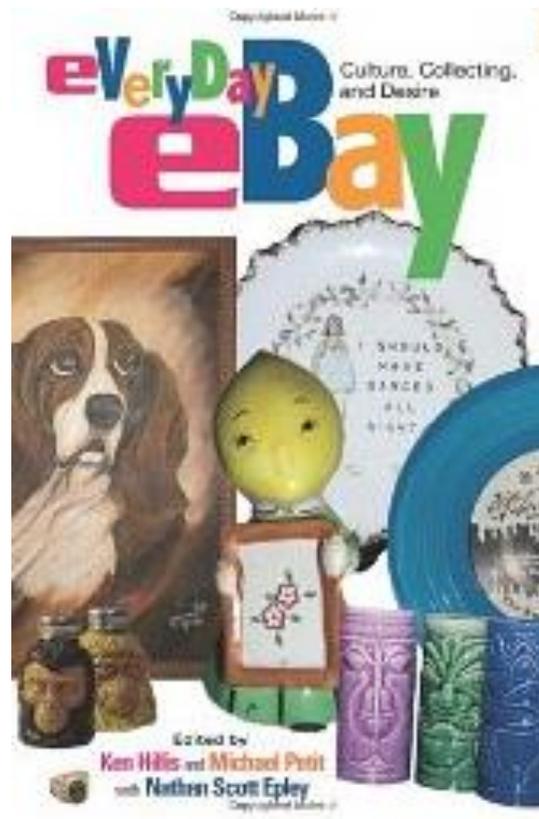


The eBay Reader

*Ken Hillis, Michael Petit and Nathan Epley Eds.
Routledge, 2006*



**‘Black Friday’ and Feedback Bombing:
An Examination of Trust and Online Community in eBay’s Early History**

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This chapter examines the economic and extra-economic relationships between committed eBay members and the eBay administration during the site's early history. In August 1999, eBay announced new reserve auction policies that sparked a community-wide crisis known as “Black Friday.” Although the policy changes were economic in nature, committed eBay members interpreted them as an attack on the eBay community. When eBay’s administration attempted to restore an economic frame as the basis of discussion, members swarmed eBay’s message boards to mobilize protest and organize an online boycott.

Within this context, I administered an online questionnaire comprised of open-ended queries to members openly critical of the new policies; members were asked to describe their own experiences and trust in the eBay system. I emailed fifty-nine members who had posted to eBay’s Discuss New Features Board during a two-hour period on August 23, 1999. Within one hour, I received two emails from eBay members I had not contacted; both asked to participate in the study. One informed me that my original email had been posted on other boards serving the eBay community. In the subsequent forty-eight hours, unsolicited members continued to notify me of their interest in taking part in the study, even expressing indignation at not being invited. I then posted an open call for members on the Discuss New Features, eBay Café, and AOL Café boards. On their own initiative, eBay members on several boards repeatedly posted this “invitation” during the subsequent three days. This recruitment procedure generated an emergency sample of thirty-one individual members. Given the time-frame constraints created by the Black Friday crisis, an emergency sample was the only sampling method available. As such, this data cannot be generalized to the eBay user population as a whole; rather, it reveals how committed eBay members who felt aggrieved and invested in the crisis made sense of their participation in eBay.

More specifically, the data sheds light on how self-selecting committed members approached their own relationship with the eBay community and the eBay administration. Through it we understand their perceptions of the events preceding this crisis and the steps that they believed eBay could have taken to avert it. Members reported that Black Friday acted as a catalyst that brought other long-standing problems to a head. From this perspective, outcry over the new policies may be interpreted as a second-order trust problem. Respondents voiced deep concern regarding larger issues of broken community, most notably their collective and individual disillusionment with the Feedback Forum. Ongoing issues of broken trust and the feedback system created a malaise ripe for Black Friday to explode as a full-blown crisis. Black Friday was the tipping point that caused members to critically evaluate their vision of eBay, marking a brutal shift in their perception of eBay as an idealized community to eBay as a community betrayed by its own administration.

