunity to use online platforms like [Amazon](/wiki/Amazon.com), [eBay](/wiki/Ebay), or [Rakuten](/wiki/Rakuten) in a competitive market for the benefit of their customers.

#### Unusual items[[edit](/index.php?title=(none)&action=edit&section=18)]

[Template:Main](/wiki/Template:Main) Many unusual items have been placed for sale on eBay, including at least two previously undiscovered species, including the [Coelopleurus exquisitus](/wiki/Coelopleurus_exquisitus) [sea urchin](/wiki/Sea_urchin).[[87]](#cite_note-87)[[88]](#cite_note-88)

#### Prohibited or restricted items[[edit](/index.php?title=(none)&action=edit&section=19)]

In its earliest days, eBay was nearly unregulated. However, as the site grew, it became necessary to restrict or prohibit 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: [Template:Columns-list](/wiki/Template:Columns-list)

### Bidding[[edit](/index.php?title=(none)&action=edit&section=20)]

#### Auction-style listings[[edit](/index.php?title=(none)&action=edit&section=21)]

Bidding on eBay (old or new)'s auction-style listing is called [proxy bidding](/wiki/Proxy_bid) and is essentially equivalent to a [Vickrey auction](/wiki/Vickrey_auction) (sealed-bid), with the following exceptions.

* The winning bidder pays the second-highest bid plus one bid increment amount (that is, some small predefined amount relative to the bid size), instead of simply the highest bid. However, since the bid increment amounts are relatively insignificant compared to the bid size, they are not considered from a strategic standpoint.[[89]](#cite_note-89)\* The highest bidder's bid is sealed, as in a Vickrey auction, but the current winning bid (second highest plus one increment) is displayed throughout the auction to allow [price discovery](/wiki/Price_discovery).[[90]](#cite_note-90)\* Because eBay's auction-style listings are sealed-bid, it is usually to all bidders' advantage that bids are made only at the very end of the auction. Early bids will not always increase the bidder's chance of winning the auction, and will often raise the item's final price (winning bid) for the winner.
* eBay also allows sellers to offer a "Buy it Now" price that will end the auction immediately. The Buy It Now price is available until someone bids on the item, or until the reserve price is met. When the Buy It Now option disappears, the auction-style listing proceeds normally.[[91]](#cite_note-91)

#### Seller ratings[[edit](/index.php?title=(none)&action=edit&section=22)]

In 2008, eBay began using detailed seller ratings with four different categories. When leaving feedback, buyers are asked to rate the seller in each of these categories with a score of one to five stars, with five being the highest rating and one, the lowest. Unlike the overall feedback rating, these ratings are anonymous; neither sellers nor other users learn how individual buyers rated the seller. The listings of sellers with a rating of 4.3 or below in any into the four rating categories appear lower in search results. Power Sellers are required to have scores in each category above 4.5.[[92]](#cite_note-92)[[93]](#cite_note-93)[[94]](#cite_note-94)[[95]](#cite_note-95)[[96]](#cite_note-96) In a reversal of roles, on January 24, 2010 Auctionbytes.com held an open survey in which sellers could effectively rate eBay itself, as well as competing auction and marketplace sites.[[97]](#cite_note-97) In the survey, users were asked to rank 15 sites based on five criteria:

* Profitability
* Customer Service
* Communication
* Ease of Use
* Recommendation

After the results were published, eBay had finished 13th overall,[[98]](#cite_note-98) edged out by established sites such as [Amazon](/wiki/Amazon.com) and [Craigslist](/wiki/Craigslist), as well as lesser-known selling sites like [Atomic Mall](/wiki/Atomic_Mall), [eCRATER](/wiki/ECRATER), and [Ruby Lane](/wiki/Ruby_Lane). In individual category rankings, eBay was rated the worst of all the 15 sites on Customer Service and Communication, and average on Ease of Use. A number of respondents said they would have given eBay a rating of ten 3 to 5 years ago. eBay was rated twelfth out of fifteen in the Recommended Selling Venue category.

