

TECHNOLOGY AND SOCIAL CHANGE WORKING PAPER: 2008-04

TWP-2008-04-Seeking-Difference-8-10-08.doc

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## Seeking Out Difference, Searching New Markets, Hunting the Bargain: Globalized Consumption and Collecting in an eBay Era

*TaSC Working Paper (TASC-WP): 2008-04*

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*“Chatted with [Tom]. He's been buying Catalin<sup>1</sup> [radio] sets from the US because the exchange rate is good, using eBay... He brought these in from the US double-boxed, with a declared insurance value of only \$100, to cut down on the Customs and Excise surcharges. He has previously been bringing in container loads of radios..., but says he is unlikely to do this again... Previously, American sets in the UK were quite unusual, but now people can see and bring them in from eBay, especially the smaller sets. People are preferring to bring in the sets themselves, on an individual basis. “*

(Participant observation diary, 2nd May 2004, National Vintage Communications Fair, Birmingham, UK)

**This paper is currently in review for *Globalization in Practice* (edited by Nigel Thrift, Adam Tickell and Steve Woolgar) OUP.**

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<sup>1</sup> Catalin is a trade mark name for a particular form of thermosetting plastic or Bakelite material. It is highly desired by collectors because of its bright colours, potential for marbled patterns and high gloss finish.

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## 1 Introduction

eBay, the e-commerce auction giant, has often been constructed in terms reminiscent of Cairncross's (1997) *Death of Distance*, where the traditional inefficiencies of person-to-person trading such as geographical fragmentation and imperfect knowledge (Bunnell and Luecke, 2000) could be offset through computer-mediated communication. Indeed, eBay has been regarded as a classic leveller of economic playing fields (Cohen, 2002), improving the market liquidity for collectables, which are more problematic to exchange than uniform consumer items (Chircu and Kauffman, 2001). eBay, as a digital intermediary, has created "new ways in which products are bought and sold" (Zook, 2005: 142), facilitating the global peer-to-peer exchange of goods. It was estimated in 2003 that one third of eBay sales were international (Sinclair and Ubels, 2004). However, eBay's globalization of exchange does not alone work through the creation of a more perfect market. The 'virtual' objects on the screen do not just materialise in your home - eBay's 'globalization of things' is fundamentally underpinned by social, economic and logistical infrastructures. In the diary entry above, it is evident that Tom's globalized radio collecting practices are in part determined by the exchange rate, being able to pay in Dollars from the UK, and negotiating customs charges. The diary excerpt notes people are bringing in small sets from the US themselves, revealing a key logistical infrastructure that underpins eBay's globalization. The fact that they are small shows the greater potential for the globalized exchange of objects easy to transport.

This paper begins by exploring the motivations behind consuming globally which constitute the everyday factors which allow globalization to flourish. It then considers the infrastructures which facilitate that globalization and some of the problems encountered with them - which have fostered a degree of backlash against globalized collecting. This chapter is based on fieldwork on eBay carried out over a two-year period from 2004-2006 in the UK, which included focus groups with eBay users and interviews with collectors.<sup>2</sup>

## 2 The 'eBayeur Internationale': Motivations for Globalized Buying

Buyers are taking advantage of eBay's peer-to-peer global market. The research reveals their primary motivations are to acquire items not available in their own country (such as American vintage radios or rare CDs) - using eBay to search out rarity, the 'exotic' and 'difference' from the mainstream. In the case of vintage radios, before the Internet, it was relatively difficult for collectors to acquire sets from abroad without specialist dealers. The advent of eBay has allowed peer-to-peer exchange - buyers can purchase directly from sellers regardless of national borders. Globalized collecting has increased in tandem with greater individual knowledge about what is available - fostered by studying the specifics of eBay's many listings available to a worldwide audience.

Utilising global price differentials is also part of both collectables and new goods purchasing on eBay, which increases the global flow of goods. Certain small items, such as memory cards, are imported from the US because they are much cheaper. Collectors in the study bought collectables because they were cheaper in the US for a number of reasons. Sometimes US collectables are cheaper when offered for sale in their own market (eBay.com), because they do not have the rarity value there. UK radio collectors also take advantage of eBay's increasingly global reach though bidding strategically on different eBay national sites - taking advantage of newly opened eBay markets to hunt out bargains: "initially things on New Zealand eBay were quite a reasonable price, and I bought a couple of nice little radios there at... stupid money. But the

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<sup>2</sup>This fieldwork was conducted with funding from the UK Economic and Social Research Council (ESRC), from the large grant award RES-000-23-0433 *Virtually second-hand: Internet auction sites as spaces of knowledge performance*, which is gratefully acknowledged.

prices have gone up as ...[the market's] got bigger and bigger" (Gregory, radio collector). Such opportunities lessened as increasing numbers of eBay "lookers" searched these new territories, pushing up prices. Finally, globalized collecting was fuelled by the repatriation of objects – for example collectors bought rare British items at lower prices from the rest of the world, because their rarity was not appreciated in that country. Buying from abroad is often another way to exploit eBay's "unknown" or "unknowing" spaces to get 'the bargain'.

