

**How eBay Members Build Identities
to Optimize Their Success.**

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Abstract

eBay is an online marketplace, where members buy or sell all types of goods. During the registration process, eBay members choose a name, officially called eBay User ID. This “eBay nickname” is the first step toward a new and unique identity. After each transaction, Sellers and Buyers have the possibility to evaluate the counterpart by posting one sentence (comments) and to choose either a positive (+1), a neutral (0) or a negative (-1) grade. The cumulative score, named Feedback Score, is attached to all member profiles. The comments and the Feedback Score define all members’ history and shape their online identities. In contrast to User ID, that is a common feature of many other Internet sites, eBay’s Feedback Score is a unique feature with no equivalent elsewhere.

The social implications of eBay’s success are almost limitless. Millions of individuals are now working from home selling products they are passionate about to unknown customers. All around the world, the postal companies have modernized their small package operations to fit the new eBay demand.

eBay has created a new and extremely efficient form of commerce that has shaped new codes among participants. To succeed on eBay, a member has to build a strong identity and to inspire confidence. Individuals face a similar approach as any business identity in the real world. The micro-marketing era is born: to buy and sell efficiently eBay members have to manage their image and their communication carefully. We have studied several eBay member profiles to demonstrate the personal implication in building unique eBay identities.

Methodology

It is difficult to study an identity from the outside. Anthropologists and sociologists conduct their research by visiting on a regular basis - or even living in - the research fields. I have spent two to four hours every day the past months acting within the eBay community as an active member. I am running a small business on eBay under the User ID "bestoftheusa". The last past months I have exported American designer apparel to the U.K dealing with more than 350 eBay Buyers a month.

My experience shaped the core idea of this paper. When I was dealing with a difficulty, I noticed that I had a tendency to analyze the eBay User ID I was dealing with. Then, I often visited the member's Feedback Score page. Who was the person I was emailing with? What was his/her history on eBay? What kind of comments did he/she leave to other Buyers like me? What type of comments did he/she receive previously? Finally, what type of products did he/she buy previously? It is possible to reply to this set of questions by having a closer look on each member's profile. This set of information generate an identity for each eBay member.

eBay is a global community with more than 160 million members trading more than \$42 billion worth of merchandise in 2005. I chose to study a limited sample of this large population. I selected one hundred email addresses collected from the exchanges I had with my customers in the last past months. The main question I was interested in was whether or not, as eBay members, they were aware of their own identity on eBay. Another interesting point was

whether or not they were concerned about their own Feedback Score. Finally, I was interested in studying in what way they were active in building the best profile possible.

To study these questions I designed a questionnaire that was sent to the selected population by email. I also interviewed Andre Haddad, VP for international at eBay, about the project. He told me that about 6% of eBay members respond to eBay online surveys. Haddad gave me useful advice for the design of the survey: only a few questions, less than 5 minutes needed to reply and very short sentences. The final version of the questionnaire has only five questions organized to scale the level of confidence about eBay from #1 (high confidence) to #3 (no confidence at all) with a medium position at #2 (not sure). Coding the replies on a mathematical scale is very practical and efficient to analyze.

From the one hundred emails sent on November 11, 2005, I received four responses within a week. I organized a sweepstake to motivate my customers to participate. I resubmit my demand two others time with a different and personalized email introduction. Finally, I collected seven filled-out questionnaires.

According to eBay standards, a 7% response ratio for a mailing is a normal score; therefore, the cooperation of my population can be analyzed as standard. However, the respondents who replied were personally involved in the process. They often wrote an email to explain their choices and views. The

relationship with my respondents was difficult to initiate, but the ones who did reply gave me very interesting results.

For each respondent, the data collected is: email address, eBay User ID, Feedback Score and the comments attached, and the last items bought on eBay. All this data is partially controlled by eBay members who, more or less consciously, build their identity with these limited tools. The responses to the survey and the member' profiles represent the core data used for this study.

According to our results eBay members are consciously involved in building their online identity in order to participate in what they perceive as an innovative and efficient place to shop.

