



# What's craigslist About: What Have We learned? Where Are We Going?

In 1995, Craig Newmark started craigslist as a non-commercial community bulletin board with classifieds and discussion forums. Today Craig is recognized as one of the pioneers of online communities.

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## Timeline

1994 Charles Schwab

Initially full time, then contractor working on security issues ('95-'99)

Early 1995

Creation of mailing list of things going on around San Francisco

July 1995

Started using listserver majordomo and name craigslist

1998

craigslist becomes a non-profit

1999

craigslist becomes a for profit corporation

May 2000

New York and Boston added

End of 2000

Ten regions being served

2001

Four cities added

2002

Four more cities added

2003

14 cities added

2004

33 cities added, including 7 in foreign countries

## Background

In 1995, Craig Newmark started craigslist which serves as a non-commercial community bulletin board with classifieds and discussion forums. Using a common sense, down-to-earth approach, craigslist strives to make the 'net more personal and authentic, while advocating social responsibility through the promotion of small, non-profit organizations. The philosophical themes of craigslist are:

- We're about people giving each other a break;
- We're about restoring the human voice to the Internet, reversing the corporate voice and over commercialization;
- We're about providing useful, down-to-earth, common-sense function.

As a result of this attitude, Craig is now recognized as one of the true pioneers of online communities.

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## Introduction

Craig Newmark, founder of craigslist was the speaker on January 20, 2005 at Xerox PARC as part of the SDForum Distinguished Speaker Series.

He spoke to a capacity crowd that included many users of craigslist. One person we spoke with said, "craigslist helped me find an apartment when I moved to the Bay Area, buy some used furniture, find a job, and get a girlfriend."

## What Is craigslist?

Craigslist is a down to earth web site that provides a trustworthy, efficient means for people to get the word out locally regarding everyday stuff. People want to find a job, find a place to live, get a date — the basics. And jobs, housing, stuff for sale, and personals are the most popular categories.

Although craigslist does no advertising, many human resource people and recruiters cite craigslist as the most effective job site in the San Francisco Bay area.

## Who Is Craig?

At a Webby awards ceremony, Craig's acceptance speech was "I love you mom." He knows the name of many dogs in his neighborhood, and has dog treats handy for all. A shy guy from Jersey, some joke that he's like Zorro, battling the spammers, stalkers, hustlers, and bad guys on craigslist sites in his current job as customer service representative.

Craig worked at IBM for many years, 11 years as a systems engineer. As marketing people would talk while he was sitting in the audience, his body language was so expressive, that they would sometimes ask him to remove himself.

Craig follows his "inner nerd," and recognizes that he has limited social skills. He is a very literal person and does his best to follow through.

## History

In 1994, Craig was working at Charles Schwab, being a somewhat overpaid contractor working on security issues. Becoming aware of the Internet as a way to connect

people in new ways, he became an evangelist of how to use it. In the course of doing this, he saw a demonstration of Mosaic.

This led to the initial creation in early 1995 of a mailing list of things that were going on and around San Francisco. As this list grew, it broke in July 1995, and resulted in the use of the listserver majordomo that required a name, at which time it was given the name of craigslist.

When the web site was created in 1995, con-

sideration was given to changing the name from craigslist, but since the site was quirky and personal, Craig was advised to keep the name.



All of the email logs were converted to HTML and were put onto the website. In fact, until 1999, PINE was the sole means of managing the web site. It remains the preferred email tool today, since it keeps your hands on the keyboard.

In 1998 craigslist became a non-profit, but found that it really screwed things up — it got in the way of serving the public. In 1999 it became a real company. To avoid the middle age temptation of a fast car and fast blond, equity was given to some employees.

It was not until May 2000 that craigslist added more cities, New York and Boston.

But by the end of 2000, it was serving ten regions. Four cities were added in 2001, another four in 2002, but 14 in 2003, and 33 in 2004, including the first non-North American sites in Dublin, Edinburgh, Tokyo, Sydney, Melbourne, Amsterdam, and Paris. It is very difficult to predict how fast a site will take off in a new city. Honolulu and Las Vegas took off very fast, while Austin and Toronto grew very slowly.

In 2004, one guy decided to sell his stock, and the company encouraged him in the direction of EBay.

## Today

Craigslist has never had a business plan; rather it has relied upon its employee's instinct and experience. It does no marketing per se, rather it is growing by word of mouth since it feels right.

As of January 2005, Craig's list has 7 million unique visitors per month viewing 1.7 billion pages. It has a presence in 77 cities and revenues of \$10 million. There are 75 servers, all running Linux. Each database server has redundant disks and costs about \$20,000. Some of the desktops are also running Linux, since they view Windows as a reliability, security, and insurance risk. Despite its revenues, it is almost a free site, charging for less than 1% of all listings; for job listings in San Francisco, Los Angeles, and New York City.

