

★ WHAT EVERY SERIOUS SELLER NEEDS TO KNOW ★  
TO INCREASE SALES AND PROFITS

# Secrets

# OF THE eBay

# MILLIONAIRES

**INSIDE SUCCESS STORIES  
AND PROVEN MONEY-MAKING TIPS FROM  
eBay's GREATEST SELLERS**

Find out how you can become an eBay PowerSeller • Get hundreds of valuable tips on increasing sales and profits  
Learn from real-world accounts of eBay's top sellers

**GREG HOLDEN**

*Bestselling author of How to Do Everything with Your eBay Business*

# Secrets of the eBay<sup>®</sup> Millionaires

Inside Success Stories—and Proven  
Money-Making Tips—from eBay's  
Greatest Sellers

Greg Holden

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0-07-226401-2

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DOI: 10.1036/0072262524

To the many eBay members who have helped me change  
my life for the better and helped me along the way, and  
to my daughters Lucy and Zosia.

## About the Author

**Greg Holden** has been hunting down and reselling collectibles, unusual items, and antiques for much of his adult life. Greg has written more than 30 books on computers and the Internet, including *How to Do Everything with Your eBay Business, Second Edition*; *Collector's Guide to eBay*; and, most recently, *Fundraising on eBay®: How to Raise Big Money on the World's Greatest Online Marketplace* (with Jill Finlayson). He is acknowledged as one of the top book authors and experts writing about eBay. He is an accomplished eBay seller and a frequent contributor to the AuctionBytes web site (<http://www.auctionbytes.com>). Before becoming an author, Greg worked for more than 12 years at a well-known nonprofit institution, the University of Chicago, as an editor and publications manager.

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## Acknowledgments

The very existence of this book, not to mention its contents, is due to a variety of helpful and creative individuals. The idea came from Margie McAnerny, my longtime acquisitions editor at McGraw-Hill/Osborne, and Jill Finlayson of MNetworks. Jill was the manager of the Toys and Hobbies category on eBay for five years. Paul Berger of MNetworks accompanied me to one of the gatherings of the Professional eBay Sellers' Alliance (PESA) in Atlanta, where I met many of the people who are profiled in this book. Paul was very helpful in arranging on-the-spot interviews with sellers. Thanks are certainly due to PESA itself, and to its founder Joseph Cortese and Executive Director Jonathan Garriss.

The contents of the book are due to the generosity of the sellers who are profiled in it. In particular, David Yaskulka of Blueberry Boutique (<http://www.blueberryboutique.net>) was extremely helpful not only with his own story but with finding other sellers to profile. My sincere thanks go to all of the other sellers I talked to; each contributed to the book and helped me in his or her own way. You'll find their eBay Store or web site URLs listed in the book along with their individual profiles. They are, in alphabetical order: David T. Alexander of David T. Alexander Collectibles; Lori Baboulis of NYC Designs For Less; Ron Bratt of Auction Safari; Tony Cicalese of *wegotthebeats*; Linda and Ava Conoval of *MemoryQueens.com*; Drew Friedman of White Mountain Trading Company; David Hardin of Shoetime; Kevin Harmon of Inflatable Madness, LLC; Phil Leahy of Entertainment House; Ben Mandel of Amazing Keys; Jeff McCullough of Creative Paper; David Portugal of Auctions by David; Melissa Sands of Sands-o-Time; Nathan Sanel of National Powersports Distributors; Chris Smith of Dallas Golf; Marjie Smith of *Abovethemall* and the Disabled Online Users Association (DOUA); Jon Stein of Jake's Dog House; Pam Thien of *Shiana.com*; Lisa Vanasco of Ready Medical; Alan Warshauer of *Alleegolds Wholesale Shoppe*; and Robert Zanger of Dress Suits.

But that's not all: Bjorn Espenes of Infopia (<http://www.infopia.com>) helped suggest sellers to interview; my intrepid assistant Ann Lindner helped with editing and writing; Agatha Kim kept track of the project and kept me on my toes; and Margaret Berson handled the copyediting.

## Introduction

No matter what endeavor you undertake, you need to find people who can inspire and help you and serve as models to follow in one way or another. When it comes to eBay, sellers who are just starting out turn to the group of entrepreneurs known as PowerSellers: sellers who have achieved a high level of sales and consistently receive positive feedback thanks to their customer service. And within the PowerSellers, there is a group of professionals: people who sell on eBay full time and who have turned eBay into a lucrative business. This elite group of eBay experts, many of

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whom are literally millionaires, share their stories with you and provide helpful tips and advice in this book.

*Secrets of the eBay Millionaires* started out as a dream assignment: I was asked to interview members of the Professional eBay Sellers Alliance (PESA) and turn their profiles into an instructional and inspiring book. I ended up moving beyond PESA members to interview lots of other successful eBay sellers as well. I found myself inspired by these sellers and their success. While working on this book, I stepped up my own sales activities and have built up my eBay feedback and income dramatically. The main thing I learned was that success on eBay depends on large part on having a positive state of mind: You need to persevere, be as systematic as you can about getting sales online and responding quickly to your customers' needs, and not be afraid to ramp up your purchasing and sales activities. I hope you, too, will be inspired not only to sell more but to sell more effectively as well. You don't have to become a millionaire; you don't have to quit your day job and become a full-time seller, either; the goal is to help you learn from the experts and become a better seller as a result.

### What You'll Learn

*Secrets of the eBay Millionaires* is an inspirational as much as an instructional volume. The inspiration comes in the form of the seller profiles, which make up the bulk of the text. I made an effort to structure this book in a much different way than any other I've written. Each chapter immediately delves into a profile. You'll find two seller profiles in each chapter. Each profile emphasizes one aspect of becoming a successful eBay seller. In truth, virtually all of the sellers could have commented on any of the topics discussed. A really good seller will be good at finding merchandise, providing customer service, ramping up sales, and more. Sometimes, the choice of which seller went in which chapter was a bit arbitrary. By putting someone in one chapter rather than another, I'm not saying that they're the best in the world at that particular topic. It does mean that they had a lot to say about the topic and that it is important to their overall sales operation, however.

Along with the case studies presented throughout the book, I included sidebars that illustrate related aspects of selling on eBay. The instruction comes, for the most part, from the eBay sellers themselves. You'll have to look at some of my other books for step-by-step instructions on how to perform a specific task, or screen shots that illustrate how to conduct a transaction, for instance. In general, the chapters move from getting started with an eBay business to more advanced topics like using productivity software and blending an eBay Store with an e-commerce web site or a brick-and-mortar store.

Chapter 1, "From Penniless to PowerSeller: Carve Out a Niche," describes how two sellers found a competitive edge by selling what they know and love already. It suggests ways to find a sales niche of your own and how to present your sales in a professional way.

Chapter 2, "Establishing Your Identity: Your Mission and Your Web Presence," explores an important component of running any type of online business, whether on eBay or off: your state of mind. I discovered from talking to PowerSellers (especially those involved in PESA) that ethics are important. By building a business you believe in and pursuing a mission, you'll naturally devote all the time and energy you need to your sales activities.

Chapter 3, “Connect with Your Customers,” attempts to answer the most frequently asked of all questions regarding eBay sales: What’s the best thing to sell? Only you can answer that question, and this chapter gives you some helpful starting points for doing so: you learn what your customers want; you build a profile of your customers; and you learn to relate to them in a way they’ll respond to positively.

Chapter 4, “Think and Act Like a Businessperson,” reveals how successful sellers turn what began as an occasional part-time activity into a full-time, thriving business. The answers are simple: you come up with a plan, and you prepare to work long hours and put in lots of “sweat equity.”

Chapter 5, “Identify Sources of Merchandise,” shows two ways in which eBay sellers come up with a steady supply of merchandise to sell. On one hand, there are traditional offline sellers like Robert Zanger who already have wholesale supply connections. If you fall into this category, you already have an advantage and have a head start on becoming a PowerSeller. The other option is to seek out wholesalers yourself, like the mother-daughter team of Linda and Ava Conoval. These women, who call themselves the “MemoryQueens,” find merchandise by attending trade shows and doing extensive research. They’re always on the lookout for something new to sell.

Chapter 6, “Reach the Widest Possible Audience,” explores options for marketing your eBay business or your web site. You’ll find a profile of an innovative business that calls itself an eBay “broker” and that gives sellers a head start on selling. Tony Cicalese traveled the country to make connections related to his music business; he also is committed to reaching out by donating to charity through each one of his auctions.

Chapter 7, “Diversify Your Business Presence,” demonstrates how eBay sellers have boosted their business by finding several different ways to sell. David Hardin opened multiple eBay Stores to separate and organize his merchandise and make shopping easier for his customers. David Portugal opened a brick-and-mortar drop-off store to reach customers in his local area and to sell big items like motor vehicles.

Chapter 8, “Provide Instant and Personalized Service,” describes how to maintain good relations with customers once you acquire them. You’ll learn how sellers sell hundreds or even thousands of items each month while managing to ship and pack quickly.

Chapter 9, “Build a Good Reputation,” investigates the importance of developing a good business reputation on eBay through feedback. You’ll meet two sellers who are leaders in popular fields. One sells high-end clothing and accessories, while the other deals in old-school paper publications such as “Golden Age” comic books.

Chapter 10, “Acquire and Keep Your Customers,” delves into an advanced topic that you don’t have to be a big-time seller to practice: upselling and cross-selling. You’ll learn how your eBay Store sales can promote your eBay auction sales. You’ll also learn how a golf equipment seller who’s also a Titanium PowerSeller uses advanced technology that encourages buyers to trade in their old equipment for new.

Chapter 11, “Automate to Ramp Up Sales,” profiles two of eBay’s biggest and most successful sellers. One managed to pile up tens of thousands of feedback comments in just a couple of years. Another sells in retail stores and through a web site as well as on eBay, and uses special software to improve productivity.

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Two appendixes at the end of the book provide you with a set of online resources that will help you emulate the “best practices” followed by the sellers you’ve read about. You’ll also find a set of Frequently Asked Questions that will help you solve common problems and sell more effectively.

### How This Book Works

To keep things fun and make important bits of information catch your attention, we’ve developed some special elements that will help you get the most out of this book:

- **About the Seller** Each seller profile includes a short bit of boxed information that provides their name (or names), the URL of their web site or eBay Store, and what they sell on eBay.
- **More Info** An additional bit of information that expands on the procedure or point made just before it.
- **Note** A key take-away or point to remember so you can be a better seller.
- **Caution** Errors and pitfalls to avoid from those who fell into them and want to save you the trouble.
- **Short Cut** Time-saving tips and handy URLs to remember.
- **Money Maker** A proven money-making idea or strategy.
- **Tip** Alternative ways of doing things and helpful resources.

Within the text, you’ll also find words in special formatting. New terms are in italics, and URLs are in bold. By the way, eBay’s site is changing all the time, so don’t be surprised if a web page or service doesn’t look exactly the same as it does in the book. Often that just means they have added new features or functionality since this book was published, which is usually a good thing. If a web page isn’t where the book says it should be, try entering only the site name (such as **www.ebay.com**) or if that doesn’t work, try searching for the topic on Google or some other search engine and you will likely find what you are looking for.

### Off and Running

I hope you enjoy reading this book as much as I enjoyed writing it. Hopefully it will expand your idea about how far you can go with eBay selling. One of the best things about selling on eBay is that it can take as much time as you want; the more time and energy you spend on your sales, the more money you are likely to make. All you need is some inspiration, a lot of perspiration, and more than a little confidence. If you know of other ways to ramp up your eBay sales that I haven’t covered, or if you want to share your own success story, I’d like to hear from you. E-mail [greg@gregholden.com](mailto:greg@gregholden.com) to share your eBay sales experiences and best practices.

