

Roy, Lauren

Subject: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]
Importance: High

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PUBLIC REGISTER

From: <name and address excluded>
Sent: Wednesday, 25 June 2008 7:00 PM
To: Roy, Lauren
Subject: Re: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]
Importance: High

eBay International A.G. notification N93365

I would like to add further to this matter on the public record but wish to keep my name anonymous please due to further repercussions from Ebay/Paypal.

I have read the ACCC notice of intention to revoke the Paypal only application by Ebay/Paypal. Please be informed I agree with the decision of the ACCC.

I feel, for Paypal to operate at all in Australia, they should be a signatory to the EFT code. Perhaps then users of Paypal would have the same safety as with credit cards. At present the safety Paypal purports is merely advertising spin as, there is, in fact, no safety at all if the seller has no funds in their account. Paypal does not 'insure' the buyer, they merely take the money from the seller by whichever means they possibly can. They really should be prosecuted for false and misleading advertising.

There is absolutely no safety in letting Paypal have access to your bank account because they charge what they like, when they like and just take the money from your account. If you don't like it they remove you from the sites.

I wish to draw your full attention to the article below as this is exactly how Ebay/Paypal operate:

FROM A FORMER EMPLOYEE OF EBAY:

<http://blogs.wsj.com/biztech/2008/06/24/ebay-angers-sellers-pleases-buyers/>

I posted this at the feedback forum at eBay but it was killed by staff less than a minute later. I should have known. My ID will be toast soon anyway. This was the only other place I thought where my statement might have an impact. Do with it what you will. After Chicago, my only desire is to be heard.

There will be those who will not believe me and I sympathize. I wish the facts were fiction but to deny what I know would be to live in a fairyland of make-believe. I understand that the bulk of this "manifesto" reveals a plot so against the spirit of eBay that it will be dismissed as lie. So be it. I cannot force the world to accept it. All I can do is state the truth as I know it and leave it to you and to your common sense and experience to judge.

The deck is stacked against me. Aside from the natural resistance to believe I know that the boards are stocked with eBay's tools. Their goal will be to discredit me. I will be accused of being a "disgruntled", "paranoid", and "emotional" seller. Their words will be specially chosen for effect. That is part of the function of the tools and I am not fazed by it. However, to protect my own identity within the corporation, I cannot be too specific lest the details single me out to the powers that be.

What I intend to reveal is common knowledge to many in the management division behind the scenes.

By the way, the tools are not only the mouthpieces that promote the policies. The psychological tactics employed by the powers that be are far deeper and grander than that. The subtlety of the method is remarkable. The tools come in a wide range of flavors with their own, individual "characteristic" rhetoric. From those who are "for" the policy - and spread various degrees of hostility toward the sellers - to those who are "against" the change - and spread panic and further the divide with the buyers. Both serve the same exact purpose: a manipulation designed to remove the more involved and savvy small to large sellers who will not fit into eBay's future business plan.

First, let me correct the record regarding the concept of sellers extorting positive feedback. While the violation was known to happen, the activity amounted to less than a tenth of a percent of the yearly transactions. Further, it involved sellers whose feedback percentages were below 80%. The absolute majority of sellers did not engage in such practices. Nevertheless, the powers that be could not resist the fact that promoting this notion of feedback extortion as a wide-spread phenomenon would be the perfect cover with which to hide the true intentions of the policy.

The powers that be want to transform eBay into an overstock warehouse venue. A kind of outlet store for the internet much like a cheaper and streamlined version of Amazon. From a strictly business point of view, given the size of eBay and the growing costs of doing business, it makes a certain kind of sense to shift gears. Think about it: when eBay started, sellers were about rare and unique items but here and now the majority of items are common, used counterparts of what can be found new online at retail sites. Truly rare and unique items are sold at real auctions; the "stuff in your attic" isn't glamorous enough and won't keep eBay afloat any longer.

The trend away from the rare and unique to the big box retailer is not new. Several years ago the powers that be noticed that the big "powersellers" were simply listing items that existed in their retail stores or inventories. Thus the concept of "buy it now", "best offer", and "eBay stores" were created. It was the nascent stage of the plan yet to be. Little by little, without the population noticing, the mechanisms required to replicate the average retail storefront were already in place - and with its rise came the slow, steady downfall of the auction format.

Yet outright pursuit of a retail venue would have led to a major problem that at the time could not have been surmounted. The vast majority of people, on and off line, know eBay as precisely the place for auctions of rare and unique items. The sellers and buyers held onto that perception too but in truth their opinion even involvement in new and improved version of eBay is irrelevant by a certain Machiavellian calculation made by the powers that be. As part of the plan, eBay calculated thus: even if they lost the sellers as part of the change, the buyers will be coming back to buy regardless of who or what operated within the retail-outlet venue.

No, it was the stock holders who the powers that be feared.

Only the stockholders had the power to change the direction set forth by the CEO and the board. So it became imperative to change the equation. Part of the plan is to devalue the stock gradually so that investors merely dumped the stock as opposed to wanting managerial change ala Yahoo. Then to buy back the stock at lower cost and to such a volume that no rebellion against the powers that be were possible.

By the end of July that phase of the plan will be successful and the rest of the plan will be revealed without fear of backlash from those who otherwise would have had the power to pull eBay back from the brink.

Indeed, if you believe the current changes are obvious signals that small sellers are not wanted - be prepared - you have seen nothing yet.

So far what have they done? All they have managed to do is silence a seller's ability to warn others about buyers (half of the purpose behind the original idea of feedback), burden you with higher and higher fees, dangle "treats" like discounts while setting the bar of eligibility so high that the rewards cannot be reached. and, by the way PayPal deals with "complaints" leave you vulnerable to fraud. What if worse was yet to come?

