



Stanford eCorner

PayPal: A Payment Platform for eBay

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Reedy talks about how eBay views PayPal. PayPal is a payment platform while eBay is the auction platform and hence the two coexist very well. Tilenius talks about the integration of PayPal into eBay. They plan to keep it as a separate platform because the vision is to have PayPal the payment platform for the entire web. In the long term they will try to integrate what they have at eBay and PayPal to create an end to end e-commerce solution.



Transcript

Did you say division for the separate platforms? OK, yes. Kind of the way we look at it, for Paypal, is that we look at the modules of functionality. Because we've acquired a fair number of companies like Alando and iBazaar and Neilcom. And in those cases, we actually converted them to the eBay platform because they were basically auction platforms. You know, buy and sell. But in the case of Paypal, they really are a 'payments' platform. The reason why it fits in so well is we want to be the trading platform. And we want to be the online payments platform. So they actually, co-exist very nicely. And therefore, we obviously look for ways in which those two platforms can seamlessly create the ability for a buyer and seller to buy and to use Paypal for the payments process.

Bit we actually, right now, and Stephanie could probably speak for this. There are a lot of folks that use Paypal, that aren't even on the eBay platform. They're using it for other things. So we want Paypal to be our online payments provider of the web. Therefore, we really do want two platforms. And then we want to make sure that eBay and Paypal are well integrated for the things where we need to use them together. You had asked the question prior to us getting up here and starting this afternoon, how Paypal was integrated. And I think one of the key successes of the Paypal integration is that, as Lynn mentioned, we integrated certain parts of the company like HR and Finance where we could get synergies. But we left the company really run separately as a business. And so the heart and soul of Paypal and the product innovation, the engineering team as still there.

And there are a lot of customers that use Paypal but aren't familiar with eBay. And there's a lot of volume off eBay today that's going on in Paypal. So we're trying to look long term at how we can merge what we have at Paypal and eBay to create more of an end-to-end e-commerce solution.