# Chapter 1

## From Penniless to PowerSeller: Carving Out a Niche



## 2 Secrets of the eBay Millionaires

I first met Phil Leahy at a gathering of eBay PowerSellers. At the time, he wasn't talking about things like profit margins, seller's fees, or the latest tools for automating his sales. He was eagerly running around a crowded dining hall, hooking up audio equipment and hauling around boxes full of compact discs. Smiling his toothy blond Australian surfer-boy grin, he started to spin music. He brought out funny hats; he put them on his friends, and they all started moving around the dance floor. He was clearly in his element: playing music, entertaining, and helping other people have a good time. Before long, the place was rocking.

It doesn't take much imagination to figure out what Phil Leahy sells on eBay. He proudly proclaims, on the home page of his eBay Store (<http://stores.ebay.com.au/ENTERTAINMENT-HOUSE>), that his company is a large-volume seller of DVDs and CDs on eBay Australia and eBay UK. He's selling products he knows and loves himself.

### Trying to Do One Thing Well: Entertainment House

That's the thing about PowerSellers: The moment you start talking to the most successful sellers on eBay, you realize that they all have one thing in common—they have a *focus*. They don't try to sell or do everything. They may have a dozen or two different product lines, but all of those products fall into the same general niche category. Often, the type of merchandise they sell is something they have sold in the offline, brick-and-mortar world, something they collect, or something they own and use themselves. But fundamentally, successful eBay sellers love to find customers, make sales, and generate income for the eBay businesses they've created.

"It was a natural progression to sell on eBay," says Phil. "You might say I'll sell anything."

Today, Phil Leahy is one of the most successful PowerSellers on eBay, and a highly regarded member of the Professional eBay Sellers Association (PESA), a membership coveted by many eBay members. But things didn't always go smoothly for Leahy, who lives in South Melbourne, Australia. In fact, his success on eBay followed some failures from which he was able to rebound in dramatic fashion.

"I used to operate a network of FM radio stations in Australia. We tried to beat the government at its own game by getting around the rules. We had the government against us, chose the wrong satellite company, and I went broke. That's how I ended up on eBay in July 2002. I came back to Melbourne with my tail between my legs."

### “Being Broke Is a Great Incentive”

The difficult thing for any entrepreneur is to turn misfortune into opportunity. Just exactly how you do this is up to you. Your attitude may change due to anger at having been “wronged,” or guilt at having failed. Or you may develop a determination to simply do things differently. The important thing, as Phil learned, is to not fold up your tent and give up. “Going through bankruptcy was a difficult time,” he recalls. “The thing about being broke—it’s a great incentive to refocus, to learn from past mistakes. Having very little capital to start an eBay business, I had to work by myself a minimum of 12 hours per day for the first 12 months or so and be very careful about costs. I was so broke that I begged the local computer shop to fix my computer for free. They did, and we have since purchased about \$50,000 in new computers from them in the past two years.”

The “eBay millionaires” like Phil Leahy don’t start out thinking like millionaires. But they do have faith that eBay is a place where they can change their lives and turn their fortunes around. They do so slowly, one sale at a time. First, they find a sales niche—in Phil Leahy’s case, the niche was CDs and DVDs. They then develop a plan for steadily growing their business.

### “From Small Things, Big Things Grow”

“The great thing about eBay is you can start from home, build your inventory by reinvesting profits, and by having a controlled business plan you can grow without capital borrowings. We have maintained a 30 percent increase in sales per quarter since starting on eBay November 2002. It is important to remember that from small things big things grow. If you want to have a successful eBay or online business, forget about having any money to spend in the first two years.”

Sellers like Phil Leahy succeed because they have a winning attitude. They find something they love to sell, and they put all their energies into selling it. Getting started is as much a mental exercise as a matter of filing for bank loans or finding wholesale suppliers. The first step is to start thinking like a committed, successful eBay seller; before too long, you’ll be one yourself.



#### note

*For every maxim like “Build your business slowly and steadily,” there’s an exception to the rule among PowerSellers. Some sellers like Kevin Harmon (who is profiled in Chapter 11) are able to build up to a 30,000 feedback rating in a matter of just two years. Generally, though, it’s more practical to build your business over a period of several years.*

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### What's So Special About PowerSellers?

The most successful sellers on eBay are the ones who are designated PowerSellers—entrepreneurs who have generated at least \$1,000 in gross sales on eBay for three consecutive months, and who maintain a high positive feedback level. Within the PowerSeller designation, there are five levels; those at the Gold, Platinum, or Titanium level are the elite. These individuals—sellers who have become millionaires or are in the process of making their first million—also focus on their business as a *business*. It's not a hobby or a way to make some extra spending cash. They have a business plan; they set sales goals; they cultivate relationships with their customers and their suppliers; they are constantly on the lookout for new software tools they can use to find buyers or conduct more transactions in a given period of time.

The “eBay millionaires” realize that on eBay, as in other areas of e-commerce, businesses succeed by focusing on the customer's needs and meeting those needs as efficiently as possible. They know that eBay shoppers want bargains, they want a convenient shopping experience, and they want a vendor they can trust—just the same kinds of things that businesses have always known. You have to start thinking like a committed, successful eBay seller; before too long, you'll be one yourself.



**note**


*eBay's requirements for earning the coveted PowerSeller designation are spelled out at <http://pages.ebay.com/services/buyandsell/powerseller/criteria.html>.*

### How Phil Leahy Chose an Area of Specialty

How do PowerSellers like Phil Leahy, who now has a combined feedback rating of more than 35,000, get started? The actual circumstances vary. In some cases, wholesale sellers who have been supplying clothing or other items to a small group of retail merchants realize that they can start selling directly to the public on eBay. In other cases, people who are dissatisfied with their current circumstances look for a way to apply their knowledge and ambition to making money on eBay: stay-at-home moms realize that they have the time to make some extra money “on the side”; office workers who spent their energy in business for someone else decide to go into business for themselves.

Whatever the circumstances, all of the successful eBay sellers start with the realization that they can do things *differently*: The status quo isn't sufficient for them anymore. Not only that, but they sense that eBay can provide them with a way to change their lives. With millions of sellers on eBay all over the world, there are millions of different stories describing how this “Aha!” moment turns into a concrete plan of action. But for most of the sellers I've interviewed for this and previous eBay books, it starts with a little

bit of self-examination—a look around at what they already do, what they already collect, or what they love—and identifying that as their sales *niche*.

 **note** *The Merriam-Webster Online Dictionary defines a niche as (among other things) “a place, employment, status, or activity for which a person or thing is best fitted” and as “a specialized market.” These two definitions describe your initial task perfectly: In order to get your eBay business off the ground, you need to prepare yourself and know yourself. You need to find a narrow market of dedicated customers who are eagerly looking for what you have to sell and will trust you enough to purchase it from you.*

For example, after his radio business failed, Phil began to sell on eBay, but not haphazardly. He knew the importance of drawing up a business plan, even if it consists of handwritten notes on low-tech paper. “I definitely had a business plan. I had been through the business mill before, so in November 2002, I put things down on paper to work out what sort of timeline I wanted to achieve my goals.”

The thing to remember is that you need to project what you want to do and how much you want to make over a given period of time. Then set about meeting those goals. For example, Phil called his eBay business Entertainment House. (Its home page is at <http://www.entertainmenthouse.net>.) The home page of one of his eBay Stores (<http://stores.ebay.com.au/ENTERTAINMENT-HOUSE>), shown in Figure 1-1, identifies his business niche and his mission: to sell “hard to find movies and music at great prices.” He used his existing knowledge of the entertainment industry to build a new business.



**FIGURE 1-1** Find a niche for your business and clearly identify your mission.

## 6 Secrets of the eBay Millionaires



Don't reinvent the wheel. Build on an activity or a field you know already. Use your existing business contacts to find merchandise to resell at a profit.

### **“I Knew I Had to Work 16-Hour Days . . .”**

Like many sellers, Phil initially built his business on sweat equity. In other words, he worked long and hard to sell as much as he could. “I just knew I had to work 16 hour days six days a week for the first 18 months. That would provide me with enough capital to relieve me from the burden of having to answer all the e-mails and doing the manual day-to-day labor all by myself. Today, we have five full-time and two part-time employees, and we have moved out of my home office into a new office and warehouse. We are going to double our business over the next 12 months.” The company's new office space is shown in Figure 1-2.



**FIGURE 1-2** When your business grows in size, you might have to find office and warehouse space.

### “Staff Training Is Critical”

Having an enthusiastic and well-trained staff is key to building a full-time eBay business, Leahy adds: “Staff training is critical because we have two part-timers coming in to work the night shift.” Having staff available in the day and evening hours enables the business to communicate in a timely manner with shoppers all over the world. Friendly customer service and ongoing relationships with buyers are built on trust, and Phil puts a good deal of effort into training his staff, who are depicted below. That’s Phil in the middle in the back row.







Don't expect to ramp up sales by doing everything on your own. Find an auction service provider to help automate your sales transactions, and once you start bringing in a steady stream of revenue, consider hiring staff to take the burden off your shoulders.

### **“We Are Going to Do Everything We Can to Cultivate Customers”**

Entertainment House also uses a well-known auction service called Marketworks (<http://www.marketworks.com>) as a partner in processing transactions. This, along with extending sales to the worldwide audience, has been an important factor in the company's success. “Sixty percent of our business comes from outside Australia,” says Leahy. “We are registered in the UK as well, under a separate User ID and with a separate eBay Store. We look like a UK trader but we are up front and say we are in Australia.”

Shipping overseas is somewhat trickier than selling locally, Phil says; he and his staff (some of whom are shown in Figure 1-3) have to be careful to obey customs restrictions. “In the UK, anything sold for more than \$22 is subject to value-added tax. We try not to go over that. Otherwise customers in the UK will turn away from us and decide to buy their movies or music locally.”



**FIGURE 1-3** Be sure you have enough inventory on hand so you can ship quickly.

Phil admits that it's getting more difficult to sell on eBay due to increased competition. It's still possible to start a new eBay business and make it successful, but you need to have a plan for acquiring and keeping customers, he says.

"If you can acquire customers through eBay and then sell to them directly, your sales will really grow. We are planning to send newsletters to our existing customers; we haven't marketed to them yet. We are going to offer them \$5 off the first purchase they make directly from us. Anyone who buys a DVD from us receives a chocolate koala bear in the package. One in every five positive feedback comments we receive is because of the chocolate. It shows the customer you actually care."

Entertainment House was in the process of revising each of its storefronts to incorporate the checkout system provided by Marketworks and Channel Advisor. When someone makes a purchase, the system enables the seller to upsell (suggest other things the customer might want to buy, based on purchases they've made in the past). "We are going to do everything we can to cultivate customers who came to us through eBay," says Leahy.

That's another essential habit of eBay PowerSellers: They do everything they can to retain customers. They send them gifts with purchased items. They do everything they can to entice those customers to buy from them directly after buying something on eBay.

### **"Don't Try to Do What Everyone Else Does"**

Phil Leahy doesn't sell the type of merchandise that's especially unique or unusual. You can find CDs and DVDs practically everywhere. You don't have to go on eBay to buy your music and movies; you can go to a department store, an electronics store, even the big video chains that sell as well as rent movies. He succeeds because

- He specializes in hard-to-find music and movies: concert videos, collections of classic movies, or overlooked films that have been released on DVD. And as shown in Figure 1-3, he has a large selection.
- He offers reasonable prices for items that are hard to find.
- He has developed a good reputation; as he says on his home page, "We have the fastest shipping on eBay with the lowest postage and handling prices and we guarantee all our shipments."

It also doesn't hurt that he started out relatively early on eBay, and he sells at such a large volume that no other seller in his part of the world can compete with him. You can try to follow Phil's example, but you're better



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off developing your own sales niche. As one PowerSeller told me: “Too many people try to do what everyone else does. You already have 10 or 20 people selling computer equipment on eBay. New people look and think, ‘I can do that, too.’ They find out right away that they can’t compete with sellers who have built up a business over time.”