Black Friday is a crucial juncture in eBay's history that underscores the commercialization of the internet in the late 1990s. The crisis occurred mid-way between eBay's initial public offering (IPO) on September 24, 1998, when eBay was capitalized at more than two billion USD, and the dot.com collapse that began on April 14, 2000. Adam Cohen notes that after the IPO, during online commerce's unprecedented growth in the late 1990s, economic mandates undermined Pierre Omidyar's original vision of eBay and its community.¹ Thus, this early chapter in eBay history provides important insight into issues of trust and community during a pivotal moment when market dictates collided with community expectations.

Black Friday, August 20, 1999: Outages and Reserve Auctions

Members reported that in the summer of 1999 eBay was plagued by a series of devastating “outages” or site crashes during which buyers could neither access nor bid on auctions.² eBay ended auctions at a specific “hard” time that could not be altered or extended by any party to the transaction. Under normal circumstances, buyers could bid until an auction’s last second. Since many bidders waited to “snipe” or outbid other buyers in an auction’s final seconds, the highest bids were often made literally at the last second. Outages prematurely arrested bidding because buyers could not access auctions, causing the auctions to close with artificially low bids. Sellers were forced to honor these low bids and, in some cases, practically give away expensive wares at a fraction of their worth.

In response to the outages, sellers claimed that eBay encouraged the use of “reserve auctions.” In reserve auctions, sellers set a minimum price that bidders were obligated to meet to win the auction. While the reserve price was not disclosed in a listing, the current bid on a reserve auction was accompanied by a statement indicating whether or not the seller's reserve price had been met. If bidders do not meet or exceed the reserve price, the auction concludes without a winner. Reserve auctions protected sellers against unprofitable sales because sellers are not forced to accept inferior bids.³

By placing the onus on sellers, members felt that eBay forced them to use reserve auctions as a risk-management strategy. Sarah⁴ elucidated: “The recurring outages on eBay are one major reason why sellers need the protection of reserves, especially in view of eBay’s reluctance to confront the fact that ‘intermittent availability’ (a cowardly euphemism if I ever heard one, and another example of refusing to accept responsibility) poses an unacceptable risk to sellers who do not use reserves.” Kelly reported sending eBay the following message: “Be sure to explain about the outages that happen so frequently on eBay and also explain that it is

actually true that you [eBay] advised the sellers to be sure to put reserves on their items so that their items would be protected from selling way below their values in case of an outage.”⁵

In response to complaints about outages, members reported that eBay promised sellers free listings as compensation for fees already paid for compromised auctions.⁶ However, members claimed that eBay never honored this promise. Even worse, members said that fast on the heels of a series of devastating outages, eBay announced new policies governing the reserve auctions that the site had promoted to sellers concerned by outages. Under the new policies, eBay required sellers to begin reserve auctions at no less than twenty-five percent of the reserve price, and a charge of one dollar would be added to the listing fee. Sellers described this as a double blow. First, the new policies required extra fees from sellers to use the very feature eBay had encouraged despite the company’s failure to ensure site stability. Second, sellers would no longer be able to choose their own starting price for reserve auctions.

Members reported that eBay’s announcement of these changes late on Friday, August 20 unleashed the Black Friday crisis. Stewart explained the overwhelmingly negative reaction to the policies: “The changes were poorly thought through....They didn’t take their bread and butter users into consideration when they made them and finally they announced and implemented them in about the very worst way possible...right on the heels of several days of disastrous system outage and performance problems which infuriated many, many users.” Martha delineated: “eBay has become famous for their service outages. Early complaints resulted in their recommendation to use reserve auctions to protect merchandise that was in an auction affected by outage. Now they have recently decided to extort an additional fee for using reserve auctions.” Mae sent the following message to eBay that expresses the infuriation members reported feeling:

