Notes from the Web that Was: The Platform Politics of Craigslist

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Abstract

Surveillance is an increasingly common feature of online life, with user activity logged and tracked in order to sell advertising. Rather than focusing on platforms that have consistently violated user privacy, this paper uses Craigslist as a model of a widely used and profitable online platform with policies that emphasize user privacy. By focusing on its monetization strategies (which are straightforward rather than obfuscated) and its defense of anonymity, this paper argues that Craigslist successfully maintains Web 1.0 ethics around user surveillance that are worth remembering in a contemporary digital landscape.

Introduction

Craigslist is an unusual platform. Online for more than two decades, Craigslist’s aesthetic design and user policies reflect many of the norms of internet culture from the 1990s, values that have become increasingly marginalized as platforms emphasize continual design updates and monetizing user data. From the company’s size to its financial structure to its business model, Craigslist is a holdout from a web that emphasized free expression and user privacy rather than online social connectivity and tailored, personalized content. While legal experts have begun advocating for the breakup of mega-companies like Google, Amazon, and Facebook (Ehrlich 2017; Wu 2018), Craigslist remains stubbornly small, with fewer than 50 employees. Because it’s privately held, Craigslist’s leadership has the freedom to determine platform size and monetization strategies. And in contrast to opaque mechanisms of selling user data to advertisers, Craigslist generates revenue solely by charging small fees for certain ads (such as job posts and real estate listings).

This special issue focuses on the ways that platforms surveil users, typically by gathering and monitoring data on user behavior. Rather than focusing on platforms that have consistently violated user privacy, I’m going to argue that Craigslist is a useful model of a widely used online platform that stays profitable without forcing users to surrender their privacy. I make this case by focusing on its monetization strategies (which are straightforward rather than obscured) and its defense of anonymity. Both policies emphasize Craigslist’s commitment to Web 1.0 ethics around user autonomy, producing an important counter-narrative in a contemporary digital landscape that emphasizes continual self-disclosure, reduced user agency, and increased levels of surveillance.

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Craigslist started out as an email list in 1995, advertising tech-related events and job opportunities in the San Francisco Bay Area. In 1996, riding a wave of nascent tech enthusiasm, Craigslist migrated to a website and eventually expanded to over 700 cities across the globe. In addition to advertising jobs, Craigslist became a go-to resource for finding apartments, as well as buying and selling used goods. The platform also hosts an events calendar, a range of discussion forums and—until 2018—a bustling personals section. Craigslist has been massively popular. With six hundred billion annual page views, Craigslist is the 18th most visited website in the US (Alexa 2019). A staff of approximately forty people maintains the platform in San Francisco, California under the leadership of CEO Jim Buckmaster, who took over from founder Craig Newmark in 2000. The platform has been a pioneer in peer-to-peer online transactions and still dominates the field of internet marketplaces, despite increasing competition from sites like Nextdoor, Internet Yardsale, TaskRabbit, and local Facebook groups (for a discussion of how Craigslist fits into the landscape of online marketplaces, see Lingel [2018]).

The platform has also been controversial, with a reputation for fraud and rare but sensational instances of violent crime (Friedman 2014). Additionally, Craigslist has been criticized for its fiercely protective stance against people and companies using its data (Stoltz 2015). These issues are too complex to address here, but it’s important to acknowledge that while Craigslist can be read as an instructive holdout of early web ethics, it has struggled to combat fraud, bots, and human trafficking.

My discussion of Craigslist draws on a number of qualitative research tools, including more than 40 interviews with everyday Craigslist users as well as its founder, Craig Newmark. I also interviewed tech journalists, legal experts, and security specialists. Using a web scraper, I’ve analyzed thousands of comments on the Craigslist help forum and hundreds of posts made in the Craigslist discussion thread on reddit. These different sources present a complex picture of Craigslist’s policies and politics, providing a way of thinking concretely about shifting norms and paradigms of digital culture—particularly around privacy and surveillance—from the 1990s to now.

**Transparent Monetization**

More than just a business model, policies on monetizing online activity shape a company’s relationship to its users. Power dynamics between platforms and people are fundamentally altered once money is involved, whether in terms of paying for membership or having one’s activity monitored in order to sell data to third parties (Karppi 2018). Many people use Craigslist without ever paying for an ad, and because of its .org URL, people often assume that the company is non-profit. In fact, Craigslist has never been a non-profit, although it does have a charity associated with it, Craig Newmark Philanthropies. So how does Craigslist make money? Laying out the specifics of Craigslist’s business model gives us a clear sense of its philosophies around monetizing users and demonstrates a workable model that contrasts sharply with mainstream social media platforms.