They know if you do not feel safe that you will not use eBay. The changes that have been enacted only eliminates the small sellers. Meanwhile they want to eradicate the mid-sized seller too. And they want to ensure that both do not return.

For the mid-sized seller the DSR became the tool of choice. The powers that be raised the level of what is a good seller artificially high. No manipulation is required; they know exactly the effect of the policy. This is why buyers are told that 4 is a good score and sellers are told that 4.9 yields discounts and higher listing placements. As long as that fractured point of view exists, eBay does not need to interfere with the DSR as has been suggested, the buyers will be killing the sellers naturally.

By August there will be no pretense and the intentions of the new and improved eBay will be clear. The following is only a partial list of the rules that will be imposed. It comes from a memo that circulated within my corner of the managerial department the week before Chicago. I cannot be too specific about certain items and I cannot reveal details of the latest additions without endangering my anonymity.

1. Neutrals will be converted to negatives complete with red icons and reduced feedback scores. Afterward neutrals will not be offered as a choice of feedback.
2. The entire process of feedback will be automated. Buyers and sellers will chose standard feedback from a list. For sellers this operation will be performed automatically upon the buyer winning. For buyers there will be an extra free line with which to add a few comments about the seller without restriction to content. Replies will not be allowed.
3. The implementation of a stricter rules regarding shipping. From the boxes, packing, labels and tapes to where you can buy postage. Orders have been placed for prototypes of "eBay" boxes. UPS and FedEx will be instructed not to accept "eBay" merchandise if it's not inside "eBay" boxing. They will know, of course, because when sellers buy the "eBay" postage from the "eBay" source, a detailed list of contents with item numbers will be available to the shippers upon scanning a bar code. As for those who continue to use USPS, another level of quality control will be implemented - buyers will be asked, upon confirmation of delivery, if the seller used "eBay" standard shipping items. Naturally, no verification of the buyer's truthfulness will be attempted, and continued 'infractions' will result in suspension. eBay will have other ways to check if a seller is not using the "eBay" equipment - as they will be required to buy at cost the supplies immediately after items are listed. (This is such a large scale operation behind the scenes that I feel comfortable sharing as much of it as I know.)
4. Sales taxes will be included automatically; shipping cost and sales taxes will be used to determined FVF.
5. Item descriptions will be "standardized" with templates which include the posting of a new, universal return policy. Only yearly subscribers to the retail-outlet venue can opt out of these universal return policies but even they cannot alter the template structures being devised.
6. Strikes against buyers will be eliminated as the whole concept of a buyer and bidding will be altered. FVF will be calculated when payment is submitted.
7. Time to Close will be eliminated entirely. Best Match will be the non-alterable default. Best

Match is a system that caters to the needs of shoppers not bidders.

8. Placement within Best Match will be determined by several factors, the most important of which will be the extra display features added onto the listing.

9. DSRs can be removed by retailers and powersellers who pay a certain yearly fee.

10. The end play itself which consists of four phases:

- a) the main focus shifts to retail sellers whose fees are on a per listing basis
- b) stores will be replaced by a classified section, fees will be based on yearly subscriptions and FVFs
- c) occasional auctions will be conducted for unique items (celebrity auctions, items that have been featured on the news, etc.)
- d) total elimination of auctions for regular sellers.

From the point of view of eBay's agenda to change gears these alteration make sense. The powers that be want to turn eBay into a retail venue format. Therefore the "buyer" must be changed - bidding and commitments to buy are part of the past. In a retail venue, the item is either in your cart or not and you only commit to buy when you pay at checkout. The seller is also redefined in the way they will be required to do business. They will be forced to copy the methods of retail stores.

The goal is to become Amazon Lite. Unlike Amazon the merchandise will be stocked by the retailers in their warehouses, eBay will be just an electronic centralized venue for outlet sale - a "trusted" name with a wide customer base and popular name recognition.

That is the future and as I write this I know that it cannot be stopped. There are no investors with enough clout and will to challenge the CEO. Stock holders will simply walk away. eBay will not sink, however, it will be exactly in the position its rulers intend it to be at.

Sellers, my advice is simple. You are not wanted. Leave. If you stay, you will be crushed. Leave. Go away. You cannot win.

I am sorry because for too long I have been a complicit tool behind the scenes. I was part of those teams and think tanks that spearheaded many of the "innovations" you know very well and which will be used to destroy you. I know I will not be believed. I will be mocked and ridiculed by the tools and even those who are real, actual people will be hesitant to accept what I have to say. What has been done to this community, the plots and schemes hatched in meetings and across memos, is far, far worse to endure within my soul than any treatment I will receive at the hands of the tools by posting this. You do not know how much they hate you. It is my conscience that I want to clear going forward. Again I apologize. There should have been a better way for the powers that be to effect the change they wanted for eBay ~~instead, they succumbed~~ to cloak and dagger deception.

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These companies are both ruthless and totally <excluded> and should not be allowed to prey on unsuspecting customers. They do not serve this country in any way as they pay no taxes and flaunt our laws, yet here they are taking \$\$\$\$\$\$\$\$ of taxpayers money with this ridiculous farce of an application.

Considering the above, it may well be, they know full well they will have the notification revoked (as Deacon's response was less than pathetic and must have been written by a junior clerk) and they will use the ACCC revocation to tell the world how hard done by they were in Australia and use it as an excuse to close Ebay AU saying it was the ACCC's fault. This has already been said in part in their announcements. To be quite honest I don't think it would be any great loss for Australia if both Ebay & Paypal disappeared. Perhaps then the local sites would flourish and sellers would have the incentive to build a business.