Your [eBay's] first email to me about the important changes to eBay reserve auction rules I found to be a total insult to all of us sellers >: ...I wonder why you [eBay] didn't mention the other very important reason for why we use reserve auctions which is...WARNING WARNING!!!! OUTAGES EBAY IS DOWN...OUTAGES EBAY IS DOWN...OUTAGES EBAY IS DOWN...AND NO ONE CAN BID ON YOUR VALUABLE ITEMS...AND IT ISN'T PROTECTED BY A RESERVE YOU WILL BE GIVING IT AWAY...remember it was your [eBay's] kindly advice that we should simply put reserves on our items so that we would then be protected...

Members accused eBay of betraying its community by creating an unreliable venue, placing the burden of protection on sellers, and then penalizing them with additional fees.

“It’s Only a Dollar”

In response to the community’s negative reaction, eBay’s founder Pierre Omidyar (known as “Pierre” to the eBay community⁷) delivered his now infamous “it’s only a dollar” message.

According to members, Omidyar explained the rationale for the policies: “Reserve price auctions had two fundamental problems, from our point of view: one, buyers don’t like them; and two, they cost more for us to support,” adding, “It’s only a dollar.”⁸ Members interpreted the tone and content of Omidyar's message as hypocritical because he claimed that reserve auctions were costly for the site, yet failed to acknowledge that in practice, sellers often listed items multiple times before receiving an acceptable bid. Kelly argued: “While I use reserves on 90% of my auctions you must also remember that I pay a listing fee when I list the reserved item. If the item doesn’t sell...I relist the item with a reserve again. Now I’ve had a number of items that I’ve relisted for four or more times...Each time I do this I pay the listing fee.”

Members reported their willingness to pay relisting fees to ensure a fair selling price as long as they remained in control of the starting price. However, sellers explained that while the eBay administration argued that opening reserve auctions at twenty-five percent of reserve prices

would encourage bidders, this rationale ran counter to the “basic psychology of bidding.” According to Katherine, the new policies would have resulted in decreased revenue for both eBay and sellers: “No! no! no!... in my thirty years as a dealer...if the auctioneer tries to get the bidding started at a too high figure we all sit on our hands...it works the same way on eBay, if that starting bid is too high no one bids...I just recently sold an item that I had a reserve price on for \$2500...my starting bid was \$50. I wouldn’t have dared to have put in a much bigger starting bid because I wouldn’t have got any action....” Sarah affirmed: “Anyone conversant with the basic psychology of bidding (and I would hope that includes someone at eBay administration) must realize that a low opening bid hooks people’s interest and permits them to commit themselves gradually to an item.” Sellers believed that by charging an extra dollar per reserve auction, perhaps eBay would have made more money, but contended that by forcing all reserve auctions to begin at twenty-five percent of the reserve price, both sellers and eBay would have lost revenue.

Online Protest: The Community’s Response to Broken Trust

In addition to economically damaging aspects of the crisis, members saw the policies as a violation of their community. Sarah explained:

One reason we are all so angry is that so many of us bought into the eBay rhetoric about this being a community. In a community, decisions are made after discussion, when some consensus is reached. eBay is not a community, friends—the fact that eBay blamed this reserve policy on the whining of bidders...is a good example of how they exploit their own rhetoric. We may have been chumps to believe that this is a community...eBay’s just betrayed the trust of all eBay users and showed its contempt for bidders as well as sellers!...eBay has not been forthright...and hurt a lot of us in the process.

Katherine confirmed:

I am very UNHAPPY with the fact that Pierre made his sellers sound like they were morons. I am very UNHAPPY with the fact that Pierre gave the UK a free five weeks of listings and kept delaying our one day of free listings, which were to PAY for the June outage...I am very UNHAPPY with the fact that Pierre does not respect his COMMUNITY enough to apologize for offending them...I am very UNHAPPY with the fact that Pierre has NOT addressed STABILITY...Yes. . . I am unhappy about the changes BUT mostly because of the way they were presented and the attitude behind it.