It’s tempting to start out with an approach along the lines of, “I’ll find the two or three things that are sold most often on eBay; since that’s what people want the most, that’s what I’ll sell.” There are several problems with this “copycat” reasoning:

- **Stiff competition** If something is already being sold heavily on eBay, that indicates that some sellers are already heavily involved in offering that type of merchandise online. You’re likely to encounter a wall of competition.
- **Lower feedback** Customers who are used to making purchases from sellers who have higher feedback ratings (and by extension, more established reputations) than you do will be unlikely to switch to a less-established seller like you unless your prices are substantially lower.
- **Potentially low margins** If there is already heavy competition for something being sold on eBay, chances are the profit margins are already very small: The existing competitors are driving each other’s prices down. In order to have any hope of attracting customers, you would have to cut your profit margin to a razor-thin level. (And the manufacturers or wholesalers that provide you with inventory to sell might not approve of this; they may accuse you of undervaluing their products and hurting other authorized sellers.)

The challenge is this: finding something that people want on eBay but that isn’t already being sold extensively on the site. Such items still exist. For instance, I collect fountain pens. I love just about everything having to do with fountain pens. However, starting a big fountain pen business would probably be a bad choice for me—that is, unless I could find a particular limited edition brand of pen that isn’t being sold on eBay, as PowerSeller Drew Friedman did (see Chapter 4). The market is already covered by many established sellers. However, there are fountain pen and writing accessories such as carrying cases and ink that aren’t being sold extensively on eBay (at least, not at this writing). I would be much better advised to try to sell ink and accessories rather than writing implements.

Even if you find something that is in demand and isn’t sold by lots of others on eBay, you also need to make sure you can supply them on a steady basis, and that you can make a profit selling them.

## Sell Something You Can Supply

One of the most important things to keep in mind, when you are in the planning stages of your new eBay business, is the fact that you need to find something that you can resupply on a steady basis. You can bet that Phil Leahy has many suppliers who will sell him CDs and DVDs in great quantities for very small prices. You need to achieve this goal, but you don't have to do it all at once. The "classic" route followed by many eBay sellers goes like this:

1. You start by cleaning out your own clutter and selling it at auction.
2. You move to cleaning out your relatives' clutter, and the clutter of anyone else you know.
3. You scour all the garage and estate sales you can find for merchandise to sell.

This path only takes you so far, however. Before long, you run out of things to sell, and you're spending as many as 10 to 20 hours a week to locate perhaps 10, 20, or 30 sales items. It's hardly cost-effective. And if you live in the snowy northern climates, you are limited by the fact that garage sales are only held a few months out of the year.

Most PowerSellers on eBay overcome this limitation by supplementing their sales of antique and one-of-a-kind items. They find merchandise they can buy cheaply and resell at a profit all year around. Some sell collectible figurines; others deal in perfume and beauty items; others sell Christmas ornaments, which seem to be in demand most of the year, not just during the holidays. In Figure 1-4, you see an example from the eBay Store run by Kevin Boyd of Preferred Discounts LLC. The name of his store indicates the types of items that he is able to buy cheaply at a wholesale price and sell for a profit any time of year: cigar humidors, cigar cases, pipes, and books.

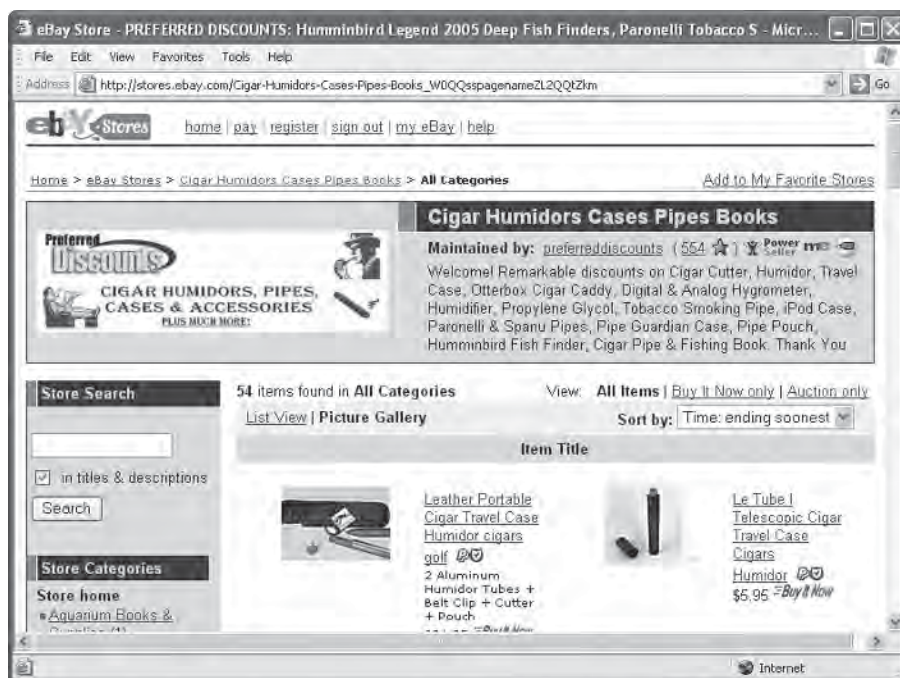
Table 1-1 presents a snap survey of some prominent eBay PowerSellers, with examples of each seller's occasional product line (the things that fall into a "niche" market) and examples of products they can sell all year around.

Of course, you don't *have* to come up with a primary and secondary product line. Lots of sellers sell only DVDs, only motorcycle equipment, only shoes, and so on. But notice that the things I just mentioned are things that can be sold year round anyway. That's the point: make sure you are able to find a steady supply of merchandise you can sell all year around.



**tip**

*See Chapter 4 for more on finding a wholesale supplier for your merchandise. For many eBay sellers, finding a good supplier is the key to sales success.*



**FIGURE 1-4** Find a steady supply of merchandise, whether it fits into your niche area or not.

Seller	User ID	Occasional Products	Year-Round Products	eBay Store Name
Mimi Kriele	touchofeuropa	Easter bunnies, decorated Easter eggs	Bedspreads and linens	Touch of Europe, Touch of Europe 2
Scott Marlatt	ebaeseller	Outdoor pond pumps and supplies	Kennel club books, vitamins and supplements	Ebae Sellers World
Marsha Smith	jekyll.and.hyde	Halloween costumes	Tarot cards and art	Jekyll and Hyde's Laboratory
Jennifer Karpin-Hobbs	morning-glorious	Vermont bed-and-breakfast packages	vintage collectibles	Morning Glorious Collectibles

**TABLE 1-1** eBay PowerSellers' Occasional and Year-Round Sales Items


**must have**

### **Sell Something You Know**

You can sell anything you want on eBay. In fact, sellers put up for auction everything from grilled cheese sandwiches that allegedly bear the image of the Virgin Mary to homes created from nuclear fallout shelters or commercial airliners. You don't have to love what you sell or be attached to it in any way. You don't have to be a devoted collector of the type of merchandise you sell, either. But at the very least, you should be knowledgeable about what you decide to sell in your niche category. If you like what you sell, so much the better. But try to be an authority about what you sell—or at the very least, be enthusiastic about the act of selling it.

For many PowerSellers, the act of selling itself is the attraction; the thrill of running one's own business and making a success is the attraction, not the books, works of art, shoes, or watches they happen to sell online. That's a good thing, since they're likely to spend far more than 35 or 40 hours a week selling them online.

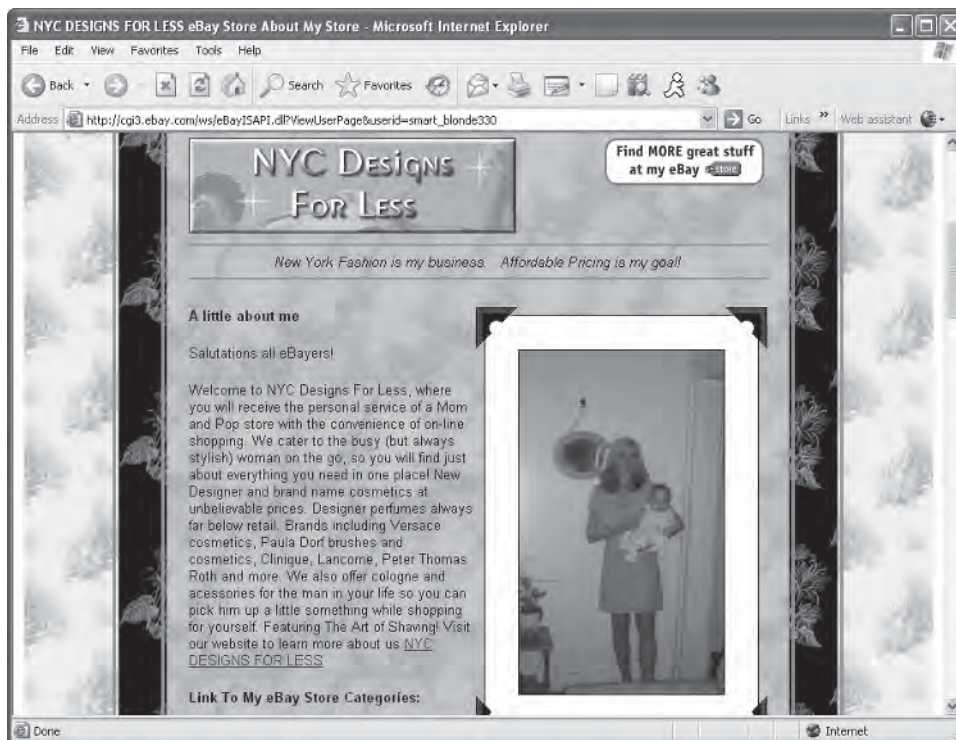
## **Finding a Competitive Edge: NYC Designs For Less**

It took Lori Baboulis a while to find products that she could sell on eBay and that would allow her to beat the competition. She started out the way many sellers do: she wanted to quit her day job in order to stay at home.

"I started selling in March of 2003 because I was desperate to find a way to stay home with my newborn daughter, who was born the previous December," she explains. "After some time off for maternity leave, I had to go back to work from 10 A.M. to 3 P.M. Monday through Friday and have my mom watch Gracie. Not only did I want to stay home with my daughter Gracie myself, but also my mom suffers from multiple sclerosis and I felt terrible about asking her to work every day and babysit. It actually worked out fine and the hours still allowed me the time to start to build my eBay business. I was able to start seriously selling in May of 2003. I made Bronze PowerSeller in August. I reached the Silver PowerSeller level the following and was finally able to quit my 'real' job just in time, since Gracie was now far too active for my Mom to handle."

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Lori proudly displays a photo of herself and her daughter Gracie on her eBay About Me page, shown here:



How do you build your business steadily and gain the independence you want? One way is to find the right products to sell. Often, it's a process of trial and error: You try one type of merchandise and discover that there are plenty of other eBay sellers putting the same types of merchandise up for sale. Like Lori, you move to an area where there's less competition, and where you're more certain of making a profit.

"I started out selling some of my old maternity clothing and then branched out into new women's clothing," explains Baboulis. "It is fairly easy to find cheap sources for clothing. However, because of the ease and the massive supply, there seems to be an overabundance of clothing for sale on eBay. So, I decided to switch gears and sell what I love: cosmetics. I have a friend in the distribution industry so I started my inventory there."

Whether you want to become an eBay millionaire or "just" a PowerSeller, don't lose sight of the fact that you are in business, and you need to beat out your competitors in order to survive. Competition among sellers is growing steadily more intense as eBay becomes better known. Chances are

you won't be the only person selling in your niche area. As long as you can outdo your competition in some way, you'll be the one that shoppers choose to buy from. What kind of competitive edge should you shoot for? Here are some suggestions:

- Lower price
- Better selection
- Better service
- A higher sense of reliability

That last item is a bit hard to describe, but you achieve greater consumer confidence by showing lots of photos of your sales items, by providing assurances of authenticity in your description, and by having large numbers of positive feedback comments. Some more specific suggestions are described in the sections that follow.