Analysis.

The first question of the survey asks whether or not the eBay Feedback Score is perceived as an efficient tool to do business. The possible replies were: #1 (yes, definitively), #2 (I am not sure), and #3 (No, I don't think so). The mean of all replies is 1.43. Clearly, a majority of the respondents thinks the eBay Feedback Score is a great tool that helps trading over the Internet. It should be noted that no one responded "No" to this question.

The second question is more precise, asking for the level of trust they have in the eBay Feedback Score as eBay Buyers. Here, the respondents are a little dubious. The mean is 1.57, close to #2 (I'm not sure). According to these two first questions, it seems that eBay Feedback Score is seen as an efficient tool, but not always reliable.

The third question is designed to see whether or not respondents shop on eBay because of the Feedback Score. A majority of the respondent declared that they would be loyal to eBay even without the system. In fact, according to eBay research that M. Haddad discussed with me, eBay members shop on eBay to get a better price with the auction system, another unique feature of eBay.

The last question asked is about what would be the reaction of respondents in case of a negative feedback was left on his/her account. All of them (except one) choose #1 (I'm very concerned). eBay members are not simply regular customers. They are ready to invest time to negotiate with the counterpart in case of difficulties or disagreement to keep their records clean.

It is interesting to see how our sample of eBay members shows a strong opinion about the efficiency of eBay Feedback Score and how they are involved in building it with their participation. In fact, according to eBay internal studies, eBay Feedback Score is progressively learned and practiced by eBay members. They not only participate in the process of evaluation, they understand its concept is based on participation. As individual members they want to be part of a new online social construction. Despite a complicated process, and despite the fact that the primary motivation to visit eBay is to shop and get cheaper prices, eBay members want to establish their profile. How is it that individuals who basically are looking to shop are socializing? Is it simply a new form of online gossip?

My explanation is, because eBay members understand that a large part of the eBay efficiency as a market place is due to the Feedback Score, they are involved in this new unusual social context and consciously build their identity.

Example of eBay identities, “blackvwlupo”

eBay member “blackvwlupo” has replied to our study. According to his history, he is interested in fashion and apparel. His recent acquisitions on eBay are a Tommy Hilfiger silk tie, and a book about designer furniture. His eBay User Id can be interpreted easily since a Volkswagen Lupo is a fashionable small German car popular in Europe. According to his replies to our survey, “blackvwlupo” has a strong confidence in eBay Feedback Score. His Feedback Score is 36 (36 other members have evaluated him) with a 100% positive score. The comments left are very positive contrasting his habit of instant payment and his ability to communicate by email.

Clearly, “blackvwlupo”, an eBay member since January 23, 2005, is what eBay Sellers define as “a great eBayer”. Thanks to his record and his funny eBay User Id, “blackvwlupo” shapes his image as someone with strong integrity, reliability and interest in beautiful items.

Interestingly, “blackvwlupo” defines his own identity on eBay as , “I see myself as wholly reliable and an immediate payee, but not part of any special club”. What motivated “blackvwlupo” to chose his User Id? Does he consciously manage to get his positive comments? We don’t have clear responses to these

questions; however, “blackvwlupo” has developed in less than one year a real online identity that inspire confidence from other eBay members.

The online image “blackvwlupo” has built is comparable to what occurs in the real world within a particular neighborhood. Individuals choose to display the information they accept to share about themselves. Individual also choose to hide some other information often called “personal”. The social construction of eBay’s online community is very similar to the real world since it allows individual to display some trait of their personality using unique eBay functionality.