Many respondents reported being dependent on eBay for their livelihoods; for them, insult was added to injury. Mike explained: “I do object to the rude and insulting manner that was used to inform and justify them [the new policies].” Not surprisingly, the multi-billionaire Omidyar later referred to his “one dollar” message as “those famous words I wish I could retract.”⁹

Feeling estranged from the administration, members framed eBay as two opposing camps: community versus the administration. Elizabeth lamented the loss of community: “I really believed that we were a COMMUNITY and that is the feeling I had being there. Like going to the park and meeting up with friends. . . but now I learned that the friends are the buyers and sellers and the landlord who keeps telling us that it is a VENUE but forces HIS ideas down our throats has changed my mind about eBay.” Danielle redefined the site from community-based to hierarchical: “. . .the whole attitude of eBay has shifted from a partnership based mutual benefits to an us (the sellers) and them (the management) mentality.” These members’ new visions of eBay separated the site administration from its community of users.

Members responded to the new policies with a boycott. Lisa explained: “I’m boycotting. I hate them. The complete lack of concern or civility eBay has shown over the past few weeks has completely turned me off from ever using eBay again.” Nancy reported: “I’m not selling on eBay right now. I’m boycotting them because of the price increase to those of us who have a reserve price, because we have quality merchandise and need to protect our investment.”

Danielle felt that it was unethical to list on eBay during the crisis: “I cannot list right now on

eBay with the atmosphere the way it is and the way we are being treated by the founder... and the UNDERHANDED things he has done by giving the UK five weeks of free listings but not mentioning it to the US who have been waiting for our ONE day of free promised for us in June for July but moved yet again.” Members felt driven to boycott because of what they framed as eBay’s disreputable behavior. Aurora explained: “[I] believe it is unconscionable. Their excuses for instituting the changes were bogus and unsupported by fact. Their manner of dealing with this has been inept, rude and insulting to any intelligent person. [I] believe they are just greedy.” Members began to call eBay “GreedeBay” because they believed that its administration was willing to sacrifice community to corporate profit.

Larger Issues of Broken Trust: Retaliatory Feedback

Further, members indicated that Black Friday brought other issues of broken trust to a head. Members explained that further cleavages existed between the official site rhetoric and the reality experienced by committed members. They asserted that the feedback system was systematically undermined and devalued.¹⁰ While eBay rhetoric asserted that the percentage of negative feedback was very low, members reported that this was not necessarily an accurate reflection of members’ experiences. Further, they claimed that the eBay administration was well aware of the problems plaguing the feedback system but did nothing to protect its community.

Members explained that feedback was not transparent. Bob elucidated: “Positives are left on non transactional basis by friends, etc. Ten plus or 100 plus really makes no difference.”¹¹ Kate asserted: “It is still too easy to give false registration information on eBay. Many have multiple ID’s and bid on their items to run up the bid price. Some have ‘bidding ring’ they belong to and they act together to influence the prices of their items.” For Kate, when eBay

failed to protect members against unethical behavior, eBay broke promises implicit in its rhetoric regarding the Feedback Forum's integrity.

Even if feedback was from a genuine transaction, positive comments were frequently "padded" as Stewart explained: "The feedback system on eBay has become a joke, it is so ineffective. People actually solicit feedback from others during transactions...not in ways that violate eBay's rule but still in ways which compromise how genuine the comments really are." When positive feedback was left by a user who would not have left it without solicitation, its value was diminished. Moreover, feedback ratings alone were inadequate guides to sellers' trustworthiness because feedback ratings generated by numerous transactions of low-cost goods could produce higher levels of positive feedback than a feedback rating from fewer transactions featuring expensive items. Barbara revealed: "Feedback is easy to get if you are selling trading cards and posting 200 auctions at a time...the seller who sells high end items but limited to how many...may deserve the same attention as a person with high numbers." In order to interpret positive feedback, competent members were forced to decipher the mechanisms behind it. Often, the only way to do this was to read the text comments in the Feedback Forum in addition to the composite score to ascertain whether or not positive feedback was what it appeared to be.