## **How Lori Baboulis Undercut the Competition**

The cosmetics that Lori Baboulis sells through her eBay Store NYC Designs For Less (<http://stores.ebay.com/NYC-DESIGNS-FOR-LESS>) are high-quality items with famous brand names that normally sell for high prices. A search for Paula Dorf eye shadow, for instance, turned it up for sale for \$19 at some well-known online retailers. Lori's price: \$11.95.

Every eBay seller dreams of finding, say, an old beer can under their home and selling it for \$19,000; or seeing the image of the Virgin Mary in a grilled cheese sandwich and ending up selling it for \$28,000. Such success stories are, of course, exceptional events. But the general idea is the same. You obtain something for an inexpensive price, and you sell it for as high a price as the market will bear, and the result is that you make a profit.

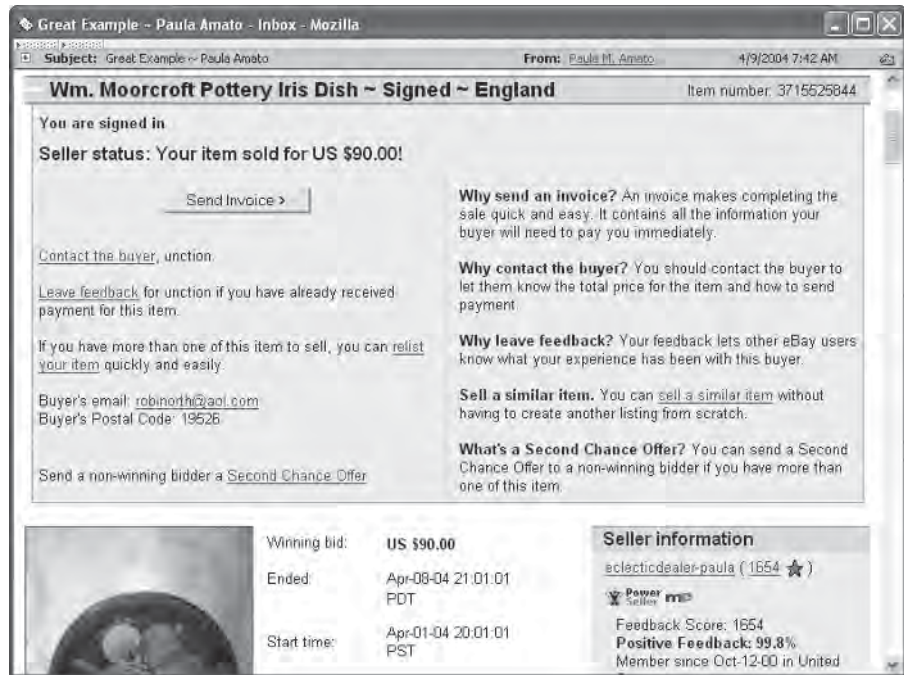
Figure 1-5 shows an example provided by a PowerSeller named Paula Amato, who wrote me: "Here is a great example . . . I found this at an estate sale and paid a quarter. I knew there was something special about this piece and I was right."

Buying for a low price and selling for a profit is just one way Lori established herself against the competition. You can examine some of her other strategies in the sections that follow.

## **"Finding Inventory Is the Hardest Part of Selling on eBay"**

As its name implies, NYC Designs For Less succeeds by undercutting the competition. Without an expensive store to rent or employees to





**FIGURE 1-5** Many sellers depend on their knowledge and experience to find “diamonds in the rough” like this.

compensate, small online businesses often have an advantage over larger competitors. Lori, like many eBay sellers, is able to offer items at low prices because she buys them from wholesale suppliers. A wholesaler is an individual or business that (traditionally, at least) functions as a middleman. The wholesaler obtains merchandise from the manufacturer, which typically wants to focus on manufacturing rather than selling its own items. The wholesaler then sells the merchandise to retailers, who mark up the price and sell it to the public.

Where do you find a wholesaler? There’s no single answer. Sometimes, the tip comes by word of mouth. Other times, you find wholesalers on Google or on eBay itself. “Start off doing a Google search for wholesalers or liquidators,” Baboulis advises. “You will have to do a lot of footwork because there are many outfits that sell real junk. I do not sell returns so I look for overstock only. Check your local yellow pages for distributors, manufacturers, etc. You can also buy wholesale lots right on eBay. Do your

research thoroughly first. Finding a good source of inventory is the hardest part of selling on eBay.”

Many of the biggest eBay millionaires—individuals you’ll find profiled throughout this book—are wholesalers who came to a critical realization. They realized they were in a perfect situation to sell on eBay. They already had a ready source of merchandise they could resell at a profit. Instead of selling to retailers (or in many cases, along with continuing to supply retailers), they decided to sell directly to the public on eBay.

There’s no shortcut to finding a wholesaler on eBay. Here’s one scenario that’s worked for many sellers:

- 1.** Obtain a reseller certificate or Tax ID number from your state’s Department of Revenue.
- 2.** Optionally, set yourself up with a physical business address (read more about this in Chapter 3).
- 3.** Find a product that you like yourself.
- 4.** Do research on eBay to make sure the product isn’t already being sold extensively by someone else.
- 5.** Approach the wholesale supplier. (You may need to approach the manufacturer in order to find the supplier.)
- 6.** Explain who you are and what you want to do—resell the merchandise on eBay.
- 7.** Sign an agreement to resell a quantity of the merchandise at a price that’s less than retail.
- 8.** Put the merchandise up for sale at a fixed price in an eBay Store.

Lori’s prices are one of the things that gives her a competitive edge over her competition. So is her high feedback rating (at this writing, 2,153), which promotes trust. Another edge is her eBay Store, which allows her to put items up for sale quickly.

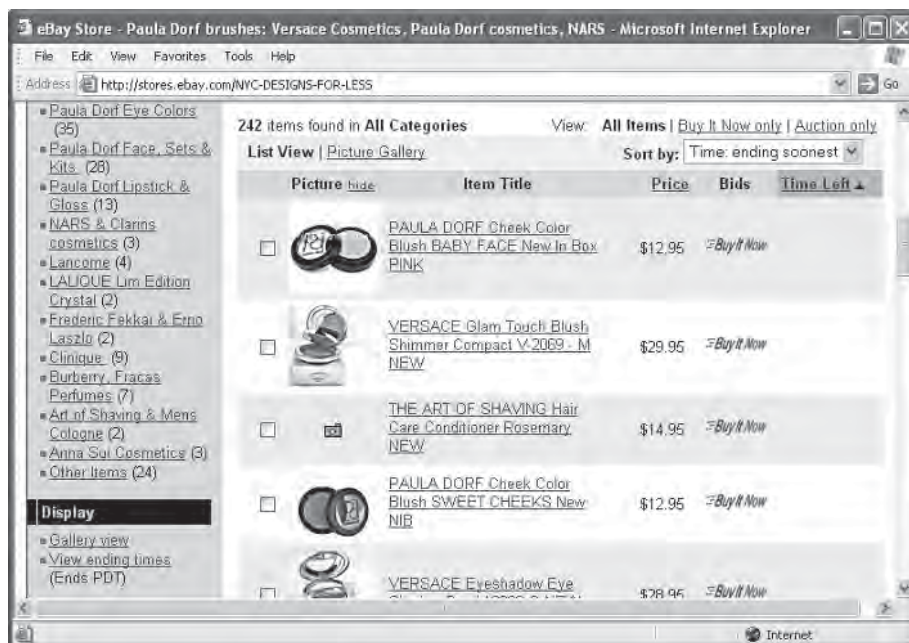
**tip**

*An eBay Workshop entitled “How to Find Real Product Wholesalers” provided some excellent and detailed tips on how to approach wholesalers and “sell” yourself to them. It was held March 9, 2005; you can read the archived proceedings at <http://forums>*



### “eBay Stores Encourage Repeat Buyers”

As you can tell when you study NYC Designs For Less, Lori Baboulis doesn't specialize in one type of cosmetics, or one brand name; she has an extensive selection of manufacturers and products, as indicated in the column on the left-hand side of the store (see Figure 1-6).

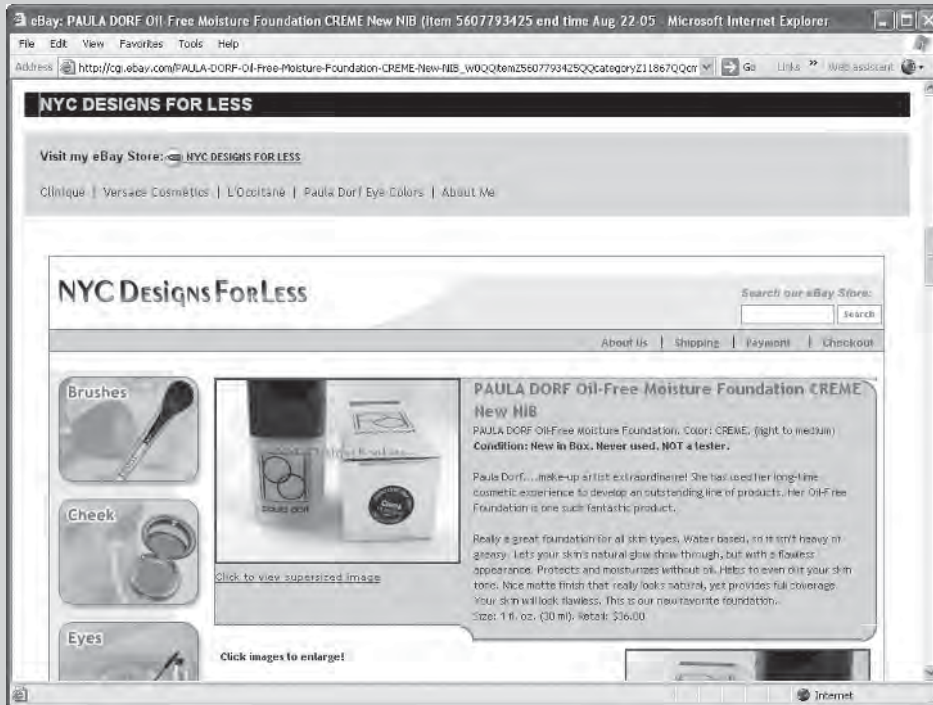


**FIGURE 1-6** It pays to do your research and shop around for a reputable wholesaler.

“eBay Stores are excellent for sellers with multiple quantities of items,” says Lori. “They are also great for organization if you sell a variety of items, as a Store allows you to put items in categories. As a buyer, if I click on ‘view seller’s other items’ and I see 20 pages of items for sale, I will not bother trying to weed through all 20 pages and will simply hit the Back button. However, if they have a store, I will take a look because I know that I can simply browse in the category in which I am interested. I will not have to wade through a bunch of size 12 if I am looking for a size 2. Stores also encourage repeat buyers because they have one spot to search through all your items at their leisure.”

## Take Time to Make a Good Presentation

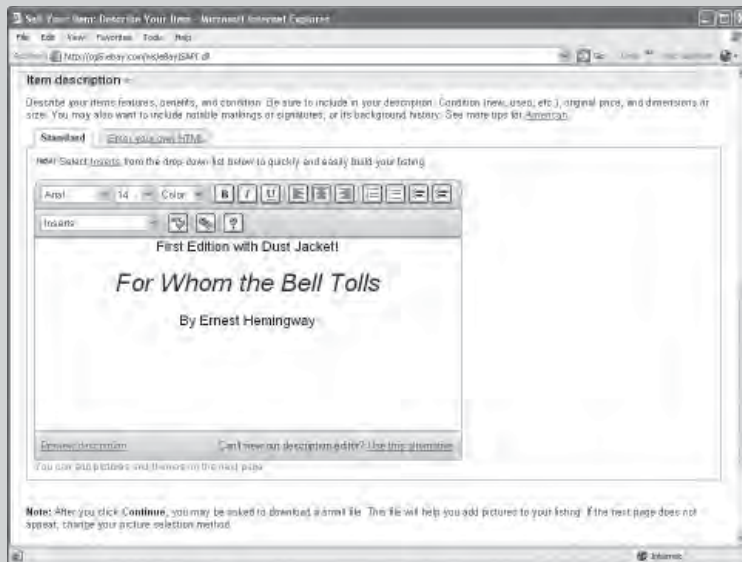
When you click on one of the NYC Designs For Less sales listings (such as the one shown below), you'll notice that they're very thoroughly designed. It isn't necessary to create an elaborate graphic layout for your sales descriptions. But if you take a little time with your presentation, you can make yourself look more professional and foster trust in your buyers.



