



Stanford eCorner

What Are the Three Key Factors in eBay's Success?

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Reedy talks about the three key factors in eBay's success: 1) A great idea 2) A great business model without sales force or inventory 3) A management team that ensured eBay was at the right place at the right time.



Transcript

So, that's a little bit of background about eBay and we actually look at eBay and we look at three things as being a huge success factor. Why has eBay been so successful? We kind of started off with our found and chairman which is Pierre Omidyar. And actually he had a great idea. And so first and foremost, we credit him. Secondly, it's a great business model. I mean one of the business models when you have inefficient markets and you have a platform that allows efficient markets; as well as the facts that you don't have to carry the inventory, you don't have to have the sales force and you have a lot of entrepreneurial sellers out there trying, actually doing a lot of innovation in your platform giving you the ideas of what to innovate next and what to do to make their life easier. So that's the two components which is the great idea and the great business model. The third thing that we think has made eBay a success is really the management team and what we're mainly here to talk about. The management team has helped to grow, has helped eBay did right things, to be at the right place at the right time. And are those principles that have lead us to be a success?