By reading these comments, competent members ascertained the feedback's real value. Michael reported: "eBay has monkeyed with it [feedback] to the point that I read positive and neutral comments also because neg comments have been devalued." Once negative comments became "devalued," positive and neutral comments became mediums by which members recorded negative transactions. Elizabeth explained how a positive or neutral comment could really indicate a negative: "Sellers seem to have a fear of retaliation in regards to giving negative feedback. I am not sure that all are honest. 'Transaction completed' means almost negative. I

don't care if positive is checked." For these members, the numerical value assigned to a comment had significantly less value than the comment itself.

Even more damaging, members reported that sellers were so zealous in guarding their reputations that they acted in an individually rational manner that was collectively irrational. That is, they protected themselves against negative feedback at the cost of undermining the entire Feedback Forum because they felt that eBay did not regulate feedback. Although eBay finally allowed space for rebuttal to negative feedback, eBay would not remove or change any user's comments. Unless the user nullified his or her registration, unjustified negative feedback remained on the system in perpetuity. Competent members knew they must protect their feedback because dishonest users employed negative feedback unscrupulously, often in revenge.

"Retaliatory feedback" was the members' term for unjustified or unwarranted negative comments. Stewart explained: "Users can easily leave "grudge" negative comments about others to deflect the fact that the poster of the negative comments is the real culprit in a given problem rather than the receiver of the comment. Also many users do not post negative feedback at all at times when it is genuinely appropriate because of fear of retaliation from the person that caused the problems in the first place." According to these members, deadbeat bidders were unethical users who placed bids they later did not honor. Sellers gave negative feedback to these bidders and were stung when the "culprits" themselves gave the defrauded sellers negative comments. Buyers also reported being victimized by retaliatory feedback. Mae related her experience: "[the] seller did not send me the items. I left negative feedback. They then retaliated with negative feedback on my feedback rating and wrote me many nasty, hysterical e-mails." In this cycle, honest members explained how they were punished by losing money, either as a defrauded buyer or as a seller in listing fees. When they attempted to warn others about a user's unprincipled

behavior, their own reputations were unjustly maligned. One member described the double victimization by an unscrupulous user and the administration that did not police the Feedback Forum: “If someone feedback bombs you, eBay will do nothing.”

In order to safeguard their own reputations from slander, members shared that users who prized their reputations were unable to give negative feedback when it was due. Bob explained why he no longer left negative feedback although he was aware this ultimately devalued the feedback system: “I don’t leave negative feedback anymore. The only two negative comments I received were from deadbeat bidders who never paid. I left them negative feedback so they responded in kind. I vowed never to leave negative feedback again. I told eBay they should modify their system...if sellers like me don’t use it, then it has little value.” Aurora reported that one corrupt user targeted multiple members to inflict a heavy toll of damage. She recounted asking eBay to address this problem: “I have had fellow eBay users recently get horrid feedback from a pest who has NO feedback. We have tried for two weeks to get eBay to address this problem and have had NO response rather than a form letter e-mail stating that they are concerned.” Aurora was given retaliatory feedback from a user without an eBay user history. The feedback, therefore, was non-transactional. Although members informed eBay that the cycle of retaliatory feedback threatened the feedback system’s reliability, they received no response. Thus, retaliatory feedback degraded trust in the Feedback Forum in two ways: members neither trusted the veracity of the feedback system nor eBay’s willingness to right attacks on it. Ultimately, this forced members to further subvert the system to protect their profiles. Members believed that eBay was no longer a trusted guarantor of reputational information; trust in the institution was eroded, and the basis for interpersonal trust was compromised.

