

Q&A with Alyssa Cutright, Vice President of Payments at eBay

Q1. In January, you announced that eBay would start to intermediate, or manage, payments in the second half of 2018. Where is eBay in its payments journey?

A lot has happened since we announced our intent to manage payments on the eBay platform just eight months ago. I'm very excited to say that our new payments experience is live and enabled on a small scale in the U.S. This is right in line with the timeline we outlined when we first announced our intent to manage payments earlier this year. Behind the scenes, we've been hard at work to get to where we are today. We ramped our hiring for the payments organization. Steve Fisher was appointed as Senior Vice President of Payments at eBay. Our Americas team has been engaging closely with our seller community to understand their desires, concerns and feedback. eBay's development team has been heads down building the back-end of our new payments experience. And our design team has been bringing ideas – and our sellers' feedback – to life by creating the new, simplified customer experience.

On the heels of this, we rolled out the managed payments beta to our workforce this summer, where we had thousands of employees participate in the program. This process yielded tremendous insights, which further informed our development and customer experience efforts.

Q2. Talk about your process to roll out managed payments.

First and foremost, our sellers have been at the center of our process. Through numerous and extensive surveys and feedback sessions, sellers on eBay have been extremely candid in sharing the attributes which are most important to them, as well as their views *and* their concerns about our roadmap and next steps. We know, for example, that our seller community has been frustrated with the complexity of our current experience. So, by partnering directly with our sellers, by being transparent about the realities associated with rolling out managed payments, by helping them understand our vision for the end state of managed payments and by listening closely to their feedback, we have prioritized the innovations and improvements sellers want and need. This includes direct payouts to their bank account, consolidated billing with all fees included in one statement and new ways for buyers to pay that don't require sellers to do anything to enable them. These are just a few of the capabilities that have been built into managed payments that reflect the direct feedback of our sellers.

We're taking a phased approach to managed payments, and as part of that, we carefully considered a number of criteria for sellers invited to the initial phase of the program. For example, we looked at sellers' history on eBay, GMV levels, geographical location, business conducted domestically versus internationally and categories of inventory and seasonality of sales. Our main goal with this approach was to ensure a smooth transition for these initial sellers.

Q3. What's the seller response been like so far?

Sellers have been very receptive to the way payments will be handled on eBay. They've shared a lot of feedback with us and are particularly excited about new and easier ways for buyers to pay and the ability to manage all of their transactions in one place. In July, we invited some U.S. sellers to pre-register for the new payments experience, so that we could engage early with our sellers and help drive velocity heading into the holiday season. The number of sellers who pre-registered for the initial phase of managed payments was in the thousands, which exceeded our expectations.

Q4. Will sellers in the initial phase have the opportunity to opt out of managed payments? Is this a pilot people will be able to try and then revert back to their earlier experience?

We are moving to a future where we will manage payments for all sellers on our platform. As sellers transition to our new payments experience, they will benefit from further product improvements and innovations. That said, we understand that every situation is unique, and we have developed a path for sellers to flag any issues or raise concerns with our Customer Support team to determine the best path forward for their business.

Q5. What forms of payments are available to buyers in the initial phase?

In our new payments model, eBay is providing consumers more payment options at checkout. Now, buyers can pay with credit and debit cards, just like with other online retailers. Apple Pay is the first new form of payment in our new payments experience. Offering Apple Pay as a form of payment on eBay is the first step in providing more choice and flexibility in payment options to our tens of millions of buyers.

There have been some questions about why PayPal isn't initially available in the new payments experience. We know that buyers love to pay on eBay using PayPal, and it's a priority for us to make PayPal available as a buyer payment method in our managed payments experience. Offering PayPal in a managed model requires a new integration for us, and it's one we are working on now. We expect to make PayPal available in summer 2019. We're just eight months into our three-year payments journey, and I'm proud of the progress that we've already made and where we are headed.

Q6. What's next with eBay's new payments experience?

Looking ahead to 2019, we'll expand our new payments experience to more buyers and sellers in the U.S. and begin rolling out our new experience outside the U.S.

Q7. eBay had indicated that fees would be lower than they currently are with PayPal. What should sellers expect in terms of their fee structure?

That's correct. Most sellers can expect lower overall selling costs in the new payments experience, and all sellers will also benefit from a simplified pricing structure, more predictable access to their funds and better visibility into sales and payouts.

Q8. How do sellers get paid in the new payments experience and how fast do they get paid?

Our goal is to pay sellers as fast as possible, but we are dependent on the credit card brands and banks for payout processing and timely funds settlement. This is the same timeline sellers face today when transferring funds from their PayPal accounts to their bank; we are using the same banking infrastructure.

That said, for sellers who are a part of managed payments, all cleared funds will generally be paid daily and directly to a seller's bank account, regardless of how the buyer chooses to pay. From their bank account, the seller can access their funds directly.

Q9. Where can people go to find more information about managed payments at eBay?

People can visit ebay.com/payments for more details on eBay's new payments experience.

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