

General Motors to try selling new cars on eBay

July 10 2009, By RACHEL METZ , AP Technology Writer

(AP) -- As part of its turnaround plan, General Motors Corp. said Friday it plans to experiment with auctioning new cars on eBay, expanding on an existing partnership covering certified used vehicles on the online marketplace.

GM CEO Fritz Henderson said the company is working on an "innovative new partnership" with eBay Inc. to let consumers in California bid on vehicles as they would in a normal eBay [auction](#), or choose a "Buy it Now" option to purchase the car at a set price. Dealers would still distribute the cars.

A deal between eBay and GM hasn't been completed yet, however, and both sides say they have been in discussions.

GM spokesman John McDonald said the company sees the sales of new cars on eBay as an experiment that builds upon the existing partnership in used vehicles. Certified preowned vehicles from GM, along with other carmakers, are currently offered for sale on eBay Motors, eBay's online auto marketplace.

McDonald said GM is trying to get a deal done to start testing the new car sales on eBay in the "next couple of weeks." His remarks lacked the certainty Henderson used in a statement earlier Friday, where he said the company will start the sales and other ideas with car dealers in the next few weeks.

McDonald also noted that some GM dealers already independently list vehicles on eBay, and said this experiment could be a way to bring other GM dealers on board.

The announcement comes as GM completed an unusually quick exit from [bankruptcy](#) protection on Friday with ambitions of making money and building cars people are eager to buy. Once the world's largest and most powerful automaker, new GM is now leaner, cleansed of massive debt and burdensome contracts that would have sunk it without federal loans.

eBay Motors allows users to buy and sell new and used cars either locally or nationally. The site also offers motorcycles, boats and auto parts and accessories.

In a statement, eBay Motors vice president Rob Chesney said "at this time, no plans have been finalized with General Motors."

Chesney also said eBay was "excited about a potential new adventure that supports GM's dealers by expanding on how they already reach consumers through new approaches."

It remains to be seen how any such deal will ultimately play out for the ailing automaker and the online marketplace operator.

RBC Capital Markets analyst Stephen Ju said bringing another name brand onto eBay may help it increase buyer confidence - something that the San Jose, Calif.-based company has been trying to improve.

"For them it's all win-win," he said. "A chunk of revenue is coming in your direction for helping GM sell autos on your platform. Why would you turn that down?"

[EBay](#) shares rose 21 cents to finish trading at \$16.30, while shares in Detroit-based GM shot up 31 cents, or 37.4 percent, to \$1.15.

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