Reputational Literacy

In an effort to remedy this dilemma, sophisticated members developed expertise to interpret feedback. Aware of the cycle of retaliatory feedback, members said they often went to great lengths to evaluate negative comments. Steve reported: “I DO read all pages...even if it’s 40 pages if someone I want to buy from has some negatives I want to know WHY and WHAT they have done to correct it. And if I feel they have addressed the problem...I WILL bid from them...I have only had a few problems and there were other sellers who were also having problems with the same people I was, I found this out by checking feedback.” Not only did Steve read every page of feedback, he also used the item number on negative comments to find the member’s own feedback page to evaluate that user’s behavior. Sophisticated members know how to follow the “trail” of comments given by any user. Marsha explained that she always performed this procedure: “I check feedback on anyone that I deal with, both remarks left for them and by them.”

Competent members gathered information to make informed decisions about a user’s reputation. Sarah reported: “I would look at the comments, when they were given, by whom, and then check the negative commenters’ feedbacks--if sellers had a lot of feedback and only one or two negatives and those seemed to be from people I describe as cranky I ignored it.” By checking on the commenter’s own feedback, members could decide to ignore unwarranted “negs.” Michael stated: “In cases where several negatives occur, one always looks for a trend in behavior patterns.” By discovering such “trends,” competent members decoded feedback subverted by unscrupulous users.

Deadbeats and Tourist Bidders

Members attributed the dramatic climb in retaliatory feedback and subversion of the feedback system to an influx of new bidders attracted by eBay's aggressive advertisement campaign. Bob stated his belief: "...the amount of new users lured in by eBay's ad campaigns aren't coming to the site unprompted. This means that the general level of authentic desire is lower than what you'd find in the new user who seeks out the site or stumbles on it naturally." Pat explained: "THE SITE HAS GROWN SO MUCH AND THERE ARE SO MANY USERS THAT CONSIDER EBAY A PLAYGROUND INSTEAD OF THE WONDERFUL GATHERING PLACE IT IS DESIGNED TO BE. THE ADS LISTING "BILLY'S VIRGINITY" AND "MY SISTER'S PANTIES," ONLY HURT THE REPUTATION...." Because they lacked "authentic desire" to join the eBay community, such newbies were viewed as treating the site and feedback as a "playground."

Committed members linked waves of deadbeat bidders to eBay's advertising strategies. Marsha claimed: "We've had more deadbeat bidders in the last two months than in the previous year." George confirmed: "The influx of new artificially enticed bidders has created a glut of deadbeats lately. One in seven fails either to make contact or to pay." Mike named them "this ridiculous influx of 'tourist' bidders." His word choice is important; tourists visit a place but do not intend to stay. "Tourist bidders" indulged in retaliatory feedback because they were not invested in the eBay community. When the "tourist" bidders flouted the eBay site's protocol and feedback, invested members were forced to protect their reputations from retaliatory feedback. In this cycle, both invested and tourist bidders acted in individually rational manners that resulted in the collective, irrational subversion of the eBay feedback system.

Empty Rhetoric, Abandoned Community

Members reported damaged trust in feedback to further disillusionment with the site. At the time of data collection, eBay asserted four controls that made trading on the site “safe.” The first was the Feedback Forum. Second, eBay offered free fraud insurance for up to \$200 worth of goods per transaction with a \$25 deductible. Third, eBay’s Safe Harbor staff “protected” the site from abuse. Fourth, users could choose to use the escrow service, i-Escrow, for especially valuable items.¹² Members bitterly condemned eBay’s free fraud insurance. Steve expanded: “This is just f***ing insulting! Up to \$200.00 what a laugh.” Elizabeth delineated: “The whole insurance deal is a sham as bad as insured mail. Collection, turn around, and the \$25.00 deductible still have you at a loss; no, it is another attempt to extract user fees because it is a revenue-enhancing feature that plays on fear.” Moreover, Steve claimed that while eBay presented this insurance as a free benefit, this was not the case: “We treat this as a joke. This offer was to be only until Sept....then we would start having to pay. This was not covering the first \$25, which leaves out most transactions on eBay. AND they state that people must NOT have ANY negative feedback...and this eliminates many who have been given a negative by someone as retaliation. eBay covered their a&& on this... This is a joke...If eBay CARED about the COMMUNITY they would help out the person who loses a \$12.00 amount to fraud as they would \$200.00.”