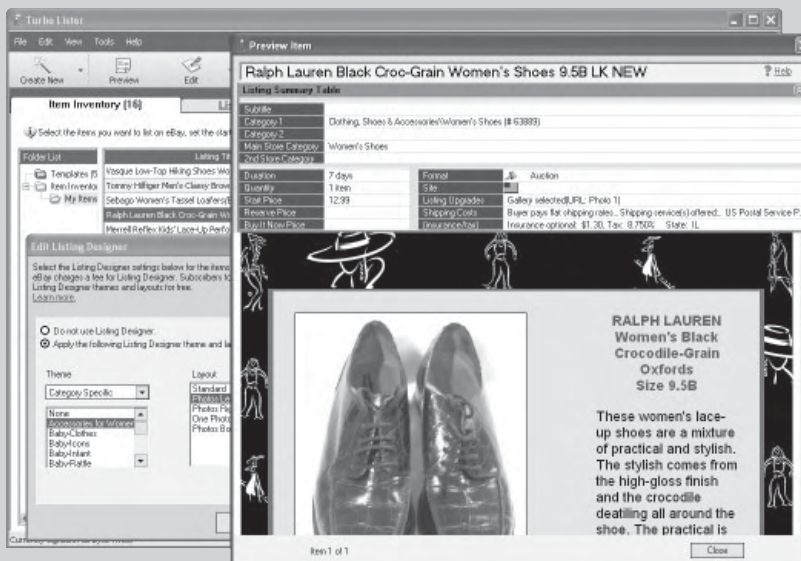
Lori Baboulis uses an auction service provider called Vendio (<http://www.vendio.com>) to host her photos, manage sales, and prepare her formatted sales listings. Vendio's software enables her to combine color, photos, and text in eye-catching ways. You don't necessarily need to sign up for a monthly subscription to such a service just to add some flair to your sales, however. The most direct way to format your presentation, if you use eBay's Sell Your Item form, is to use the formatting buttons and drop-down menus provided in the Item Description box. As you can see next, I've used the tools to quickly format an auction title.

*(continued)*

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Another quick and easy way to format auction descriptions is to use eBay's own free formatting tool, Turbo Lister. Once you download and install this software on your computer, you can use it to add color and quickly apply a layout to your listings. A component called Listing Designer, which is built into Turbo Lister (and is available on the Sell Your Item form, too), can format your listings after you type them. (An example appears here.) Although Turbo Lister itself is free, Listing Designer costs 10 cents for each sale on which you use it.



## Selling at High Volume for Big Profits: SewVacDirect

If you are able to find a niche where you can undercut your brick-and-mortar competition, you can outsell them on eBay. Consider high-end sewing machines: They're difficult to ship because they're so heavy. And they're not sold in many retail outlets. The stores that do sell such machines mark up the price heavily and make a sizeable profit. There's an opening for a business that can reach customers who don't live near sewing machine stores, and who are turned off by high shipping costs and high prices for mail orders.

SewVacDirect (User ID `sew_vac_direct`), a sewing machine and vacuum cleaner store that has operated a brick-and-mortar store in College Station, Texas for the past twenty years, took advantage of that opening. They realized that if they could cut shipping costs and sell machines for lower prices than other sellers on the Internet, they could reach a huge market. Instead of selling to customers in Texas and mail order customers, they could market their inventory of 3,000-odd sewing machines around the world.

A look at the Pricing section of SewVacDirect's About Me page on eBay ([http://cgi3.ebay.com/ws/eBayISAPI.dll?ViewUserPage&userid=sew\\_vac\\_direct](http://cgi3.ebay.com/ws/eBayISAPI.dll?ViewUserPage&userid=sew_vac_direct)) spells out one way in which the company undercuts the competition—they ship as cheaply as possible:

We will strive to always offer the lowest prices on the internet. All shipping costs listed are for UPS or Fed-Ex Ground delivery in the contiguous United States. Alaska, Hawaii, and Canadian residents need to call toll free 1-877-530-6592 or send us an Email for shipping quotes. Any item with Free Ground Shipping applies to the Contiguous US ONLY. Orders from AK, HI, or Canada will pay actual shipping costs less standard ground fees for all Free Ground Shipping items. All shipping prices posted are for UPS or Fed-Ex Ground unless otherwise stated. For other shipping options email or call us toll free at 1-877-530-6592.

This set of instructions is as specific as possible, and it gives potential customers plenty of options. It lets them know that shipping may be free depending on where they live; if they are in a hurry, it also lets them know that they have many options for shipping and are welcome to call the company toll-free if they want to speak to a customer service representative in person.



**tip** *Be specific with your shipping and payment instructions; provide a variety of options so the customer feels some degree of control. Customers on the Internet always like to feel they can click a link, send an e-mail message, or call a phone number if they need to. A toll-free phone number is worth the cost, according to many PowerSellers.*

In Figure 1-7, you can see that SewVacDirect promotes its free shipping policy prominently by adding a subtitle to each of its eBay Store listings.



**FIGURE 1-7** Find a niche where you can undercut other sellers, and help customers save on shipping costs.

### Providing Personal Customer Service: Abovethemall

Marjie Smith (User ID: Abovethemall) is at her computer virtually all the time between 8 A.M. and 8 P.M., six days a week. Anyone who sends in an inquiry gets a response within an hour, if not sooner. But after 8 P.M., the computer monitor goes off. “Fortunately, my office is in my home, but when it’s time to have dinner with your family, don’t check your e-mail,” she advises. “Take an hour or hour and a half off, and then go back to work. But make your own schedule, and stick to it.”



### **Sticking with Vintage and Collectible Items: Sands-o-Time**

The rule that in order to be a successful full-time PowerSeller, you have to find a wholesale supplier and sell consumer goods at high volume or high profit, isn't one that applies to everyone. Melissa Sands, who is profiled in Chapter 4, says selling vintage and collectible goods is a more certain way to make a profit and stand out from the crowd.

“This is just my opinion, but people who sell vintage and used goods are going to survive longer than those who sell new items that have a small profit margin. I think selling on eBay is a tough business to break into. Every time eBay raises its sellers' fees, it hurts those sellers who work on volume. It wouldn't take much to drive someone out of business because margins are so tight. Not only that, but you can carve yourself out a niche, and then run into a 'clone'—someone who figures out who your suppliers are, and what your secret of success is. You always have to stay one step ahead of the competition.

“For me, my success depends on my knowledge of vintage things. If I sell things that can't be duplicated, then I have less direct competition.”

One tried and proven way to outdo your competition is to provide a higher level of customer service. In the traditional business world, customer service usually means listening to customer complaints, deciding whether to exchange an item, or tracking down a missing shipment. On eBay, customer service boils down to a few simple practices:

- Answering e-mail as quickly as possible
- Being available on the phone when needed
- Shipping out items as soon as payment is received
- Being clear about your returns policy
- Being receptive (not necessarily submissive) to claims that merchandise was lost or damaged in transit

Being able to do all these things requires an almost obsessive dedication—or at least the ability to delegate the responsibility to your employees. In either case, if you can't be at your computer virtually all the time, you need to check your e-mail several times a day. The trick is to check your e-mail frequently during the hours you have designated for work; when your work schedule is done, take time off so you don't let your work take over your entire life.

Customer service on eBay often makes the difference if you're selling merchandise that isn't unique and that is sold by many other vendors.

Customer service builds confidence in you as a businessperson. You also have to convince your customers that you're a good match—that whatever they are looking for, you have it. Sometimes, shoppers just won't make a substantial commitment of money unless someone provides personal guidance and advice. If you answer questions quickly and courteously (even if you receive dozens of questions in a single day), you're that much more likely to make a purchase than if you wait a day or two to respond—or if you fail to respond at all because you're too busy with other duties.



**tip**

*You can find out more about Marjie Smith, who is also the president of the Disabled Users Online Association, in Chapter 8.*

### **Setting Out to Corner the Market: Blueberry Boutique**

When you first sign a contract to purchase wholesale goods from a supplier to resell on eBay, it's tempting to buy a minimal selection. After all, your funds are probably limited, and you don't want to go immediately into debt. Most PowerSellers would probably take a different approach: They would set out to corner the market—to become the number one seller in a particular category. Those who attain their goal proclaim themselves the leading seller in their niche, which gives them more credibility. Blueberry Boutique posts its notice “eBay's #1 shirt and necktie seller” notice with each of its sales descriptions (see Figure 1-8).



**must have**

### **Being Flexible and Ready to Change: mrmodern**

One of the great things about doing business online is the ability to stop on a dime and take a totally new direction without incurring excessive overhead costs. For Don Colclough and Lisa Polito (User ID: mrmodern), one change came about when they started to sell in volume on eBay and realized they were finding more customers online than they ever could in their brick-and-mortar antique store. They closed the store, rented a warehouse where they could store the merchandise they gathered from estate and house sales around Chicago, and became PowerSellers.

Other changes are less dramatic: PowerSellers change product lines, find new suppliers, open new stores, and generally focus their business in new directions as the market changes. That's one important feature about a business plan: It isn't written in stone, and can be changed to fit changing situations.

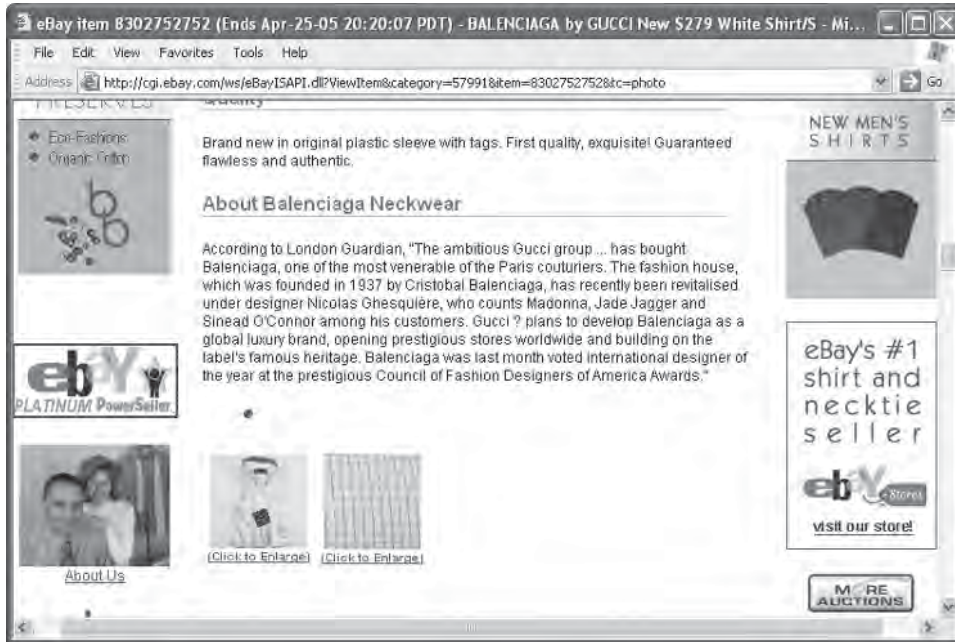


FIGURE 1-8 The most successful eBay sellers gain the coveted #1 designation.



**tip** Look around the world in an effort to reach more customers than your competition. Studies indicate that eBay is growing more quickly in Europe and Asia than in the United States or Western Europe, which have been the most popular locations. If you can open your sales to overseas customers, you can do an end-run around the competition and reach more customers.