Craigslist has 18 employees, with Jim Buckmaster as CEO, and Eric Scheide as CTO. After screwing up on a number of hires, Craig decided to become just an employee and stay out of management.

Craigslist has the distinction of creating more content per employee per month, than

any other site on the net. It has always run very lean and doesn't owe money to anyone. It wants to keep the company small, since like Scott Adams (creator of Dilbert), it sees big companies as being dysfunctional. They are currently more constrained by physical space — being located in a dilapidated Victorian in the Inner Sunset neighborhood of San Francisco — but wanting to stay in a neighborhood and avoid being in downtown.

## Scammers, Spammers, and Abuse

Craigslist is self-moderated. Any user can flag a posting for removal. There is automatic removal if there are enough flags from different people. But it has measures that it doesn't advertise, to prevent abuse. They are trying to figure out better ways to self-police.

There is the issue of freedom of speech versus the commons. It is clear that there are certain limits to free speech. For example, you can't yell "fire" in a crowd.

Many items are removed each day. Ads are very easy to decide to remove, but bickering is much more difficult to deal with. Here are some of the most common forms of abuse:

- Scammers — false cashiers checks or tickets, deposits for non-existent apartments, real estate harvesters, money wiring, and offshore operators.
- Spam is an ongoing problem. We find that by calling the small operators we are able to get them to stop. But the big ones are more difficult to deal with. We have found that the small ISPs will work with us to stop spammers, but that in the past, the large ISPs have refused to help us. With EBay owning part of us, we have better leverage in obtaining help from these large ISPs.

- We have to deal with harassment — sex ads, call for a good time.
- Apartment brokers in New York City put postings in the no fee or for owners only categories. We find that we are leveling the field in this area.

## The Future

What are possible new directions for craigslist? Over the next 5 to 10 years, they expect to be doing more of the same, by adding more cities, providing more services, and keeping its focus local.

There are many things that we want to do. There are some things that we actually get to do. But one overriding objective is to keep the site fast. Some things that we are considering include:

- Being able to have a persistent identity.
- Providing rating and reputation services.
- Currently New York doesn't have a MLS (multiple real estate listing service). For this reason, craigslist may become a significant factor in New York.
- There are new ways of getting the word out. RSS can chew up a lot of your server. This is evolving into the semantic web and various XML variants.

We would like to create special privileges for people who help us. For example, we might provide them with a link to our toolset to allow them to eliminate multiple posts.

We'd like to be in more countries, but we need to decide how to deal with multiple languages. Privacy and libel laws vary in other countries. How should we do customer service? We don't have any good answers yet.

## Competition

Craigslist and EBay are a threat to newspapers classified advertising.

Will big companies be a problem for craigslist? There is lots of room for other sites; but many have tried and failed. Google is an example of a large entity that works with us by indexing the contents of our site.

There appears to be a site in Germany, and one for Barcelona, Spain that seem to be busy.

## Personal Journalism

Facilitating personal, citizen journalism is another thing that we would like to encourage. We are coming close to another major tipping point. Mainstream reporters and editors know the truth, but many broadcasters are not quite trustworthy — they won't tell you when people are lying. The stance that Dan Gillmor took in leaving the San Jose Mercury in January 2005 to work on a citizen journalism project is courageous.

In Korea, "OhmyNews" has been successful and has been able to sustain itself via people making payments via their cell phones.

Today, the most trustworthy journalist in America is John Stewart, a comedian, for having appeared on Crossfire and told it exactly as it was to the hosts of the show:

"You are partisan hacks that just suck up. How can you sleep at night? By helping politicians and corporations, you are hurting America. You have a responsibility to provide public disclosure, and you fail miserably. I beg of you, please stop. When a debate finishes, you immediately go into spin alley mode, deception lane."

## Politics

Craig has no interest in public office, as he puts it, "it is no place for a nerd."

Organizations like Moveon.org and Dean did good work, but they only managed to inspire a relatively few number of people.

There are a lot of problems that are not solved by throwing more money at them. Instead, more money often just makes the problem worse. It is a better idea when people get together and try to do something different to solve the problem.

## Craigslist Philosophy

Trust is fundamental to craigslist. People are overwhelmingly trustworthy. The culture of trust is earned again every day. Craig New-



mark takes trust very personally since his name is on the site.

Our agenda is in "helping people." You can think of craigslist like a social flea market. It is in the self-interest

of people to behave. We practice our values and preach little. We take privacy and due process very seriously.

The Golden Rule works. That's part of why we like EBay, the Golden Rule is part of their published values.

Community feedback results both in changes and in staying the course. For example, we have no banner ads or pop-ups

on the site. They annoyed me, and the community feedback confirmed this belief.

Anything that distributes power is good.

Moral compass / conscience for real.

Our model of customer service is to do the opposite of the phone company. If you want to start your day on the wrong foot, start off by calling the phone company for help in the morning.

## Summary

Craigslist helps people use the Internet to change the world.

## About the Author

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