Manipulation of the feedback system generated distrust in the entire eBay institution. Members believed that just as eBay refused to intervene in cases of retaliatory feedback, it did not police itself on other fronts. For example, according to Steve, eBay refused to honor its insurance agreement even if retaliatory bidding had already victimized a member. Marsha encapsulated this distrust: “I’d be willing to bet they’ve never paid a claim...everyone says it’s impossible to get anything out of eBay. Attila the Hun must be their public relations officer.” These members reported they had little or no confidence in the administration’s willingness to

protect its community. Sarah reported: "I have [apprehensions] now to a greater degree after I have been burned by a seller who cashed my check and then skipped...eBay's contact information is generally worthless; and it takes them far too long to close down auctions of dishonest sellers or dealers offering illegal goods." Like Sarah, Bob believed eBay's rhetoric of safety was hollow: "I have yet to receive credits promised to me, I was ripped off by another seller and eBay told me they couldn't do anything about it. It didn't make me feel safe." Betsy related her experience: "...after having been sent a bootlegged CD ROM, I spent many an hour informing eBay...but now they want me to PAY to inform them of something eBay should be monitoring...they've sent me this form for months...and yet...they are selling a pirate VHS episode 1 The Phantom Menace. But will they respond to my report?...I have over thirty that have had no response." According to Betsy, trust was not only violated by fraudulent users but ultimately by the eBay administration itself. These members felt that by employing a rhetoric of safety promising multiple avenues of institutional recourse, eBay gave them a false sense of security; however, once another user broke their trust, they unsuccessfully attempted to hold the institution accountable. In this way, members reported that their original trust in the Feedback Forum was predicated on the claims made by the eBay institution so that once the company did not make good on its word, they felt betrayed twice over.

Reputation, Black Friday and Shattered Community

The Feedback Forum's subversion had far-reaching consequences for the system's credibility. Members felt the administration repeatedly failed to stand behind its rhetoric; the resulting tension created a generalized malaise. Yet despite what they saw as numerous proofs of administrative neglect, members desperately wanted to believe in their community. Black Friday

forced them to face the slippages between reality and the administration's rhetoric, both for the new reserve policies and larger issues of broken trust.

Analyzing the socio-economic frames that members employed in this moment of crisis affords a unique vantage point from which to examine the networked dynamics of collective and interpersonal trust on eBay during a critical period in the site's history. Black Friday sheds light on the interplay between the administration's economic agenda and the idealistic visions of eBay's purpose and character embraced by committed members. Members felt a disjuncture between the administration's communitarian rhetoric and the administration's actions that damaged the community it claimed to foster. Prior to the crisis and ongoing issues of broken trust in the feedback system, members viewed eBay as a vibrant community governed by mutual respect between members and the site administration. The vision of community embraced by many members had as much to do with norms of democratic governance as with the regulation of a marketplace.

Combined with the administration's refusal to address retaliatory feedback, the reserve auction policies shattered members' vision. Invested eBay members framed both Black Friday and the damaged feedback system as the administration's betrayal of the communitarian values promulgated by the administration's rhetoric. On both counts, they felt that more than an economic injustice had been perpetrated against them. They felt disempowered by what they perceived as a suddenly distant, tyrannical, and insulting authority. Especially during the crisis, eBay members framed the administration's policy change in terms of damaged community despite what they saw as the attempts by the eBay administration to confine the terms of the debate to the new policies' economic effects.

