

Going Global (B): eBay

Founded in fall 1995, eBay is an online marketplace for the sale of goods and services by a diverse community of individuals and businesses. As the world's leading e-commerce company, eBay has more than 90 million active users (people who bid on, buy, or list an item) globally. The total worth of goods sold on eBay in 2009 was \$60 billion or approximately \$2,000 per second.¹ eBay enables transactions on the local, national or international levels, although most activity is local. eBay has established local sites that serve Australia, Austria, Belgium, Canada, China, France, Germany, India, Ireland, Italy, Korea, Netherlands, New Zealand, Singapore, Spain, Sweden, Switzerland, Taiwan, the United Kingdom, etc.

Table 1
eBay Financials (\$ thousands)

	2004	2005	2006	2007	2008
Net Revenues	3,271,309	4,552,401	5,969,741	7,672,329	8,541,261
Income from Operations	1,059,242	1,441,707	1,422,956	613,180	2,075,682
International Revenues	1,381,373	2,081,128	2,860,755	3,929,659	4,571,779
International Revenues as % of Total Revenues	≈ 42.2%	≈ 45.7%	≈ 47.9%	≈ 51.2%	≈ 53.5%
Net Income	778,223	1,082,043	1,125,639	348,251	1,779,474

Source: Data taken from eBay 2008 Annual Report, 2007 Annual Report, and 2006 Annual Report

Since 1998, eBay has expanded from operating in a single country to 39 markets.² The early- and mid-2000s marked a time of acquisitions and rapid international expansion for the company. In 2002, eBay acquired PayPal, the Internet's leading payment system. The company entered China through a partnership with EachNet, an established and respected local firm which eBay fully acquired in 2003.³ Internet activity in China was growing rapidly and auction activity was growing at more than 30% annually at the time of the EachNet acquisition. In 2004, eBay acquired Baazee.com of India, a local firm with 17 million active users. Although per capita income was low in India and China, the middle class population was growing at a fast pace. Meg Whitman, President and CEO of eBay during the Baazee acquisition, commented: "Our relationship with Baazee.com is another important step in the growth of eBay's global marketplace. Although it's early days for e-commerce in India, we believe there is great opportunity over the long term."



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