eBay MISSION

eBay's mission is to help practically anyone trade practically anything on earth.

eBay Features and Services

- eBay Stores—customized shopping destinations for sellers.
- Buy It Now—buying feature. (38%)
- eBay Professional Services—link to find web design, accounting, writing, technical support, etc.
- eBay Local Trading—60 designated areas
- eBay Premier—Art and antiques
- eBay Live Auctions

eBay

The world's largest personal online trading community. Created a new market in September, 1995: an efficient one-to-one trading in an auction format on the Web. Was conceived as a result of a conversation between Pierre Omidyar and his wife, an avid Pez collector. She commented how great it would be if she were able to collect Pez dispensers and interact with other collectors over the Internet. eBay was founded with the belief that people are honest and trustworthy. eBay is currently profitable.
eBay Profile

Has 42.2 million registered users.
Has an annualized transaction total of $11 billion in value of goods traded.
That is $30 million per day and $344 per second.
Is the number one web site measured in terms of total user minutes.
Has local sites in 26 countries.

eBay Data Volumes

• 1 million+ new, unique items each day.
• 7 million items listed on the site.
• 14,000+ item categories.
• 40,000+ new user registrations per day.
• 500 searches per second.
• 1.5 Gb/sec. Average outbound traffic.
• 1 million email messages a day after people lose.
• 150 countries with registered users.

eBay’s Data Centric Business Model

• 6.2 billion page view records processed each month.
• 1.5 billion auction records (listings, bids, users) processed monthly.
• A 3.5 TB data warehouse.
• The data warehouse has become a source of information for most major eBay business decisions.

eBay Alliances

Microsoft
General Motors
Wells Fargo
Walt Disney
NEC (in Japan)
Boats.com

Amazon.com

May be closer to success than ever—seven years after its initial launch.
Has had profitable quarters.
Second quarter revenues grew 21% to $806 million.
Relentless cost cutting and a TQM program have dramatically improved efficiency.

Amazon.Com Strategy

Build the business around fundamental things that people will like including selection, convenience or prices. Stick to this approach and eventually this has a good chance or working.
Amazon’s Possible Mistakes?

1. Broadening products.
2. Going international.
3. Investments in other .com companies.
4. Overly ambitious warehouses and distribution systems.
5. Taking on $2.2 billion in debt.

Amazon.Com Customers

- 14 million in 1999
- 20 million in 2000
- 25 million in 2001

Amazon’s The Future

E-tailing, e-commerce, online retailing, online merchandising—whatever it is called—is here to stay.
Yet, it’s got a ways to go until it hits the maturity curve.
The latest trends to watch are online customer service, permission-based e-mail marketing and affiliate networks.

Dell Computer Corp.

Created a $12 Billion Company in 13 Years.
A direct sell to customers business model from the very beginning.

Dell Business Strategies

1. Speed to market.
2. Superior customer service.
3. A fierce commitment to producing consistently high quality.
4. Custom-made computer products that provide the highest performance and the latest relevant technology to customers.
5. Early and effective exploitation of the Internet.

Dell

I have always been fascinated with eliminating unnecessary steps.
When I was in the third grade, I sent away for a test that would qualify me for a high school diploma.

Michael Dell
**Dell’s Direct Business Model**

- Eliminates the reseller’s markup.
- Minimizes the costs and risks associated with carrying large inventories of finished goods.
- Keeps you closer to what customers want.
- Takes advantage of just-in-time manufacturing.
- Emphasizes just-in-time product technology.
- Gains the advantages of tightly coordinated supply chain management that traditionally came from vertical integration.
- Benefits from the focus and specialization of a virtual company.

**Dell’s Customer Focus**

Nearly two-thirds of Dell’s sales are to large corporations, government agencies and educational institutions.

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**Dell Premier Web Pages**

A tailored web page for major customers that contains:
- Purchasing procedures
- Approved computer configurations
- Negotiated prices
- Purchase authority limits
- Order history and discount levels

This cuts order time, helps decrease order errors, keeps track of shipment status and has a record of all Dell units by serial number.

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**Dell’s Product Development**

Dell employs over 2,000 engineers who focus on providing leading-edge products.

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**Dell’s Strong Business Alliances**

Creating strong business partnerships with suppliers is fundamental to the success of your business. But using them to become a source of competitive advantage is something else altogether.
Valuechain.dell.com

Dell links its suppliers and business operations and processes in real time using the Internet, so it can build a tool that can be used internally with suppliers. It is called valuechain.dell.com and it provides suppliers with secure personalized access to Dell through a single portal.

The focus is on collaboration with suppliers to virtually manage a supply chain in terms of quality, continuity of supply, and product development.

Dell and the Internet

If you sat back and said, let’s design a technology that could radically impact this company in positive ways.

It would be hard to create one better than the Internet. It essentially puts us that much closer to our customers. It is the ultimate form of direct for us. Because we were already dealing directly with our customers, it was a natural extension for us. We didn’t have to change the way we do business in order to do business on the Internet. Everything was already in place. A nice plus is that the Internet lowers the cost of doing business for us and our customers and it speeds transactions whether you are talking about sales, support or customers getting information.

Michael Dell

Other Dell Business Opportunities

Internet-based education.