For members, eBay's introduction of exploitative policies without notice or consultation was a deeply offensive violation of the implicit contract between members and a humanized eBay administration, represented by "Pierre" and "Meg." The same is clear for what members framed as the administration's passive acceptance of retaliatory feedback, tourist bidders, and feedback bombing in the face of the community's cries for help. Members saw the "GreedeBay" administration as increasingly profit driven, spurred by a mercenary agenda that left little place for social ties. In contrast, members clung to the original communitarian vision; they saw their relationship with the site and its community as a social compact with economic benefits. Black Friday shook members' emotional investment in this ideal. One disillusioned member lamented: "I had all my eggs in the eBay basket, but they threw them on the ground and broke them. I feel like they will be happy to see me go, I just haven't figured out exactly why."

Members' boycott of the site was in many ways the culmination of these larger issues of broken trust. The boycott became a protest against perceived unethical gambits by the administration that violated the social contract between members and administration. Luckily eBay listened and the boycott was effective. eBay repealed the most offensive elements of its new policies, including the dollar charge and the forced opening bid equaling twenty-five percent of the reserve price.

After the boycott, respondents returned to eBay. Despite the trauma of Black Friday, several months afterwards, all remained registered with eBay. Yet one must ask if they truly had a choice. Although the majority of respondents expressed interest in diversifying to other auction sites, there was really nowhere else to go. Moreover, in moving to other auction sites, members would have lost the very community they were trying to preserve. In economic terms, it is likely that after Black Friday, previously loyal members stayed with eBay primarily because less-

developed alternative sites lacked member populations of comparable size and thus afforded fewer opportunities for profitable transactions. If this was indeed the case, then the administration's attempt to frame the site as an economic venue rather than a community was successful, much to the detriment of the members' cherished community ideals.

Notes

¹ Adam Cohen, *The Perfect Store: Inside eBay* (Boston: Little, Brown, 2002), 304-5.

² If a potential buyer had already found and bookmarked an item before an outage, that buyer would still be able to access the item listing during the outage.

³ Although reserve auctions protect sellers, Steven Andersen found that they might attract fewer total bids. See Steven Andersen and others, "Seller Strategies on eBay," UCSC Working Paper (April 2004), <http://repositories.cdlib.org/uscsecon/564>.

⁴ All members' names are pseudonyms. Excerpts preserve members' use of ellipses and capital letters, as well as all errors in grammar, usage, and punctuation. All citations are limited to members' self-reported perceptions of eBay.

⁵ In response to my online questionnaire, respondents included copies of their messages to eBay.

⁶ Sellers pay eBay a listing fee for each auction whether or not the object sells. Additionally, sellers pay eBay a sliding percentage of any winning bid.

⁷ Members repeatedly called eBay's founder and CEO by their first names, Pierre and Meg, which indicates members' desire for close community as well as the administration's early efforts to encourage it.

⁸ Quoted verbatim from respondents' self-reported answers.

⁹ Cited in Cohen, 206.

¹⁰ Users gave feedback by leaving scores of 1/positive, 0/neutral, or 1/negative. As the numeric values indicate, positive and negative ratings raised or lowered the user's score, creating a composite rating. When users conducted multiple transactions with each other, only the first feedback score was counted numerically. This restriction prevented attempts to undermine another user's reputation, but could distort scores because users with thousands of successful transactions could theoretically have feedback of only several hundred. eBay did not remove negative comments from the system, although users were eventually given the opportunity to respond to "negs" and mutually withdraw feedback. Officially, users who accumulated a net negative score of -4 were prohibited from further using the site. For further analysis of the reputation system, see Lyn Van Swol and Katie Jarrett, this volume.

¹¹ It was not until March 2000 that all feedback became transaction based. At the time of data collection, therefore, non-transactional feedback was a serious concern.

¹² i-Escrow received both the payment and the item for a fee of five percent of the selling price. The seller did not receive payment until the buyer inspected the item and deemed it acceptable; the seller had the same opportunity to inspect and approve returned items before the buyer received a refund.