## Lessons Learned in This Chapter

- Don't try to sell everything at once; focus on a business niche and market to a well-defined set of customers.
- Don't let adversity get you down; turn failures into opportunities and build your business slowly.
- Expect to work long hours at the outset, but also expect to hire employees or contract with a service provider to help you build your sales volume.



## 26 Secrets of the eBay Millionaires

- Find a competitive edge—something you can do that sets you apart from the competition.
- Strive to outdo the competition by charging lower prices or offering better variety.
- Draw up a business plan that identifies the products you want to sell, how you want to sell them, and how soon you expect to be successful.
- Build on an activity or type of product you know well when trying to identify what you want to sell on eBay.
- Do everything you can to retain customers and encourage them to return to you in the future.
- Locate a source of merchandise you can resupply easily and all year round.

# Chapter 2

## Establishing Your Identity: Your Mission and Your Web Presence

“Having a mission is very important,” says Pam Thien.

Pam is a PowerSeller on eBay. But selling jewelry made by indigenous people in Thailand on eBay and through her web site Shiana.com (<http://www.shiana.com>) is only a part of what she and her family do. Not everyone is going to be willing to trek into the remote countryside of Thailand to find beautiful silver creations made by a remote hill tribe who are struggling to support themselves, after all. Not everyone is going to resell the jewelry online and donate profits back to the silversmiths, either.

But no matter what you plan to sell on eBay, it is important to ask yourself: Why do you want to sell on eBay? What do you want to accomplish? It's important to have a mission for your business, whether the business is on eBay or not. The most successful PowerSellers believe in what they are doing. They feel passionately about their mission and will do everything they can do achieve it. If customers know you have values and beliefs, you'll not only have the satisfaction of doing the right thing, but you'll attract more business. Even if you only plan to sell everyday household items from the comfort of your home, you can learn a great deal from the story of Pam Thien and her family.

**Business name** Shianallc, Shiana.com

**Sellers** Paul, Imporn, Angie, and Pam Thien

**Web site** <http://stores.ebay.com/shiana-com>

**Sells** Jewelry, beads, charms, pendants, sterling silver

### **Pursuing a Mission: Shiana.com**

High-quality items that are hard to find are bound to sell well on eBay. The silver beads produced by the Karen hill tribe could hardly be more difficult to obtain. Each Saturday morning at the auspicious time of 2:22 A.M., the Thien family—father Paul, mother Imporn, and their daughters Pam and Angie—climb into their ten-year-old car and begin the ten-hour journey out of Bangkok, the capital city of Thailand, into the hills in the northern part of the country.

When they reach the quiet, remote home of the tribe, they are greeted by the sound of hammers striking silver and the smell of burning string. Most of the time, experienced silversmiths are doing the stamping and shaping. But occasionally, children help out, as shown next. The hammers are tools the Karen have made from old car parts. They stamp tiny beads into the shapes of fish, flowers, and other intricate designs, and they etch lines in

the beads with nails. “Every part of the process involves the human touch, which makes this type of silverwork unique,” says Pam. They meet with the tribe’s elders and eventually collect new silver creations they bring back to Bangkok.



### **“The Human Touch Makes This Type of Silverwork Unique”**

Many bead enthusiasts love the silver sold by Shiana.com. For one thing, it’s exceptionally pure silver—approximately 99.5 percent. Shiana plays a role in supplying the raw silver that is melted down and turned into beads: “The original Karen silver came from ‘trade coins’ or Tabs (as they were called) from India,” explains Pam. “Tabs are pure silver coins and is still the currency in the golden triangle today. A Tab may be used to refer to the amount of something—for example, one Tab can buy about one kilogram or so of opium. We now import the silver from foreign mines to ensure quality. We seek out this silver ourselves and supply them to the Karens so they don’t have to bother with the rise and fall of silver prices.” The intricate designs that can be fashioned from the soft silver, such as orchids and flower pendants (see Figure 2-1), can’t be found anywhere else. As you might expect, anything unique or distinctive is bound to sell well on eBay. Like many successful PowerSellers, Shiana.com has found a unique commodity to sell online.

### **“We Want to Help Our Friends to Thrive on Their Own”**

Although other wholesalers deal in Karen silver, many buyers flock to Shiana because they are sympathetic to its mission of getting a fair price for



**FIGURE 2-1** Shiana sells unique, handcrafted silver beads through eBay and its web site.

the tribe. Other wholesalers offered such low prices that the Karen couldn't survive making silver, and were almost forced to return to their previous way of making a living—growing cash crops, using the slash-and-burn farming methods and logging that were destroying the environment. When Shiana started selling on eBay, the Karen began to regard silversmithing as a viable way of life.

“We joined eBay in 1999 as a means to help Karen hill tribe villagers achieve funding,” says Pam. “Wholesalers in Thailand were driving the prices down and we found that an international market like eBay quickly aided the villagers where no one else could. Here in Thailand, there is very little wiggle room in the market for manufacturers. Our organization started by selling small handcraft items but now our focus is on the Thai hill tribe silver that we manufacture. We have been helping the hill tribes since the 1970s, but eBay has certainly become a major source of funding for us.”

Having a mission and a strong set of business ethics helps Shiana succeed. Just look at the comments left on the BeadStyle Community message boards by bead enthusiasts:

"Shiana is the primary source for Hill Tribe Silver...They deal directly with the Karen Hill Tribe artisans, and fairly as well!"

"I'll put in another recommendation for Shiana - love them! In fact, I must go order more."

"The Shiana newsletter made me rethink how I take my nice and carpeted floor for granted. I only get my hill tribe silver from shiana.com too; fine, fine quality!"

It's the kind of word-of-mouth advertising that eBay sellers dream of. Giving back and helping others has always been an important mission of eBay and part of the eBay community; many sellers are finding that adding a charity component to their auction sales has some important side benefits. Aside from helping others, sellers often find that they get more attention for their sales and often receive more bids when part (or all) of the profits go to a charitable cause.

**tip**

*You'll find a more detailed discussion of the different options available for conducting charitable sales and nonprofit fundraisers on eBay in a book called **Fundraising on eBay: How to Raise Big Money on the World's Greatest Online Marketplace**. It's written by Greg Holden and Jill Finlayson, and also published by*

### **“One Thing Led To Another”: How eBay Helps Preserve a Way of Life**

“If you ask me how this got started, I wouldn't really know exactly what led us here,” says Pam Thien. “It was a natural desire to help that got my dad working and our natural role as his children to want to help as well. One thing led to another and we find ourselves here.”

Paul Thien was originally trained as a Buddhist monk. In the 1970s, he worked as a traveling pharmacist, delivering medicine to healthcare facilities that provided medical care to small villages around the Thai countryside. The Karen are the largest of several tribes that live in Thailand. Although there are many Karen villagers in Thailand, only one village makes the silver. Around that time, this particular village was considered “forest people” and had no regular income. They practiced logging and occasionally farmed illicit crops. When the King of Thailand discovered what was happening, he and the queen visited the Karen to encourage them to find another way of life. The Karen began producing silver beads using melted-down coins. But they couldn't find buyers for their work, and they returned to farming and logging.

*(continued)*

Meanwhile, Paul Thien had married and started a family. He and his wife were issued green cards, and they went to the United States to study chemistry at Illinois State University. Their daughters, too, studied in the U.S.; Pam studied computer science and eventually became familiar with the Internet and the Web. When Paul made a return trip to Thailand in the early 1990s, he discovered that the Karen people had trouble creating silver beads, and many of the young people in the tribe had taken on factory work in the cities in order to send money home and support their families. He became determined to help save the village and the Karen people he had come to know. The Thiens gave up their green cards and returned to Thailand. Ever since, it's been a family goal to help the Karen tribe. Besides selling silver, they provide money when needed, and schoolbooks to the Karen schoolchildren (see Figure 2-2). As a long-term goal, Shiana hopes to fund the building of schools and training facilities for the villagers.

We're not aiming for luxury or the mere notion of 'helping the poor.' We do not see our friends as 'poor,' because spiritually they are among the richest people we know. We want to, in our small way, help keep them from being exploited and give them enough sustenance to strive on their own." With eBay's help, she and her family are turning that mission into a business that helps an entire subculture to survive, while helping her own family to do good and make new connections.



**FIGURE 2-2** Part of this eBay seller's mission is to help an entire tribe, including the children.



## “eBay Gave Us Exposure to Customers Around the World”

“We have customers from the UK, France, and throughout Europe and Australia, but most of our eBay customers come from the U.S.,” says Pam Thien. If it weren’t for eBay, the main market for Karen hill tribe silver would be a city called Chiangmai, a city that is located three hours’ drive from the Karen’s home. Originally, Paul Thien did sell the beads there. But the Thiens have found a worldwide audience for the silver on eBay.

“Yes, the hill tribe people would receive pennies a day working with other wholesalers,” says Pam. “Unscrupulous wholesalers have pushed prices down so low that many hill tribe smiths prefer to not work on silver at all. When they work with us, they receive higher wages than the region’s minimum wages. eBay has not only helped us with funding, they also help us with exposure to potential customers. More exposure means we can educate more people on fair-trade hill tribe silver.”



Like many PowerSellers, Shiana takes merchandise that is of local origin and connects with a worldwide audience of enthusiastic collectors. Although they list their sales only in English, they are able to list in many countries other than the United States. People around the world have fallen in love with Karen silver.

Shipping internationally isn’t a problem, adds Pam. “We ship frequently and often. Our local post office knows us by our nicknames and works extra hard to help us send items quickly. We establish a relationship with everyone we meet, even with FedEx, who reduces their shipping costs significantly to help our cause.”

## “We’re Such a Small Army”

Although they have to go to great lengths to find merchandise to sell, the Thiens are able to turn around a substantial number of transactions and maintain PowerSeller status because they have come up with a system. Like many sellers, they have to overcome limitations of time and distance, and they have go through a certain amount of work to pack up shipments and get them off to the shipper. They get the job done on eBay, while holding regular “day jobs,” by working together as a team, and sticking to a well-established weekly schedule.

### **They Drive Every Weekend to Gather Merchandise**

Like eBay sellers around the world, the Thiens head out at the same time every weekend, early in the morning, to purchase merchandise for resale. Buying the silver directly from the hill tribes is not easy. As Pam and her sister reported in a newsletter they send to their customers:

Greetings friends!

We start off April with heavy rain this year, rain that brought in a band of not-so-friendly wood termites. While we were at the Karen Village over the weekend, they have eaten our floor to a corrugated maze of its former self. In life, we are at the mercy of so many events that may change everything from the moment's perspective to our entire way of thinking. It's always good to know we have friends to share these moments.

Besides having the floor of their hut eaten away, Pam adds, they "have encountered the regular problems like flat tires, broken air conditioning, overheating, etc. Our car is just about ready to quit. We're hoping to keep it for a few more years before absolutely needing to change. We locked ourselves out of our own 'hut' (more than once!) and our Karen neighbors quickly came to our aid. And many times, during the rainy season, the dirt roads would slide and we would go at about 20 kilometers per hour only to find a ditch only about 3 feet across that keeps us from getting to the village. We have had to cross ravines in the rain with only planks of recycled wood. And in the winter, we forgot our blanket one day and nearly froze to death. We have all our items ready to go every time now, so everyone knows what each other needs to bring to make sure every trip is as hazard-free as possible."

The lesson you can take away from these adventures is probably obvious: plan ahead and stick to a regular work schedule, just like any business.

### **They Work Together as a Team**

When it comes time to sell multiple items on eBay, the first place to turn is your own family. In many families, various relatives are recruited to help with individual tasks. As Pam explains: "We are a family of four. We all hold second jobs because our eBay sales are not always able to support our earnings. My father will take pictures, my mother takes care of the items, my sister and I take care of the e-mails and anything that has to do with eBay. We have had to enlist Infopia to help us manage part of our listings because we're such a small army. We work until 3 to 4 A.M. (Bangkok Time) every day."