### 3 The infrastructures and 'real networks' of eBay

In the diary entry at the beginning of this chapter, Tom must trust that the item exists, the seller will post it on payment and that s/he will double box the item against breakage. eBay trust is based on the buyer's scrutiny of both the item page and the seller's feedback profile from things s/he has previously sold – based on eBay's proprietary feedback system, one of the best known and earliest on the Internet (Resnick and Zeckhauser, 2001). eBay thus relies on a particular social infrastructure, as promoted by the design of the eBay system, for the smooth operation of global exchange. Other 'physical' infrastructures are also vitally important - the logistical infrastructures to support eBay's global exchange of goods have become increasingly sophisticated over time.

A Geographical perspective on the e-commerce literature has been important in dispelling notions of a new "weightless economy" (Quah, 1999) in an information age - reinstating the importance of logistics (Murphy, 2003a, 2003b) for grounded, non-ethereal commodities; and the importance of information systems infrastructure in redefining geographies through the exploitation of minute differences between places (Li et al., 2001). The growth of eBay into the world's largest e-commerce site has been built on the back of three 'real networks' – de facto by Internet infrastructure, but also by delivery networks and financial infrastructures. eBay has made more highly visible problems with existing 'real networks' in the context of the global exchange. In terms of money flows, banks are seen by our research participants as expensive and highly administrative in terms of forex transactions. These transactions have been substituted away from banks in favour of online payment site PayPal, which has the arm chair convenience (*cf.* Jackson, 2004) that eBayers are used to, especially since it was bought by eBay and site-integrated in 2002. eBayers often do not bid where forex payments are needed and PayPal is not an option. PayPal was in part created in 1999 as a response to economic globalization and growing international interconnections of people (*op. cit.*). In terms of the global distribution of goods, eBay relies on national postal services and courier services. There has been the cherry-picking of distribution services through the perspective of a 'chain of accountability' back to the seller. eBay sellers increasingly require traceability in the global exchange of goods to prove they sent the item and guard against credit card chargebacks for non-delivery, and good insurance cover. Global exchange involves mediating the risks of global distribution, often through more costly services. Cheaper international postage is available to eBay buyers, but eBay sellers often state this is at the buyer's risk, and many US sellers in particular refuse to ship internationally because of perceived problems. Some sellers will not ship to particular countries because the receiving country's postal system does not provide a traceable system, or perceptions of high incidence of fraud in those countries. The global flow of eBay goods follow paths of least resistance.

There are many problems with globalized distribution networks. Fragile items get broken in transit. Certain items are inherently more subject to globalized exchange than others due to their physicality – stamps circulate globally much less problematically than vintage radios. The level of customs, duty and VAT to pay on items are also highly variable between countries – in Canada the threshold is \$20 whilst in the US it is \$200 (Sinclair and Ubels, 2004). The combination of irreplaceable collectables being broken in the post and the shock of customs charges have meant that some UK 'eBayers' have retreated to buying within national borders. Some have even restricted themselves to eBay buying within driving distance, because of their sadness over the breakage of rare collectables. eBay obeys the capitalist imperative of globalizing through expansion to new national markets, but intertwines both the global and local, globalization and glocalization processes. As Ritzer (2007) states, globalization involves

the imposition by agents such as corporations of their products or ways of doing things on the local. Glocalization is concerned with the interpenetration of global and local, with globalization creating a variety of reactions in different areas of the world (Ritzer, 2007). The eBay system, as a website and way of buying and selling with certain rules and protocols, involves globalizing; albeit deployed in local languages and with slight differences between country websites. However, in terms of promoting flows of objects at the global or local level, the eBay system supports all geographic scales, with the ability for worldwide searching, national searching or even searching at incremental distances from a given post code. This allows consumers and collectors to bring the local more to the fore as a backlash against globalized consumption. The collectors retreating from the global, mostly those with expensive and difficult to post items, used the globalized eBay system to offset the geographical fragmentation and related imperfect knowledge of offline consumption - to better access and know *local* markets. Part of eBay's phenomenal success, then, is to be both globalizing and glocalizing, giving eBay users the flexibility of consuming locally, globally or both simultaneously - depending on the nature of the objects being exchanged and their grounded experience within interweaving infrastructures which facilitate global exchange.

## 4 Acknowledgements

The research in this paper was carried out as part of an Economic and Social Research Council (ESRC) large grant award: RES-000-23-0433 *Virtually Second-hand: Internet Auction Sites as Spaces of Knowledge Performance*. The author would like to thank the participants of the project.

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