#### Charity auctions[[edit](/index.php?title=(none)&action=edit&section=23)]

Using [MissionFish](/wiki/MissionFish) as an arbiter, eBay allows sellers to donate a portion of their auction proceeds to a charity of the seller's choice. The program is called eBay Giving Works in the US, and eBay for Charity[[99]](#cite_note-99) in the UK. eBay provides a partial refund of seller fees for items sold through charity auctions.[[100]](#cite_note-100) As of March 4, 2010, $154 million has been raised for U.S. nonprofits by the eBay Community since eBay Giving Works began in 2003.[[101]](#cite_note-101) Some high-profile charity auctions have been advertised on the eBay home page.[[102]](#cite_note-102) As of June 2010, the highest successful bid on a single item for charity was for the annual "Power Lunch"[[103]](#cite_note-103) with investor [Warren Buffett](/wiki/Warren_Buffett) at the famous [Smith & Wollensky](/wiki/Smith_&_Wollensky) Steakhouse in New York. The winning bid was $2.63 million with all of the proceeds going to the [Glide Foundation](/wiki/Glide_Foundation). The winning bidder was not made public, but was able to bring up to seven friends to the lunch. In 2012, a higher bid, of $3.46 million, also going to the Glide Foundation, won a lunch with Buffet.[[104]](#cite_note-104) The previous highest successful bid on a single item for charity was for a letter[[105]](#cite_note-105) sent to Mark P. Mays, CEO of [Clear Channel](/wiki/Clear_Channel_Communications) (parent company of [Premiere Radio Networks](/wiki/Premiere_Radio_Networks) the production company that produces [*The Rush Limbaugh Show*](/wiki/The_Rush_Limbaugh_Show) and [*Glenn Beck Program*](/wiki/Glenn_Beck_Program)) by Senator [Harry Reid](/wiki/Harry_Reid) and forty other [Democratic](/wiki/Democratic_Party_(United_States)) senators, complaining about comments made by conservative talk show host [Rush Limbaugh](/wiki/Rush_Limbaugh). The winning bid was $2,100,100, with all of the proceeds going to the Marine Corps-Law Enforcement Foundation, benefiting the education of children of men and women who have died serving in the armed forces. The winning bid was matched by Limbaugh in his largest charity donation to date.[[106]](#cite_note-106) In 2007; eBay Canada partnered with Montreal-based digital branding agency [CloudRaker](/wiki/CloudRaker_(advertising_agency)) to develop a campaign to raise money for Sainte-Justine children's hospital in Montreal. They aligned themselves with Internet phenomenon [Têtes à claques](/wiki/Têtes_à_claques) to create an eBay auction based on popular T-A-C character Uncle Tom, an infomercial host who pitches absurd products. eBay and [CloudRaker](/wiki/CloudRaker_(advertising_agency)) reproduced Uncle Tom's imaginary products, The Body Toner Fly Swatter, The Willi Waller Potato Peeler, and the LCD Shovel and sold them online. In six weeks, they raised $15,000 for Hôpital St-Justine with one fly swatter, one potato peeler, and one shovel, a world record. The Body Toner Fly Swatter sold for $8,600, the Willi Waller Potato Peeler sold for $3,550, and the LCD Shovel sold for $2,146.21.

### Shipping[[edit](/index.php?title=(none)&action=edit&section=24)]

Before an auction, eBay lets sellers choose which shipping options to offer: standard mail, [express mail](/wiki/Express_mail), or courier service. The website lets buyers choose which option to accept.

Since 2012, eBay has also allowed U.S. sellers to opt into its Global Shipping Program. If a seller has opted into the program and a non-US buyer buys an item from that seller, then the buyer pays an additional fee to [Pitney Bowes](/wiki/Pitney_Bowes). The seller sends the item to a Pitney Bowes facility in the U.S., which forwards it to the buyer. The program is claimed to enhance the selection available to buyers,[[107]](#cite_note-107) but can considerably increase both buyers' costs on low-value items and the shipping time.