Many PowerSellers, even the most successful ones, have to work “day jobs” for one reason or another. That certainly applies to the Thiens, too.

“My dad works as a pharmacist and is currently in research and development for various companies. He’s a genius when it comes to formulating a new medicine. My sister is attending college and working part-time at school. My mom is a full-time mom and she takes care of all of us—which I feel is a big enough job in itself.”

### **They Find Help with Sales Management Software**

Like many PowerSellers, Shiana found that it couldn’t manage sales on its own. The time required to manually check e-mails, send end-of-sale acknowledgments to high bidders, and relist items that don’t sell becomes incrementally more difficult for sellers who try to use their My eBay page. A variety of software developers have created management tools that automate some or all of these tasks, thus freeing up time for sellers to perform critical tasks like packing, shipping, and acquiring inventory—all tasks that software can’t perform.

Software from Infopia (<http://www.infopia.com>) helps. “We partnered with Infopia to help manage much of our activities. What we do is design our web site and send them the PDF files.” (PDF stands for Adobe Acrobat Portable Document Format.) Shiana uses Infopia to help create and edit the Shiana.com web site (<http://www.shiana.com>); Infopia also has software that helps businesses manage inventory and automate tasks like e-mail communications to high bidders and relisting of items. One of Infopia’s products, the Configurator, actually allows buyers to customize sales items and create their own sales listings (see Figure 2-3).

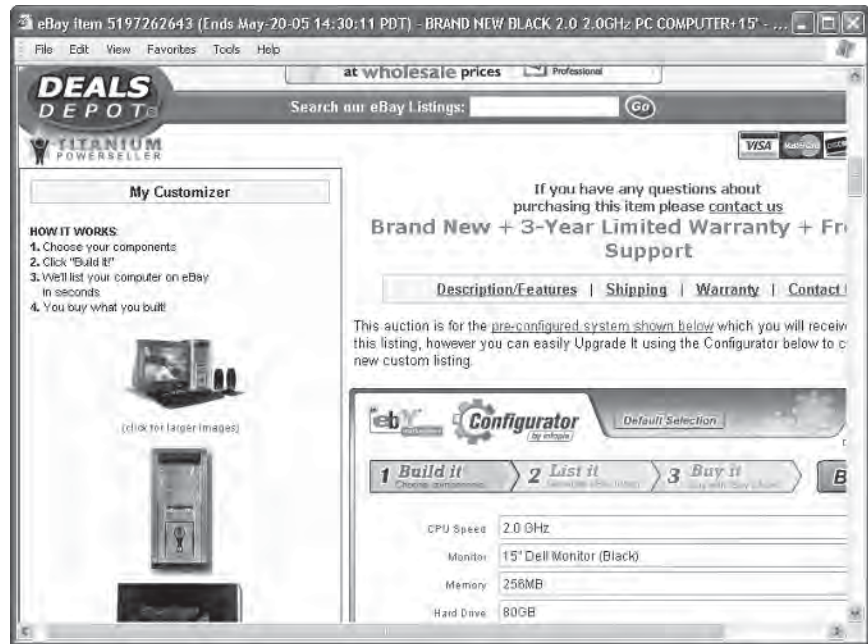


**tip**

*Other popular sales management software used by eBay sellers is provided by Marketworks (<http://www.marketworks.com>), Andale (<http://www.andale.com>), and Zoovy (<http://www.zoovy.com>).*

### **“Our eBay Sales Market Our Web Site, Not the Other Way Around”**

Designing her own web site was an obvious choice for Pam Thien. “I used to work as a web designer to support myself through college and learned a lot of good tricks there,” she says. “My parents wanted me to work at a prestigious computer company, so I took computer science in college.”



**FIGURE 2-3** Shiana’s auction service provider, Infopia, provides clients with sales management software like this that can allow a small staff to handle multiple sales.

## Create a Professional Presence on the Web

When it comes to establishing an identity and conveying your business mission to your customers, you need to create a web page that explains who you are and why you do what you do. eBay makes creating a web page an easy matter through its About Me feature:

1. Go to your My eBay Page by clicking My eBay in the navigation bar.
2. Sign in with your User ID and password.
3. Click Create an About Me page and follow the steps shown to create your free web page.

Many eBay sellers rely solely on their About Me page to provide background about themselves and their business. But most PowerSellers create web sites that are hosted either by their Internet Service Provider, by an auction service provider like Marketworks or Vendio (<http://www.vendio.com>), or by a full-time web hosting service.

In Shiana's case, there are several "front doors" to their business on the Web, and the various sites link to one another to boost traffic and present shoppers with different sales options. If you want to start your own successful PowerSeller business on eBay, you should also think about creating an About Me page, an eBay Store, and a web site. Chapter 10 discusses creating an eBay Store to attract customers, and Chapter 7 examines creating a business presence in multiple locations on eBay and the Web. When it comes to creating your own business web site, you need to follow a couple of "best practices," as described next.

### Choose a Domain Name That's Easy to Remember

As I'm sure you'll agree, the name "Shiana.com" is easy to remember because of its uniqueness. If you can choose a domain name that consists of a single word (or perhaps two words), that makes sense for your business, and that is not being used in the dot-com domain, you're in an ideal situation.

A domain name is an easy-to-remember alias for a location on the Internet. Instead of a computer address such as **202.144.55.2**, or a long URL such as **http://www.webhostingservice.com/~username/filename**, a domain name is a short term that you purchase and assign (for example, **shiana.com** or **ebay.com**) so that people can find your web site more easily. Of course, it's getting more and more difficult to find single words that can be translated to short domain names. You can create domain names in domains such as .biz and .net, but they don't have the same "cachet" as one in the dot-com domain.



#### shortcut

Give some thought to a domain name and business name that are short and easy to remember. If the name has other meanings, so much the better. Pam Thien explains that the word "Shiana" is from a Japanese bonsai red-leaf maple. "It's the rarest and one of the most difficult to grow of all the bonsai; we were told that if a person is able to grow a Shiana, they are able to conquer all other bonsai. My mom introduced us to the word when she told us bedtime stories. I decided to register 'Shiana.com' to constantly remind us that even if times are bad, we are growing a 'Shiana'."

### Create a Business Web Site

Most of the PowerSellers I interviewed for this book have a business web site: a site that isn't connected to eBay formally but that is hosted with another company. The site may have a link to the seller's current auctions on eBay, but the site's main purpose is to provide a way to sell directly to customers, without having to pay eBay's fees. eBay provides an invaluable way for businesses to acquire customers, but once they develop loyalty through

*(continued)*

eBay, savvy PowerSellers do everything they can to encourage buyers to make purchases from them directly.

Once you have a domain name, you need to find a host for your web site, either through your own Internet Service Provider or through a full-time web hosting service such as webmasters.com. A good web site like Shiana.com's contains a business logo, a sales catalog, and information about who you are and what you do. It's the best way to establish your identity online and connect with customers who trust you and believe in what you're doing almost as much as you do.



**tip**

*You can find out more about creating a business web site in the books How to Do Everything with Microsoft Office FrontPage 2003, How to Do Everything with Dreamweaver MX, or Build Your Own Web Site, all published by McGraw-Hill/Osborne.*

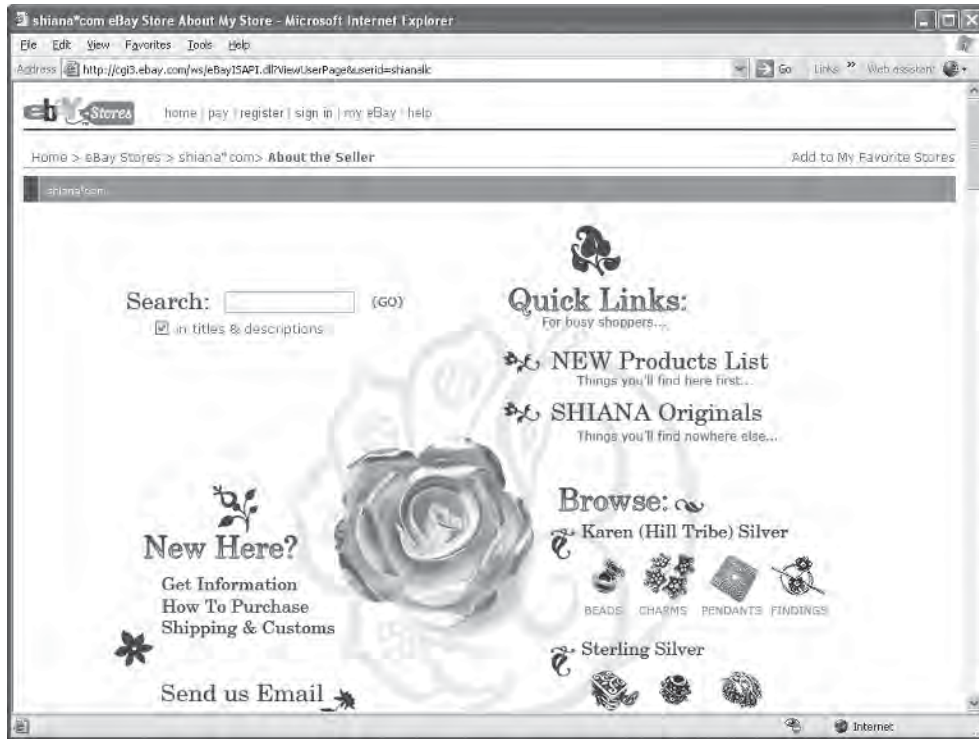
Pam used an approach that's common to many successful online businesses. She developed a simple but elegant design for Shiana.com, and applied the same "look and feel" to all three of its business sites:

- Its About Me page on eBay (<http://members.ebay.com/aboutme/shianallc>)
- Its eBay Store (<http://www.ebaystores.com/shiana-com>)
- Its web page (<http://www.shiana.com>)

Each web site presents a different "face" to a prospective customer. The About Me page (shown in Figure 2-4) is the same as the About the Seller page in Shiana's eBay Store; it provides visitors with links to both the eBay Store and the web site. In terms of products for sale, the About Me page provides links to fixed-price items Shiana has for sale in the eBay Store. In terms of background and shipping information, the About Me page links to the Shiana.com web site. The simple-looking textual logo "Shiana," the clean white page background, and the flower artwork in the background of the page are common to all three web sites.

In contrast to other eBay businesses, Shiana finds that most of its customers make purchases through the eBay Store rather than the web site. "Our web site is secondary. It seems that our eBay sales market our web site rather than the web site marketing eBay sales."

Nevertheless, Pam spends a good deal of time making sure the Shiana.com web site contains useful content that will encourage shoppers to trust



**FIGURE 2-4** A simple, elegant web design gives Shiana a professional appearance.

them and to develop a personal, one-to-one relationship with them. Along with the shopping cart and photos of items for sale, the web site's home page (shown in Figure 2-5) contains an e-mail box so Shiana can send news of promotions and discounts to customers who choose to receive them. The home page also contains the link Mission, which describes the site's mission, and links like About Us and Awards & Press, all of which help establish the company's identity.

### **“We Wanted to Let People Know More About What Happens”**

The Shiana.com web site also enables Pam and her sister to keep up with customers by sending a regular message directly to them. “We started writing monthly newsletters to let people know more about what happens between the silver they receive and the village.”





Customers can subscribe to an e-mail newsletter

Read about Shiana's mission here

Find out more about the Thiens here

**FIGURE 2-5** Use your web site to foster trust and develop a one-to-one relationship with customers.

You might wonder, why go through the effort of assembling a mailing list and writing a letter to customers directly every month, especially if the newsletter contains background information about the Thiens as well as sales information. It's all about creating a relationship with customers and reminding them that you exist. By keeping up with them directly, you give them another reason to visit your web site and make purchases from you. Customers feel they are connected to you and that they have "inside" information about promotions.