Example of eBay identities, “kafrah”

“kafrah” is another eBay member who responded to the study. His User Id is not clearly understandable to me, but it might be to someone else with a different cultural reference. His eBay Feedback Score is 91 with a 100% positive. He started his activity on eBay in October 2004. His recent history shows that he bought various items, from babylonian tablets dated from 2000-2500 BC to TV accessories. According to his replies to the study, “kafrah” is less confident about the eBay Feedback Score system than was “blackvwlupo” (See Table). He defines his own profile as “a serious Buyer with multiple points of interests”. Despite his level of activity, “kafrah” seems not really conscious of his identity on eBay saying, “For me, eBay is one other way to shop, nothing more”. In the real world when a person chooses to wear a certain type of apparel or chose to appear in a certain way, it is not always a conscious activity. On eBay a majority of members are building their identity unconsciously, without paying attention to

it. After a few years of activity, the member profile become rich and complex, and evolve into a real identity.

Theories behind Identity.

Edward Gross and Gregory P. Stone define Identity as "...not a substitute word for 'self'. Instead when one has identity, he is situated –that is, cast in the shape of a social object by the acknowledgement of his participation or membership in social relations" (186). This definition was designed for the real world; however, it can be applied to eBay as well. eBay identity, as defined above (user ID, Feedback Score, ...) is a construction built by an individual within the social context of eBay online community.

Moreover, Gross and Stone insist on the construction of ones identity, "To establish what he is in social terms, each person assembles a set of apparent symbols which he carries about as he moves from transaction to transaction. Such symbols include the shaping of the hair, painting of the face, clothing, card of identity, other content of wallets and purses, and sundry additional marks and ornaments" (187). On eBay the set of "symbols" is limited to a few tools while it can be infinite in our real world. Our study shows examples how these limited "symbols" of identities are used to shape a personality as eBay member, and how it can be decoded.

The first eBay "symbol" is the User Id, also named "title" or "name" by Gross and Stone. "Names mark people off from one another" (187). Clearly, "blackvwlupo" is a name that personalizes a particular individual who consciously

chose to share part of his real world identity on eBay. Some other choice of User ID are much more difficult to interpret due to different references.

The model described by Gross and Stone fits well the eBay scheme, “When identities have been validated and person poised, interaction may begin” (190). Moreover; they add, “Our data have led us to describe the conditions for role performance in terms of identity, poise and sustained confidence in one another. When these become disturbed and discredited, role performance cannot continue” (192). The motivation of eBay members to get great evaluations from their counterparts is a quest to optimize their identity in order to build a greater level of confidence. The perception of this principle becomes quite clear with seniority on eBay.

eBay success.

Ten years ago when Pierre Omidyar created a small auction Internet based site to connect individuals who were passionate about collectibles, he did not picture the tremendous success of the concept. No one did. Today, many scholars, journalists and businessmen have theories about eBay’s success. As a member since 1999, and an early adopter of the Internet, and following to our study we can elaborate a theory that explain the high level of participation of eBay members. eBay has been successful because it has redefined an essential part of our social life giving a new sense of hope to its users. First, there is now an alternative to large scale distribution businesses where competition is carefully organized. Second, on eBay prices are decided by the market according

to supply and demand. Third, eBay members have a sense of power deciding what to buy, when, at what the price. This idilic new way to interact, where individual member equally share the power is defined by Ellen L. Arnold and Darcy C. Plymire in "Continuity Within Change".

The internet, which opens the publishing field to groups who lack capital and power, can in theory allow marginalized individuals and groups to produce their own knowledge, pit it in circulation, and as result, gain a greater measure of social power.

It is possible to apply this principle to eBay. In fact every eBay member has an opportunity to sell and buy with a full range of negotiation and choice, without any limitation regarding locations. eBay is a market place utopia.

To access this full-of-promise online world, eBay members are ready to learn how to build a new but simple identity. To protect their identity from negative comments they are involved in fair trade, involving honest exchanges and email dialogue. We believe eBay success is based on the usage of contextual identity. Online identity construction is not rare on the web. Dating services, games, chatting rooms are other virtual places where individuals can shape a contextual identity. What makes eBay unique is the ultimate goal of its member, to get the best deal possible. This goal motivates the construction of identity and at the same time, secures transactions. This holiday season eBay is going to be the largest online market place in the world thanks to the identity construction paradigm.

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