

eBay and Depop: What to Share, What to Keep

Internal ID: S&F-STR-204

Topic: Platform Strategy, Mergers & Acquisitions, Pricing Strategy

Industry: Broadline Retail

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Strategy case | MBA audience

Information cutoff: October 4, 2026, 11:59 p.m. Eastern Time

This is a hypothetical classroom case built from public information. It does not describe an actual eBay internal assignment or report post-close integration results.

The choice after closing

In October 2026, eBay has recently completed its acquisition of Depop, a mobile-first, community-powered fashion resale marketplace. eBay says it intends to preserve Depop's distinct brand, platform, customer experience, and culture while helping it grow and exploring capabilities eBay can contribute. The public statement names shipping, personalization, compliance, and trusted services as potential sources of support.

The strategic question is how to turn that promise into an operating plan. Over the next 12 to 18 months, which capabilities should eBay share with Depop, in what sequence, and with what safeguards for buyers, sellers, and each platform's marketplace quality? The two platforms may be able to share services without sharing a customer-facing experience. They may also find that an apparently back-end change alters seller workflow, trust, or discovery.

You are advising a hypothetical post-close planning group. Decide what to integrate now, what to keep distinct, and what to test first. Explain how the company will know whether a change improves the experience for Depop buyers and sellers rather than merely moving activity or costs between platforms.

The deal and the clock

eBay and Etsy announced their definitive agreement on February 18, 2026. The announcement described approximately \$1.2 billion in cash consideration, subject to purchase-price adjustments. eBay announced that the acquisition closed on July 30.

eBay's latest reported quarter at the case cutoff ended June 30, a month before the close. Its second-quarter results therefore describe eBay before it owned Depop; they do not show post-close Depop performance or integration outcomes. The Q2 earnings release reports \$3.134 billion of revenue and \$22.398 billion of gross merchandise volume (GMV), each up 15% year over year as reported and 14% on an FX-neutral basis. eBay reported 136 million active buyers at June 30.

After quarter-end, the Q2 Form 10-Q reported that eBay paid \$1.4 billion in cash, including preliminary purchase-price adjustments that reflected certain investments Depop made before closing. The adjustments remained subject to finalization, and the filing said initial purchase

accounting was incomplete. This is a later accounting update to the announced deal, not a final valuation of Depop or evidence of synergies.

Two marketplaces, different measures

In its February deal announcement, eBay described Depop as having approximately \$1 billion in gross merchandise sales (GMS) in 2025, including nearly 60% year-over-year growth in the United States. At December 31, 2025, the company said Depop had 7 million active buyers, nearly 90% of whom were under 34, and more than 3 million active sellers. These are historical, pre-close company figures.

eBay defines GMV as paid transactions on its Marketplace platforms, including shipping and taxes and without adjustment for returns or cancellations. Its active-buyer measure counts buyer accounts that paid for a transaction in the prior 12 months; one person can hold more than one account. The deal announcement does not define Depop's GMS, buyer activity period, account deduplication, returns/cancellations, or active-seller test in enough detail to reconcile the figures. Do not add or directly compare Depop GMS with eBay GMV or infer a combined growth rate.

The same announcement says eBay fashion represents more than \$10 billion in annual GMV and that U.S. fashion GMV grew 10% year over year in 2025. Those are eBay category claims, not Depop's contribution or a post-acquisition result. User overlap, incremental reach, seller migration, and cannibalization are unknown.

eBay's strengths and a disclosed risk

eBay describes its strategy around relevant experiences, scalable solutions, and innovation, with investment in focus categories, discovery, trust, seller and buyer tools, and recommerce. Its 2025 Form 10-K also says that focus-category buyers and sellers often have distinct needs and that eBay's scale and complexity can make it harder to serve those needs as quickly as specialist competitors.

Recent eBay initiatives show potential capabilities. Its Q2 release reports that eBay Live GMV grew roughly eightfold year over year across seven markets; it expanded fashion authenticity coverage and introduced or extended seller tools and buyer protections in other parts of eBay. These are company-reported eBay initiatives. They are not evidence that the same services fit Depop or that Depop's users want them.

