Pierre Omidyar

Highlight Video Transcript

How do you create a connected marketplace of a billion merchants large and (mostly) small?

He spent a long and focused weekend writing brilliant code — a holiday weekend, no less. Pierre Omidyar's development of eBay, when he was 28, forever changed the face of Internet commerce and online community-building.

How can individuals become inspired to make change? What type of environment is necessary for people to have an impact on the world around them?

Learn how Pierre Omidyar found the power to make a difference and the space to experiment with new ideas.

In the 19th century the General Store was more than just a store — it was a community center.

A century later, in 1995, an engineer's Labor Day weekend project revived the idea of a commercial hub doubling as a community hub for the digital age.

The project was initially named AuctionWeb. Eventually, it evolved into eBay.

Ultimately, eBay's feedback forum deepened the auction site's sense of community. It helped establish "reputation economics" as a way for individuals to do business on the web.

The concept is so simple. But its success went beyond the wildest dreams of the man who implemented it.

Scenes from the J.R. Jones General Store in Greenfield Village, Dearborn Michigan.

Pierre Omidyar,
Creator and Chairman, eBay,
Co-Founder of Omidyar Network. Believer in the fundamental goodness of people.

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I didn't sit down and say, "Hey, I'm gonna be innovative today." I really was trying to experiment with new tools. I mean, I'm a software engineer. So basically, the latest, coolest shiny toy at the time was the web — was interactivity. And the way I expressed my creativity was through writing code.

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Fast forward to Labor Day weekend of 1995. I sat down at my computer and started writing a script — a perl script — to create a very basic auction mechanism. And the code was really simple. It just allowed you to list an item for sale.

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It could have a title and a description and a starting price. And you could also see a list of all the items that were listed. Obviously, that was important. And you could bid on an item.

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And then the great thing about the web — you know, especially in those days and still today — is that once you put something out there, you started getting feedback right away from people.

The joy and terror of success.

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Almost a year later, by August of '96, I had found somebody to help me build the company. And we both quit our day jobs and devoted ourselves full time to building that company.

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During that first two-year period we were growing 20 to 50 percent every month, every single month. And some months were 70 percent. But on that — for two years — sustained growth like that, I don't think anybody's, you know, ever done that.

Pierre Omidyar.

"I didn't sit down and say ,"Hey, I'm gonna be innovative today."
— Pierre Omidyar

eBay's corporate headquarters, San Jose, California.

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It was exhilarating and terrifying at the same time. Because at any moment, the whole system could've come crashing down. And we were racing to stay ahead of the of the demand. And it was pretty — pretty challenging.

Feedback: Praise where it's due.

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It was actually in February of '96 that I came up with the idea of creating . . . the feedback forum.

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And basically what that was, was to encourage people to give each other feedback based on . . ."How did their transaction go?" And since I was getting all of these complaints, I assumed that it would be mostly negative, that, you know, it was a forum for people to give each other negative feedback.

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And so I wrote this . . . little letter to the community in February of '96, announcing the feedback forum. And I said "Hey, listen, you know, people are basically good. We all try to do a good job. We all try to do our best. But sometimes, things don't work out. It'd be great — you know, let's give each other the benefit of the doubt. If you're having real problems with somebody, now there's a feedback forum, you know, basically you don't have to complain to me. But there's a feedback forum if, if your complaint is worthy of complaint, then you should do it publicly, you know, and complain in a public forum.

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"But while you're at it, also think about giving praise where praise is due. If somebody does something nice for you, wouldn't it be nice in this world if we could actually start recognizing that? And — and, you know, let's give each other praise where praise is due."