Over time, the company has developed different strategies for keeping most of the site free, finding ways to generate profits from small charges required to post certain ads. At first, the only ads that cost money to post were job ads from employers, with the logic that headhunters and recruiters could afford the fees, which were cheaper than print alternatives like newspapers and trade magazines. The first major test to the platform’s business model came in 2001, with the burst of the tech industry bubble. A suddenly wobbly tech sector destabilized job listings as the platform’s sole source of revenue, and Craigslist made an appeal to its users for suggestions on how to keep the site alive. Running banner ads was off the table, but people collectively suggested other ideas, including increasing fees for posting employment listings, seeking voluntary support (a “virtual tip jar”) from users, and charging fees for services like household help and

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1 The personals were shut down after the US Congress passed the Fight Online Sex Trafficking Act (FOSTA), a law holding platforms responsible for activity tied to human trafficking (Kennedy 2018). Currently being challenged in court (Greene 2018), the law is the first major restriction on the protections granted in Section 230 of the Communications Decency Act, which holds that platforms cannot be held liable for acts of individual users.
moving, personals, or for items for sale, perhaps on a sliding scale. Finally, users suggested fees for posting, but not viewing or responding to, housing ads, the rationale being that realtors and landlords would be the ones posting ads, two groups of people who could presumably afford the modest cost of $10 per ad (Robinson et al. 2006). Craigslist implemented this last suggestion in a small number of cities, which has slowly expanded. Costs vary across cities, loosely pegged to the size and wealth of the city.

At the time of writing, most ads are still free to post, but there are some exceptions. In addition to fees for real estate ads in certain cities, it’s $7 to post a gig, regardless of the city a user posts from. Users also pay to post ads in the employment wanted section. Although posting items for sale as an owner is free, posting as a dealer costs between $3 and $5. These charges are Craigslist’s entire revenue stream. Tech journalist Justin Peters has written extensively about Craigslist, and in an interview, he argued that refusing to advertise or sell user data has become an important draw for Craigslist in comparison to competing sites:

I think partially that [not going after users’ data] is why people consciously or subconsciously don’t take to other sites as much. Because if there’s not a lot of venture capital behind you, and you’ve got these ambitions of becoming a unicorn company, you’re not going to get there by just selling used furniture. There’s got to be some other something else to monetize, and it’s going to be the user.

Craigslist isn’t entirely free to use, but its business model is straightforward and transparent: a small number of ads cost a set amount of money to post. This contrasts sharply with monetization strategies that operate behind the scenes, are invisible to users, and can change without warning or explanation.

Take Facebook as an example. When Facebook’s CEO Mark Zuckerberg testified before Congress in 2018, one of the most cringe-worthy moments came when Senator Orrin Hatch demanded an explanation of Facebook’s business model given that its services are free to use. Seeming somewhat taken aback, Zuckerberg responded, “Senator, we run ads” (Burch 2018). Although the sheer ignorance of key legislators about major tech companies is a real problem in terms of expecting forward-thinking regulation from our representatives in congress, in a way, Hatch raised an important issue around the obfuscation of Facebook’s surveillance of users. In particular, there is a crucial discrepancy between what Facebook says and what Facebook does when it comes to monetizing user data. Zuckerberg and other Facebook executives like to describe their business model as based on advertising and resist the idea that they sell user data (Solon 2018). But in fact, the two are intimately linked—Facebook is successful at selling ads precisely because they are targeted, where targeting ads requires deeply granular prescriptions for different advertising models (Fattal 2012). Facebook surveils its users precisely because people—and more specifically people’s attention—are an incredibly valuable product for advertisers. The fine-grained categorization of users’ political beliefs and personalities is only possible because Facebook tracks user behavior, sorting people into discrete social categories. Extreme power imbalances emerge here, in that users are meant to be entirely transparent to platforms, while platforms are to be entirely obscure to users, a combination of black box algorithms, the difficulty of obtaining clear records over one’s own data, the lack of notification at platform changes, and the density of Terms of Service agreements.

A robust account of online surveillance must acknowledge the underlying political economy driving motivations for user surveillance. The difference between Craigslist’s and Facebook’s approach to monetization has to do with platform politics but it also has to do with financial structure. Facebook launched its initial public offering (IPO) in 2012, then the largest internet IPO in history, raising $16 billion dollars at a valuation of more than $100 billion (Tausche 2012). With shareholder investment comes expectations of profits, which implicitly or explicitly drives decision making about platform design and user policies. In contrast, Craigslist is privately held, and from reviewing court cases, the company has never had more than three shareholders, with the largest shares owned by Newmark and Buckmaster. While Craigslist will never see the huge stock option payoffs of successful startups, their financial independence also means that the company stays free from shareholder interference and priorities. Without fiduciary responsibility to shareholders, the company’s leadership has been free to make decisions without worrying about maximizing
profit, including not selling user data. In other words, Buckmaster has more freedom to let his (and Newmark’s) values dictate the company’s decisions about data policies because he doesn’t have to appease demands to increase profits and monetize site activity.

When Facebook users are unclear on how the platform makes money from services that appear free, it’s because the process of analyzing data and selling ads are deliberately obscure. When Craigslist users are unclear on how the platform makes money, it’s because they’re part of the user group that simply doesn’t get charged for the small fees that keep the site alive and profitable. Craigslist’s approach to profiting from its users is direct and legible, meaning that the starting point for platform-user relations is more transparent and less ethically fraught.

