Retail Innovation Shout Out: eBay Tests a New Business Model

by Sonia Parekh

We've been hearing a lot about eBay lately, as it seems they are testing several new models for increasing revenue. In the San Francisco Bay Area, word on the street is that they are in Beta with a new program called "Sell it Forward".

Sell it Forward is a creative new program that can help many of us do something we constantly put off – clean out the closet. Customers who sign up send their old clothes, shoes and handbags to a local branch of Goodwill Industries (a non-profit organization). If Goodwill is able to sell the merchandise in 14 days, the customer gets 50 of the cut, if not, they get a receipt for their donation that they can use for tax purposes.

This innovative new business model helps today’s time-starved consumer clean house, perform a social good, and possibly make some money in the process. But beyond that it appears to be another attempt by eBay to simplify the process of selling goods and capitalize on the ongoing cycle of consumerism. It’s also an excellent example of business model innovation used to expand service offerings and maintain competitive differentiation.

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