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And, you know, we found that when you give somebody the opportunity to give praise, to give positive feedback when it's well-deserved, people love to do that. It's very gratifying yourself to be able to give praise to somebody else. And so the feedback forum is just a remarkable, incredibly gratifying testament to human nature and the fundamental goodness of human nature.
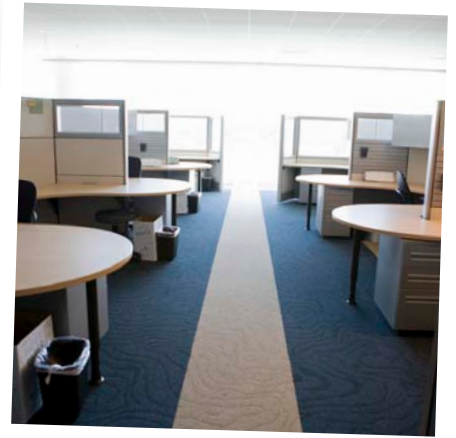
Workstations at corporate headquarters.

"People are basically good. We all try to do a good job. We all try to do our best."
— Pierre Omidyar

Pierre Omidyar.

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But then also from the business perspective, it was really the thing that allowed eBay to succeed, because it gave people a chance, a way to know that they could actually trust a complete stranger.

Don't take "no" for an answer.

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There's something about an entrepreneur that is somewhat is sort of anti-establishment, somewhat disrespectful of the previous generation. And although that can grate people the wrong way a little bit, that's really an important element, actually.

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You need to be passionate about what you want to work on and — and — don't take no for an answer when people out there are giving you advice and saying, "No, this will never work." I mean, you know, look at eBay — the idea that in 1995 you could create something over the Internet, which is this brand-new thing that nobody, you know, was really using at the time except for scientists and academics. And it would be a place where strangers could actually do business with one another, could actually, like, exchange merchandise for money, without ever meeting. You know, and the notion that people could actually buy and sell cars over the Internet, I mean, that's crazy, right?

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Yeah, it's totally crazy. So, in fact, lots and lots of people have told me that was crazy and I have to say, I didn't have this vision "Oh, it's gonna take over the world. It's gonna be this fantastic thing overnight." I didn't have that kinda delusion either. But — but I did say "You know what? There's something — there's something worth trying here. It's not — it's not crazy."

On individuality

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. . . I think really the important thing is to preserve an environment where individuals or regular people, actually can — become inspired to have an impact on the world around them and to give them the space to go and experiment, to reward experimentation and risk-taking rather than — punish failure. And I think our whole system has to work together for this.

eBay sign.
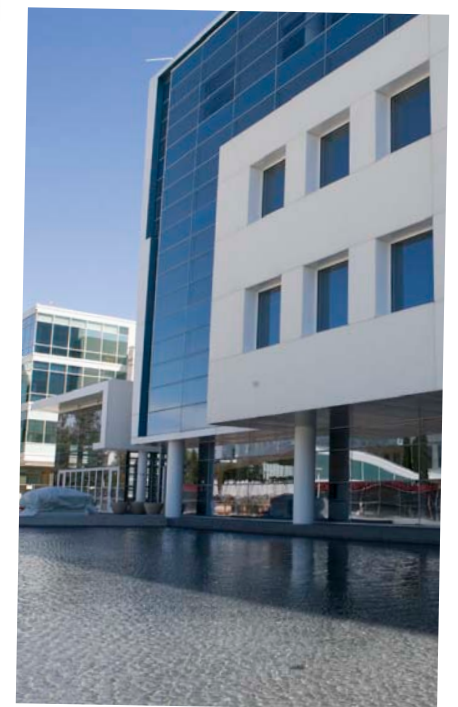
eBay headquarters.

Powered by

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People have to be educated properly. They have to have a sound grounding in, you know, in the sciences — in in the stuff that makes our world go. But they have to be embraced as individuals. And that's the part that can be really tricky, especially as this world gets more crowded and as this world gets smaller, embracing the individuality of a person and not forcing them to follow a certain path or fit in a certain bucket. That's gonna be a critical challenge you're going into the next generation here as the world gets smaller.

Pierre Omidyar.

Pierre Omidyar, has a lot more to say.
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