



Secrets of Selling On eBay®

Whether you think of it as the world's largest yard sale, or a bizarre social experiment, or even a global marketplace, eBay® is the trading post of choice for tens of millions of people around the world. Just about any and everything you can think of can be found on eBay®.

At any given time, there are between 15 and 20 million listings on eBay®, but finding your perfect item is as simple as typing a word into the search box at the top of any page on the eBay® site (<http://www.eBay.com>). When you find something you want, click the Place Bid button and then type the dollar amount you're willing to spend; if nobody else types a higher bid by the time the auction is over, you win!

Now that the holiday is upon us, you may find it useful to visit eBay® and see if some of the items on your list are available... As you may have heard, the new Playstation 3™ by Sony® was setting new records on eBay® for number of new items listed at one time as well as engaging prices. For example, the unit (Playstation 3™) retails from \$400 - \$600 but on eBay®, it was selling for \$1100 and up. In fact, there was two sells for over \$5200. Talk about a beautiful profit-margin.

A Little Research Goes a Long Way

Success as a seller on eBay® depends on many factors, and your understanding of your market—and the eBay® culture—is just as important as technical know-how. Before you dare list an item for sale on eBay®, do your research to find out what it's worth.

Start by searching eBay® for your item, as though you were planning on buying another one just like it. On the search results page, click the Completed listings check box on the left, and click Show Items. Now, sort the list by Price: highest first and examine the first few hits with bids (signified by a number in the Bids column). This is the upper limit of what other eBayers® have been willing to pay for items like yours in the past 30 days, and a pretty good approximation of the kind of cash you'll get for your item—if you play your cards right.

Of course, you may decide not to sell, or to wait and sell in a few months when the market for your item might be better. But at least now you don't have to worry about not getting any bids, or worse, letting your item sell for too little.

But there's more: eBay's® archive of completed listings is a strategic goldmine. Take a closer look at the top sellers and see what titles they used to describe their items and in which categories they chose to organize them. What starting prices got the most bids? What kinds of photos earned the most money?

Although it's against the rules to copy other sellers' text and photos outright (not to mention bad for business), you'd be wise to use the most successful completed listings as guides for constructing your own listing.

Sell Your Item

When you're ready, click the Sell link at the top of any eBay® page and follow the instructions to get to the Sell Your Item form. Filling out the form is easy, but making the right choices can be hard.

On the first page, choose a top-level category (for example, "Toys & Hobbies"), and then use the boxes on the next page to narrow it down. Still not sure which category to use? Just type the name of your item in the Enter item keywords to find a category box and click Search to display the most likely candidates.

Next, you'll add a title and description. The title should contain the manufacturer and full name of your item, plus the model number. Also, tell what you're selling (for example, "camera" or "baseball card"), and add some keywords to help buyers find your item when searching. For instance, a good title for a model train locomotive might be "Micro-Trains 981-01-030 Z Scale GP35 CP RAIL Locomotive"—all 55 characters function simultaneously to describe the item and to include the most likely search keywords.

Spelling counts. If you try to sell a "motorsykul," nobody searching for a motorcycle will ever see your listing. And anyone who does will think you're an idiot.



When writing the description, include a few extra sentences to answer any questions interested bidders might have. For instance, if you're selling a part that fits something else, measure your item and include its dimensions in your write-up. You'll have fewer questions to answer while the auction is running, and your customers won't have to worry about getting the wrong part.

Always write in full sentences. Use proper capitalization and punctuation.

Inspire Trust

As you spend time on eBay®, you'll learn the importance of feedback, the collection of comments from other people with whom you've dealt. Someone with 50 positive comments and zero complaints (earning a score of 50) will get more bids—and thus more money—than someone with a score of 5, and certainly will do better than a seller with an excess of complaints. But feedback is only the beginning.

When you assemble your listing, keep in mind that customers won't bid on your item if they don't feel they can trust you. You can inspire trust with a thorough description, flexible payment terms, and clear, original photos.

When describing the condition of your item, don't just say "used," but elaborate by meticulously documenting scratches, missing parts, and other defects. You'll get more money for that year-old laptop if you list every scratch, and you'll be a lot less likely to get negative feedback if your buyer knows exactly what to expect when it arrives.

And remember that old saying about flies and honey: Include welcoming statements like "If you have any questions, please don't hesitate to ask." Leave out threats like "Deadbeat bidders will receive negative feedback and a note to their mother."

PayPal® Is Your Friend

PayPal® (<http://www.paypal.com>) goes further to protect its users than any other payment service, and your customers know it. Buyers wary of sending money to complete strangers—namely, you—will avoid your listing if PayPal® isn't among the payment methods you accept.

PayPal® is a popular online payment service that lets anyone with an e-mail address send or receive money for eBay® auctions or anything else. PayPal® payments can be funded by credit card, electronic bank account transfer, or an existing PayPal® balance amassed from previous sales.

On the Payment & Shipping page of the Sell Your Item form, indicate that you'll accept PayPal® payments, and the PayPal® logo will subsequently appear at the bottom of your listing for all to see.

