

eBay Live Auction site crash causes losses

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On 21st October 2006, the eBay Live Auction service, which enables users to bid on items being auctioned on the floor of the some of the worlds leading auction houses, crashed for a number of hours.

As a result, numerous real life auctions lost out on the potentially highest bidders who were participating via the eBay service. Of course, those losses are not eBay's problem as the eBay terms and conditions state that eBay offers no warranty or guarantee regarding the service.

The official notice from eBay during the problem indicated that they were experiencing 'intermittent slowness and errors when bidders attempt to place new bids', however the problem certainly seems to have been much more serious than that.

One auction house, run by David Rago, estimated that they had lost between three and four hundred thousand dollars in sales as a result of the eBay problem on 21 October (according to a Maine Antique Digest article on the problem). The article also mentions another auctioneer who estimated the problem cost him a million dollars in sales.

The biggest complaint from people affected by the outage seems to be the lack of communication from eBay during and after the incident. During the incident the notice on eBay didn't give any details about the full extent of the problem or the expected duration to resolve the issue. And while eBay claims to have contacted people involved after the incident, some are complaining that they never received any email from eBay about the problem. Various auction houses also indicated that they received many angry complaints from customers who were using the eBay service, accusing the auction houses of not taking their bids into account.

While problems can affect any business (apparently this one was caused by a hardware problem) it is critical that as part of a comprehensive business continuity / disaster recovery plan an organization has a plan for communicating effectively with their customers regarding any issues. It seems that eBay didn't do this and this has left a bitter taste in the mouths of auction houses and eBay customers trying to use the service on this day.

EXTERNAL LINKS TO OTHER ARTICLES ON THIS INCIDENT:

[Maine Antique Digest - eBay Glitch on October 21 Causes Big Auctioneer Losses](#)

[Auction Bytes - eBay Live Auction Snafu Results in More Than Lost Dollars](#)

[Auction Bytes Blog - eBay Live Auctions Down on Saturday](#)