## Controversy and criticism[[edit](/index.php?title=(none)&action=edit&section=25)]

[Template:Main](/wiki/Template:Main) eBay has its share of controversy, including cases of fraud, its policy of requiring sellers to use [PayPal](/wiki/PayPal), and concerns over forgeries and intellectual property violations in auction items. There are also issues of how negative feedback after an auction can offset the benefits of using eBay as a trading platform. eBay has also been criticized for not paying its share of UK tax: the *Sunday Times* reported in October 2012 that eBay paid only £1.2m in tax on sales of over £800m.[[108]](#cite_note-108)

### 2014 security breach[[edit](/index.php?title=(none)&action=edit&section=26)]

On May 21, 2014 the company revealed that the consumer database of usernames, passwords, phone numbers, and physical addresses had been breached between late February and early March. Users were advised to change their passwords; to expedite this, a "change password" feature was added to profiles of users who had not yet done so. The [Syrian Electronic Army](/wiki/Syrian_Electronic_Army) took responsibility for the attack. The SEA said that even though the hack revealed millions of users' banking details to them, they would not misuse the data. They had replaced the front pages of the websites with their own logo, called "[Defacing](/wiki/Website_defacement)" in technical terms. The hack caused eBay's share price to crash in intra-day trade as a result of the breach of security.[[109]](#cite_note-109)[[110]](#cite_note-110)[[111]](#cite_note-111)[[112]](#cite_note-112)

## See also[[edit](/index.php?title=(none)&action=edit&section=27)]

* [Alibaba Group](/wiki/Alibaba_Group), Chinese e-commerce company
* [Carousell (company)](/wiki/Carousell_(company))
* [*eBay v. Bidder's Edge*](/wiki/EBay_v._Bidder's_Edge)
* [*Tiffany (NJ) Inc. v. eBay Inc.*](/wiki/Tiffany_(NJ)_Inc._v._eBay_Inc.)

[Template:Portal bar](/wiki/Template:Portal_bar)

## References[[edit](/index.php?title=(none)&action=edit&section=28)]

[Template:Reflist](/wiki/Template:Reflist)

## External links[[edit](/index.php?title=(none)&action=edit&section=29)]

[Template:Commons category](/wiki/Template:Commons_category)

* [Template:Official website](/wiki/Template:Official_website)

[Template:Finance links](/wiki/Template:Finance_links)

[Template:NASDAQ-100](/wiki/Template:NASDAQ-100) [Template:Ebaysites](/wiki/Template:Ebaysites) [Template:Major information technology companies](/wiki/Template:Major_information_technology_companies) [Template:Open Handset Alliance Members](/wiki/Template:Open_Handset_Alliance_Members) [Template:Authority control](/wiki/Template:Authority_control)

[Category:EBay](/wiki/Category:EBay) [Category:1995 establishments in the United States](/wiki/Category:1995_establishments_in_the_United_States) [Category:American brands](/wiki/Category:American_brands) [Category:Commerce websites](/wiki/Category:Commerce_websites) [Category:Companies based in San Jose, California](/wiki/Category:Companies_based_in_San_Jose,_California) [Category:Companies established in 1995](/wiki/Category:Companies_established_in_1995) [Category:Internet companies of the United States](/wiki/Category:Internet_companies_of_the_United_States) [Category:Internet properties established in 1995](/wiki/Category:Internet_properties_established_in_1995) [Category:IOS software](/wiki/Category:IOS_software) [Category:WatchOS software](/wiki/Category:WatchOS_software) [Category:Android (operating system) software](/wiki/Category:Android_(operating_system)_software) [Category:Windows software](/wiki/Category:Windows_software) [Category:Windows Phone software](/wiki/Category:Windows_Phone_software) [Category:Multinational companies headquartered in the United States](/wiki/Category:Multinational_companies_headquartered_in_the_United_States) [Category:National Medal of Technology recipients](/wiki/Category:National_Medal_of_Technology_recipients) [Category:Online auction websites](/wiki/Category:Online_auction_websites) [Category:Online retailers of the United States](/wiki/Category:Online_retailers_of_the_United_States) [Category:Publicly traded companies of the United States](/wiki/Category:Publicly_traded_companies_of_the_United_States) [Category:Virtual communities](/wiki/Category:Virtual_communities) [Category:Webby Award winners](/wiki/Category:Webby_Award_winners)