Founded in 1995 as an offbeat, quirky place to buy and sell almost anything via online auctions, eBay now derives the majority of its revenue from traditional e-commerce. Over the past ten years, the company has steadily transformed its business model away from its initial auction-based model and towards the fixed-price model popularized by Amazon. After rapid early growth, eBay struggled from 2007 to 2009. For many buyers, the novelty of online auctions had worn off, and they were returning to easier and simpler methods of buying goods from Amazon and other fixed-price retailers, which, by com-parison, had steady growth during the same time period. Search engines and comparison-shopping sites were also taking away some of eBay’s auction business by making items easier to find on the Web. Former CEO John Donahoe instituted an ambitious three-year revival plan that moved eBay away from its origins as an online flea market, and at first it began to resemble an outlet mall where retailers sold out-of-season, overstocked, refurbished, or discontinued merchandise. From there it was a straightforward progression to partnering with retail chains to simply serve as another channel for current merchandise. Today, 80% of eBay’s listings are brand new, and eBay has 1.1 billion live listings. The small sellers who had driven eBay’s early growth were encouraged to shift away from the auction format and move toward the fixed-price sales model. The fee structure was adjusted, listing fees for fixed-price sales were lowered, improvements were made to the search engine, and rather than displaying ending auctions first, a formula was devised that took into account price and seller reputation so that highly rated merchants appeared first and received more exposure. The hundreds of thousands of people who supported themselves by selling on eBay and many millions more who used eBay to supplement their income were unhappy with the change, and analysts’ faith that Donahoe could turn things around dwindled as its stock continued to drop. However, eBay’s purchase of PayPal in 2002 helped it survive these lean years, with PayPal accounting for as much as 40% of eBay’s revenues in some years. eBay also was very quick to embrace the mobile platform, even before the iPhone hit the market. This prescience resulted in eBay achieving its 100 millionth app download and 100 millionth mobile listing relatively early on, in 2012. Dating back to 2010, eBay has acquired many startup companies specializing in mobile technologies, including RedLaser, CriticalPath, Zong, Fig Card, Braintree, and many more. eBay has also been quick to develop apps for wearable devices, including an app for the Apple Watch that allows users to see an overview of their notifications and bid statuses and a version of its Marketplace app for Android Wear devices. In 2016, eBay redesigned its core mobile platform and added biometric touch identification support. Over 50% of eBay’s business now involves a mobile device, and the company continues to make improvements to the mobile experience on many platforms and across all of its different services. eBay’s embrace of the mobile platform has helped to stabilize the company during its transition to the fixed-price sales model. The company says that it receives 10 million new mobile listings each week in 2017. In 2017, the company has continued the process of modernizing its platform with analytical tools. Beginning in 2016, eBay has started to convert its catalog of items from its traditional unstructured “listing” format, where two identical items can appear totally different to shoppers, to a structured data format. This will allow eBay to more easily gain information about different items and about purchasing trends, and also helps its product pages perform better in Google searches. eBay is also using machine learning to customize, update, and generally improve its product pages, as well as to fine-tune its search capability beyond simply matching search terms with keywords and tags. To support these efforts, the company purchased machine-learning startup Sales Predict, whose technology helps businesses predict consumer buying behavior and sales conversion. The company’s revamped Seller Hub will also offer many of these analytical tools and metrics to individual sellers, including inventory, order, and listing management, performance insights, and streamlined business process management. eBay has also redesigned its site interface to emphasize images over text and to allow users to perform visual searches for the items they are interested in. In 2016, eBay purchased visual search engine startup Corrigon, whose technology allows shoppers to click on items within an image to search for items on eBay that best resemble that item. In 2017, the company announced two new types of image search, one where you can take a picture or upload a picture from a smartphone to find items that match the photo, and the other, called Find it on eBay, which allows users to do the same type of search with images found on the Web or on social media. Machine learning powers these techniques as well, and eBay expects that its image search capability will become more and more accurate as more shoppers use the technique to find products. eBay has also incorporated similar AI and machine learning techniques in other areas of its business, including its newly launched eBay Shop Bot, a personalized shopping assistant that allows customers to text, talk, or provide a picture of a desired item. Shop Bot will ask users questions and then generate what eBay hopes will be highly accurate recommendations. In 2017, eBay also announced that it would offer the ability for prospective buyers of an item to ask questions that other purchasers of that item can answer. Machine learning techniques will identify experienced buyers who are best able to answer the question, and as more questions are asked, the system will improve at prioritizing good questions and finding appropriate people to answer them. eBay has also dramatically improved the accessibility of its site, which can now be navigated without a mouse and is far easier to use with screen-reading software used by visually impaired shoppers. eBay’s continued revitalization is not without challenges. In 2014, eBay was the victim of a hacking attack that compromised the information of nearly 150 million of its customers. PayPal was unaffected, and the company doesn’t believe that any financial information was stolen, but the incident underscored the need for eBay to remain vigilant with its security measures. eBay sales decreased steeply in the wake of the breach, dropping 5.4% in 10 days. The company has also rededicated itself to cracking down on fraud on the part of both buyers and sellers. To limit seller fraud, eBay is now authenticating items that are commonly counterfeited, such as handbags, footwear, and jewelry. Sellers can pay for the authentication service to increase their appeal to buyers, and buyers can pay to guarantee that their purchase will be voided if the product turns out to be counterfeit. Sellers are also hoping that the company will do more to prevent buyer fraud in the near future. In 2015, eBay elected to spin off PayPal as its own separate company, leaving eBay with its Marketplaces segment, its StubHub ticket sales segment, and a handful of other business units. Although Donahoe and the rest of eBay’s leadership had resisted a spinoff for years, the move was prompted by a desire for PayPal to distinguish itself from eBay and become more agile within the rapidly developing marketplace of online payments. Donahoe also stepped down as CEO of eBay to mark the move, with the former head of its Global Marketplaces unit, Devin Wenig, taking his place. As part of the split, eBay has agreed to route 80% of its sales through PayPal, but PayPal is free to pursue deals with other merchants, potentially boosting its market share even further. Many investors believed that PayPal had been the true driver of eBay’s bottom line. But while analysts had prepared themselves for disappointing earnings after the spinoff, the company has instead posted several straight quarters of sales growth under Wenig as of 2017. eBay is on track to earn $9.5 billion in revenue in 2017, up from $9 billion in 2016. Although this isn’t the type of explosive sales growth that gets investors excited, it’s impressive from a company that some analysts weren’t sure would survive a decade ago. Despite Amazon’s ongoing dominance in online retail, eBay remains one of the most trusted online brands and e-commerce leaders, and it has worked hard to offer services that compete with Amazon, such as its eBay Plus program in Germany, which functions similarly to Amazon Prime, as well as its Guaranteed Delivery program, which ensures that 20 million of its top selling products will be delivered in 3 days or less or the buyer will receive coupons or full refunds. eBay has also partnered with Facebook to allow its eBay Daily Deals to appear on Facebook’s Marketplace platform, and launched a dedicated segment called the Entertainment Shop that offers music, books, movies, and games. eBay continues to market itself as a quirky alternative to Amazon, and after some ups and downs, the company appears to have found its niche.