Protecting your customers is good for business, but you'll also want to look out for number one. PayPal® will protect you from any fraudulent payments, but only if you follow its policies to the letter. And no policy is more important or easier to follow than the confirmed address rule. If a PayPal® buyer provides a confirmed shipping address, it means that PayPal® has verified the buyer's identity. As long as you ship only to the buyer's confirmed address—and can prove that you've done so with a tracking number provided by your courier—PayPal® will protect every payment you receive.

So what if you happen to get a payment without a confirmed address? Refund it immediately.

If you've had a bad experience with PayPal®, it may be because you accepted a payment without a confirmed shipping address and lost the money when the payment proved to be fraudulent. You can avoid getting such payments by taking a moment to set your PayPal® account to block them. (Otherwise, you'd have to refund each unsafe payment manually, by finding the payment record in your PayPal® History and clicking the Refund link.) Log on to your account and click the Profile link (in the My Account tab). Click the Payment Receiving Preferences link, and at Block payments from U.S. users, who do not provide a Confirmed Address, select Yes. Thereafter, PayPal® will automatically walk your unconfirmed customers through the process of confirming their shipping addresses—which requires a credit card and about 3 minutes—before they're allowed to send you a dime.



Put Care into Your Photos

A good picture helps convince your bidders that you're selling what you say you're selling. A *great* picture sells your item.

First, never steal someone else's auction photo; you'll look bad, and your customer won't be happy when the item she receives doesn't look like the one in your description. Instead, buy a digital camera and take several pictures of each item you sell. (Hint: Cell-phone cameras take crummy pictures. You'll make up the cost of a real camera with the cash you'll earn with better photos.)

A clear, bright photo will make your item look more appealing and help inspire trust in your customers. Dark, blurry photos won't do you any good.

Lighting is the name of the game. The better you light your item, the more easily your camera will be able to focus on it. In addition to your camera's flash, use a desk light or shoot near a large window. But don't wash out your item with too much light. Subtle shadows will bring out details in your item, illustrating its texture and depth.

Shoot your subject from an angle to make it come alive. Step back (zoom out), and more of your item will be in focus; later, use an image editor to crop the excess, and your picture will be sharp and bright.

The Price Is Right

One of the hardest tasks when selling on eBay® is choosing a starting price. You've done your research and found that your item is worth about \$150. But should you set your starting price at \$150?

In a traditional eBay® auction, the starting price is the minimum amount of the first bid. It's not uncommon to see starting bids of \$1.00 or even a single penny for items worth hundreds or even thousands of dollars. (Sellers use low opening bids to attract early bidders and stimulate bidding wars; an item with lots of bids usually gets more money.) Set a \$1 starting bid, and you might get \$160 or more. Yet a \$150 starting price might get only one bid (if that), thus earning a final price of only \$150.

Of course, the lower starting price carries greater risk: How do you guarantee a sufficiently high final price?

The reserve price is just such a guarantee: It's a hidden price you set, below which you're under no obligation to sell. You could start the bidding at a dollar, and set your reserve at \$150, and your item wouldn't sell unless someone bids at least \$150. But wait, there's a catch! Reserve prices usually scare off bidders who don't want to waste time on an auction they have no chance of winning. The result is often a lower final price—and even higher odds that your item won't sell—than if there were no reserve at all.

One solution is to compromise and set a starting price at, say, \$75. Bargain hunters will recognize the \$75 price as low and will bid accordingly. But it also acts as a guarantee that your item won't sell for less than \$75. This approach reduces your risk, yet can still give you a higher-than-average final price.

You can spice things up by strategically setting a Buy It Now price, which allows buyers to end your listing early. Set the price a little higher than what your item is worth (say, \$165), and a buyer may be willing to pony up the extra dough to get your item sooner. Set the price too high and nobody will use it; set it too low and you won't get as much money as you should for your item. This is another place where your research will pay off.

Note that bidding on your own item is a big no-no on eBay®, and grounds for suspension.



Mind Your Competition

eBay® offers a number of "listing upgrades," extra-cost options like Bold and Gallery, that are supposed to increase sales. But do they work, and are they worth the money?

It depends on the value of your item and what other sellers in your item's category are using. If you expect your item to fetch \$30, then the \$20 Featured upgrade is pointless. But the 30-cent Gallery upgrade, which shows a thumbnail of your item in search results, is a no-brainer, as it will probably raise your final price by 10 to 20 percent.

If most sellers are using the Bold upgrade (which makes your listing title appear in bold text in search results), then your item will be barely visible without it. The same goes for other upgrades that affect your item's visibility in search results, such as Highlight, Border, and Featured. But if nobody is using these upgrades in your category, they might be overkill and a waste of money.

Some upgrades are better than others. The Gallery option is almost always worth the fee, as is the ten-day listing surcharge (longer-lasting auctions get more bids). But beware the expensive upgrades like Gallery Featured and Home Page Featured, which are typically associated with weight-loss schemes and cheap faux jewelry and are almost always a complete waste of money.

Still not sure? Examine the most successful completed listings to see which upgrades helped their sellers get those high prices.

Finish Up

If you've done your research and are satisfied with the price you're likely to get, you're ready to go. When you've made your way through the Sell Your Item form, you'll be able to review your listing before it starts. Look everything over, and when you're happy with it, click Submit Listing. Then, sit back and watch the bids come in.