**Anonymity**

When you strip away platform features and aesthetics, anonymity is the defining characteristic that separates Craigslist from its peer platforms, like Thumbtack, Taskrabbit, and Facebook Marketplace. When Craigslist was getting its start in the mid-1990s, anonymity was a normal online practice associated with playful experimentation in self-expression, and also with protecting user privacy (Kennedy 2006). Over time, norms shifted towards authenticating users, with platforms requiring verified ID for user accounts. As “real” names became normalized, so did self-promotion and the capacity for increased surveillance. Of course, Craigslist isn’t the only anonymous platform, but unlike reddit and 4chan, which also default to user anonymity, Craigslist transactions generally assume an in-person meeting. Meeting face to face elevates concerns around anonymity and danger, and partly explains Craigslist’s consistently negative and sensationalizing media coverage (Reynolds 2015). In an online landscape driven by mantras like “privacy is dead,” how does Craigslist legitimize anonymity?

One way of thinking through the shifting norms of anonymity is to think about Craigslist’s technical features protecting privacy. For a long time, Craigslist ads allowed users to contact each other directly through email addresses, but in 2012, Craigslist started using an online relay system to provide additional privacy. In some ways, the relay system parallels the middleman system of early personals ads, where a newspaper publisher acted as a go-between for ad authors and their respondents, essentially cloaking their identities until they opted to de-anonymize themselves (Bader 2005; Cocks 2009). In effect, this design change stripped away the only mandated piece of contact information for Craigslist exchanges. Important tradeoffs in safety take shape here, with increased privacy for people who post ads, but taking away the ability to verify the identities of people posting. As Allen (2010) has argued in the context of free speech, “Anonymity reduces the costs to the speaker of speaking while increasing the costs to the listener of assessing what is said, thereby shifting some of the burdens of communication from speaker to listener” (121). On Craigslist, users share a burden of determining trustworthiness, crystallized by maintaining safety.

While Craigslist saw the relay system as a safety feature, many users had more ambivalent reactions. For example, one participant, Gillian, described how the email relay system changed her perceptions of online safety in the context of personal ads:

I started to think about the re-mailer as not safe. So, you send a picture on the re-mailer, I don’t know where that picture goes. I don’t know … how long they keep their data. I have no idea. So, then there started to be a little bit of a split between people who felt like the re-mailer was protecting them and people who felt like the re-mailer was a black box that eroded their control over their information.

Technically, even if I have an email address (rather than a relay address) for another Craigslist user, I also don’t have assurances that she won’t repost the pictures or text I send her somewhere else, but Gillian’s point is that the relay system removed even the minimal identifying information of a personal email address. As a whole, the relay system reflected a broader balancing act of anonymity, pitting privacy against accountability. Another interviewee, Justine, put this tradeoff succinctly: “I think [anonymity is] bad
because you really don’t know who this person is and what they really want. But on the other side, then they’re not getting any personal information from you.” While Craigslist intended its design change as a privacy feature, some users, accustomed to online mechanisms of vetting identity, saw the move as troubling. This fairly simple design change opens up a fraught debate around platform responsibility.

When faced with calls to provide more security for its users, Craigslist points to its safety tips\(^2\) and cooperation with law enforcement (Bereznak 2017). Part of the disconnect between Craigslist’s vision of responsibility versus many contemporary users is that Craigslist envisions accountability as users taking preventative measures while platforms take reactive measures. In other words, Craigslist believes that users need to educate themselves on risky online activities and that platforms can cooperate with law enforcement after the fact. The problem is that users have increasingly been conditioned to expect preventative measures from platforms.

Debates around online anonymity and pseudonymity—sometimes called the nym wars—have a long history that’s too extensive to cover in this short piece (see Doctorow 2011). What’s important to acknowledge here are the ways that anonymity has become stigmatized as a much-needed cover for bad behavior (see Solove 2011). It isn’t incidental that a narrative legitimizing continual self-disclosure and authenticating ID also supports mainstream social media companies’ business strategies (Turow 2017). Craigslist has struggled to legitimate online anonymity because it’s working against a well-resourced group of companies who rely on self-disclosure to produce profits.

**Conclusion**

Diagnosing problems of platform surveillance is only a first step towards building a more equitable internet. Many academics have pointed to activist groups for alternative models of relationships between platforms and users (Barassi 2015; Gehl 2014; Wolfson 2014). Yet, in debates about the feasibility of shifting from a surveillance model of user engagement, it may be more persuasive to point to profit-making companies over non-profits and activists. Such a shift would not only require reckoning with business models that monetize users, but the underlying political economy of publicly traded shares. Craigslist’s leadership is committed to a particular vision of digital culture that prioritizes user agency and privacy. The result is a platform that struggles to combat fraud, scams, and rare but sensational acts of violence, yet is nonetheless instructive for its challenge to increasingly dominant online norms of surveillance and profit maximization.

**References**


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\(^2\) <https://www.Craigslist.org/about/scams>

<https://www.Craigslist.org/about/safety>