Depop's acquisition announcement emphasizes a mobile-first, community-powered fashion marketplace. The completion release says it will continue as a complementary business with a distinct brand, platform, customer experience, and culture. eBay's promise to preserve those elements and its statements about potential shared capabilities are management intentions. At the case cutoff, public materials do not provide a scorecard of what has been integrated or what has changed for Depop buyers and sellers.

What the research suggests-and does not

Research provides mechanisms to consider; it does not determine Depop's integration plan.

Capability redeployment after acquisitions. Capron, Dussauge, and Mitchell studied 253 horizontal manufacturing acquisitions from 1988-92 through a retrospective survey of executives. Their July 1997 preliminary working-paper manuscript reports that some resources were transferred from target to acquirer and some from acquirer to target; patterns varied by resource type and relative strengths. The study can prompt questions about which side has

stronger capabilities and where transfer may help. It is not a causal estimate of acquisition value and does not examine digital marketplaces, social discovery, community, or current eBay and Depop systems. The manuscript is a preliminary version, not the final publisher-formatted article.

Trust and governance. A historical study of eBay from 1995 to 2007 traces a shift from user feedback and self-governance toward formal Trust and Safety functions. It describes how centralized oversight and community identity can be intertwined. The study is qualitative and does not measure how current Depop users would respond to common rules, moderation, or appeals.

Search, reputation, and repeat activity. Nosko and Tadelis analyze historical eBay transactions and a randomized search-ranking intervention on U.S. traffic in 2011-12. Promoting sellers with higher measured transaction quality increased 180-day repeat purchasing by about 0.30 percentage points in the study sample, with no detectable contemporaneous conversion change. The effect belongs to that ranking intervention and historical eBay setting. It does not show that eBay's ranking or reputation systems should be transferred to Depop, where fashion discovery and community may matter differently.

The evidence does not establish eBay-Depop buyer or seller overlap, how users value Depop's community, what services can be shared at what cost, or how any integration affects trust, conversion, retention, seller economics, or listing quality. No public evidence reviewed for this case establishes post-close operating results.

Three possible approaches

The planning group has several defensible routes. Each should specify what changes for users and what stays under Depop's control.

1. **Keep the customer-facing platforms distinct and share selected services.** Maintain Depop's app, discovery, brand, and community norms while assessing shared shipping, compliance, payments, safety, or support capabilities. This could give Depop access to eBay scale without a visible redesign. But even back-end changes can affect seller workflow, delivery, moderation, or fees; shared services may not fit Depop's operations.
2. **Integrate more deeply across common systems and tools.** Move selected listing, discovery, seller, safety, or personalization capabilities onto shared standards and infrastructure. This could accelerate capability transfer and reduce duplication. It could also disrupt user habits or seller processes, change marketplace rules, or make Depop less responsive to specialist needs.
3. **Sequence modular changes behind pilots.** Begin with limited, measurable services or user cohorts, establish guardrails, then broaden changes based on performance. This could preserve choice and reveal unintended effects. It can also delay potential benefits, require dual systems and teams, and make responsibility less clear.

These paths can be combined, but sequencing and decision rights matter. A common payments or compliance layer may have different user consequences from a common search ranker or social-discovery feature. Each intervention needs an outcome measure and a clear owner.

Assignment

Prepare an integration plan for the hypothetical eBay planning group as of October 4, 2026. Your recommendation should:

- choose capabilities to share, retain separately, or pilot, and set an order for the next 12-18 months;
- identify who decides platform rules, product changes, safety policy, data access, and rollback;
- name user and seller guardrails, such as buyer trust, seller retention and economics, listing supply and quality, search relevance, delivery, disputes, and appeals;
- specify how pilots or comparisons would measure outcomes for both platforms, including possible overlap, substitution, or spillovers;
- distinguish success for eBay from success for Depop; and
- identify evidence that is missing and what finding would cause you to pause, alter, or expand the plan.

State assumptions and avoid claims that cannot be supported by the public record. The decision is not whether to acquire Depop-the acquisition has closed. Do not assume that the public intention to preserve Depop's distinction proves it has been implemented, or that scale automatically produces user value.

Selected sources

- [eBay/Etsy Depop acquisition announcement, Feb. 18, 2026](#)
- [eBay Depop completion announcement, July 30, 2026](#)
- [eBay Q2 2026 results release](#)
- [eBay Q2 2026 Form 10-Q](#)
- [eBay 2025 Form 10-K](#)