## Create a Formal Business Entity

When the Thiens started doing business, they were advised to incorporate. Establishing your own personal identity as a businessperson is only part of setting up an online store. You also need to establish your company's identity. Why? If you incorporate or create a business entity called a Limited Liability Company (LLC), you achieve some protection in case customers take legal action against you. Even if you only designate your company as a simpler entity called a sole proprietorship, doing so enables you to comply with your state's regulations for doing business.

Shiana.com's eBay User ID (**shianalle**) indicates that it is a limited liability company. As Pam Thien explains, "We only registered as 'Shiana LLC' because we needed to be able to accept credit cards for international transactions and the Thai banks had nothing like that available at the time. So a friend in the U.S. recommended that we incorporate in Delaware—hence our present company name."



**tip** *Many companies incorporate in the state of Delaware to take advantage of the state's well-developed set of statutory and judicial laws. The legal system helps companies plan their activities so as to avoid lawsuits. Find out more at <http://www.delawareintercorp.com/why.htm>.*



**tip** *Chapter 10 presents more examples about ways to market your goods and services to your ongoing customers.*

## Promoting a Business Ethic: National Powersports Distributors

Nathan Sanel didn't start his eBay business with the idea that he was going to become a Titanium-level PowerSeller. In fact, he had no idea what would happen when he started out selling a few motorcycles in late 2001, facing the impending loss of his job. He did have a strong desire to create a business that reflected what he calls his own "core philosophy"—an honest, ethical organization. "It's the ethics. It's not the money. If you build a business that has a strong core belief, and that belief is solid, the money will follow. It didn't matter that I decided to sell motorcycles tiddlywinks," he says simply. "It's the chance to build a business I believe in."

Nathan, who is now 36 years old, seized his chance in late 2001, just after the September 11 terrorist attacks. Like many people, he was planning

for his family's future by investing in mutual funds. At the time, he was working for a high-tech company, which was having problems due to the downturn in the economy that had started earlier that year.

"I would put \$500 every month in Roth IRAs and mutual funds," he explained. "At the time, mutual funds were tanking. After September 11, I decided to invest a lot of money because the market was at rock bottom. When the economy got better I realized that if things kept going this way, we might break even at the end of the year. I thought, this doesn't make sense. Investing was supposed to produce a return, not leave me at even."

**Business name** National Powersports Distributors

**Seller** Nathan Sanel

**Web site** <http://stores.ebay.com/The-Collectable-Trader>

**Sells** Motorcycles, all-terrain vehicles

### **"On eBay, We Can Make a Substantial Return on Our Investment"**

Rather than hoping to break even or achieve at best a 10 percent return on his investment, he decided to try eBay. "One day I said to my wife Amy, 'I'm going to buy a motorcycle for the \$500, and then sell it on eBay, and we'll see what happens.' It sold for much more than the 10 percent return we were hoping to get with our mutual funds—maybe \$700 or so. I said to Amy, if we make \$200 on each sale, and we do that five times a year, think about the ROI (return on investment). We can do something substantial with that money."

After a few weeks, Nathan had sold a few motorcycles on eBay. He was beginning to realize that he could turn this activity into a regular source of income. He received a big push in the direction of starting an eBay business when his boss announced, that Thanksgiving, that his company was going bankrupt. By year's end, Nathan would be out of work anyway. They had long ago decided that Amy would stay home and raise their children as one of their life goals. They had no safety net. They had no alternative, either. Nathan decided that he was not going to look for a job; he was going to follow one of his long-standing dreams—to start his own business.

Nathan soon realized that selling on eBay was more exciting and rewarding than any line of work he had ever done before. "It turns out that if there is any place to sell motorcycles in the winter, it's on eBay. It was exciting.

One month I made a couple of thousand profit, and I knew that growing this into a full-time business was the right decision.” A look at the motorcycle listings for thecollectabletrader, the User ID of Nathan’s company, shows why selling on eBay can be so exciting, especially when you do it right: many of the listings had twenty or more bids, and prices often reach more than \$5,000 (see Figure 2-6).

**FIGURE 2-6** Selling ethically and promoting trust results in bids and sales.



### “I Set Out from the Beginning to Build a Business”

From the start, Nathan Sanel wanted to use eBay as a vehicle for starting his own full-time business. But he didn't want to start just any business: Sanel had previously worked in the motorcycle industry, and he had seen business practices he sometimes found distasteful. He wanted to do things a better way.

“I set out from the beginning to prototype a business and come up with a plan. We want to do better than most used car dealers. When I discovered you could buy and sell on eBay, I used to sit in the basement and write job descriptions for people I hadn't hired yet, and draw up budgets. I wore every hat in the company to begin with, and I stayed focused. Soon, we would hit a milestone as far as volume. I don't think eBay has anything spectacular to do with our success. It's just that eBay allowed me to do without a lot of overhead and allowed me to create the business first instead of getting a loan and incurring all sorts of up-front costs. I was able to assess the market and build the business from what I learned.” Nathan shows off some of his inventory and brick-and-mortar business in Figure 2-7.



**FIGURE 2-7** This eBay business led to a brick-and-mortar store with a substantial inventory of high-performance motorcycles.

### “We Have a Core Philosophy: Tell the Truth”

What can you learn from Nathan's example? He made an initial leap of faith; he moved forward with confidence; he was excited and energized by selling on eBay. More than that, he always intended to run a full-time business that he could run according to his own strong set of ethical beliefs. When you feel strongly about your business and your level of



trustworthiness, your confidence comes through to your customers. Take a look at the short description at the top of Sanel's eBay Store, National Powersports Distributors. I've highlighted the keywords that convey Nathan's business ethic:

Through our **dedication to service**, we've grown to be one of the most **trusted** on-line specialists in the motorsports industry. Check out our **extensive mechanical and cosmetic condition reports** on each bike we sell.

This mission statement, as well as a photo of Sanel and other statements about why buyers should trust him, appears on the National Powersports Distributors' About the Seller page of its eBay Store (<http://stores.ebay.com/The-Collectable-Trader>), shown in Figure 2-8.

**FIGURE 2-8** Successful PowerSellers are up front about their ethics and put a premium on developing trust.



Not only that, but a similar statement describing the company's business ethic is posted on the wall of the National Powersports Distributors store (see Figure 2-9).



**FIGURE 2-9** Posting your business ethic lets customers and employees alike know where you stand.



**note** *You might notice that the eBay Store of Sanel's company, which is now called National Powersports Distributors, still contains references to the store's original name, The Collectable Trader, in its URL and title bar. That's because Sanel was reluctant to give up his original User ID when he changed his business's name. He knows previous customers come to him looking for the User ID thecollectabletrader, and he doesn't want to confuse them by changing to a new one.*

Honesty, quality, and expertise are what it's all about. That applies to selling motor vehicles more than smaller items on eBay. "It's a huge decision to turn over money to someone you have never met for a bike you've never seen in person," says Jeff Juneau of National Powersports. Nate takes pains to point out that Jeff isn't a salesman—he has several job titles, but the best description is that of customer relations manager. "Why



does Nate make buyers more comfortable buying a bike online, which is a huge leap of faith? We are honest and let the bike sell itself. If the customer is excited, great. If the customer decides it's not the right bike, we're cool with that. It makes you feel good to go home and know you made the customer happy."

### **"You Don't Have to *Sell* Something; Just Make It Available"**

In Chapter 1 you learned about Phil Leahy, who has trained his staff to respond quickly and courteously to customers. Nathan Sanel does the same sort of training with his employees, too. But because his company deals in motor vehicles, and because salespeople for motor vehicles don't all have a good reputation, he goes a step further. From the moment of the first job interview, he conveys his beliefs about honesty and low-pressure sales tactics to his workers.



**tip** *Sanel's eight full-time employees have an advantage over other motor vehicles salespeople: They don't work on a commission, but receive a salary. Their income doesn't depend on the number of sales they complete. It's another part of Sanel's business ethics that benefits both employees and customers. Pay is not the only reason they work for him; they also do it because they want to work honestly and really get the chance to help people.*

"The principal thing we talked about first was to tell the truth, and everything else will follow," says Juneau.

"My employees all know that if there's ever something that happens on this job, they have a core philosophy to fall back on. If they drop a motorcycle off the stand, they should report it. If the customer says they like a certain model better, let them switch. I don't have 'salespeople' here, actually. I will guide you, and I will answer questions. I will provide you with more honest information about the bike that you are looking at. That's one of the things I've learned from doing business online: on the Internet, you get an abundance mentality. You realize that you don't have to *sell* something to people. You find that there are always people out there who want what you have. You just have to make it available to them."

### **"eBay Can Put a Motorcycle in Front of 2,000 People a Week"**

Today, Sanel's employees are able to convey that core philosophy to customers through a brick-and-mortar store he recently opened in Loudon,

New Hampshire. “The Internet allowed us to go brick-and-mortar,” he remarks. Selling directly through his own brick-and-mortar store allows him to achieve higher profit margins. But selling on eBay and elsewhere on the Internet has its advantages as well. “You generally have to work very efficiently to sell on the Internet, and you get a very quick turnaround, but the profit margins are lower. Business 101 holds that it’s all about return on investment—profit margin times returns. It is a difficult way of doing business, but if you can make it work in a low-margin, quick-turnaround environment, you can clobber the competition. Traditional dealerships cannot survive at the low margin we work on because they just don’t have efficiencies that we have. eBay is just like any type of business. The only thing spectacular about eBay is that they can put a motorcycle in front of 2,000 people a week.”

### **“The More People Become Comfortable With Us, the More Profits Go Up”**

Nathan Sanel admits that selling vehicles online has a number of built-in negatives. You can’t always inspect a vehicle in person and shipping can be expensive. He overcomes the negatives by building trust. “I’m trying to protect people and educate them as to what to look for. The more people become comfortable with us, the more profits go up. What people were willing to pay for our bikes has increased as they became more and more comfortable buying from us.”

Like other highly successful PowerSellers, Sanel developed his own customized software, which helps the company present the information from their extensive vehicle inspections. The big payoff is in return business that results from customer loyalty. “After the sale, after four years, I have customers who have bought multiple bikes from me who I’ve never met. I want people to be afraid to buy from anyone else but me. That’s exactly what I want. That’s what you get by telling people the truth. People talk about you on chat boards. We have word of mouth in a very global way.”

### **Lessons Learned in This Chapter**

- In order to perform all of these tasks that go into running a successful eBay business enthusiastically and diligently, you need to have the right frame of mind: You need confidence in yourself and what you’re doing.
- Be clear about your business’s mission and believe that you’re doing the right thing; all of the steps involved in running a successful business come that much easier.

- Develop a mission statement for your business and put it in writing on your web site or eBay Store.
- Try to find something unique to sell on eBay, and promote the fact that customers can't find that type of merchandise anywhere else.
- Try to reach a worldwide audience for merchandise that would only be found locally if it wasn't for eBay.
- Consider installing special software for managing auctions and automating tasks to improve productivity.
- Create a business web site that enables you to sell directly to customers and establish a professional identity.
- Develop a strong set of ethics and communicate them to your employees, so they can put them into practice when dealing with your customers.

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# Chapter 3

## Connect with Your Customers

Drew Friedman doesn't sell as many items as other PowerSellers. In fact, he's happy if he is able to complete several transactions a month in one of his product lines. This is in dramatic contrast to most PowerSellers, who need to sell anywhere between 50 and 500 things each month just to make \$1,000 or more in gross sales, which is the bare minimum needed to keep the magic PowerSeller icon next to their User ID.

And yet, Drew is envied and respected by practically all of the sellers who know him. When they hear about what he sells and how he sells it, they want to do the same. That's because he succeeds not by volume sales but by profit margin. He is able to connect with loyal customers who have lots of disposable income. He knows just what his buyers want, and he is able to provide it for them through his eBay Store, White Mountain Trading Company.

**Business name** White Mountain Trading Company

**Seller name** Drew Friedman

**Web site** <http://stores.ebay.com/White-Mountain-Trading-Company>

**Sells** Luxury fountain pens, wood display cases, fine gifts and collectibles

### **High Profits, Low Volume Equal Success: White Mountain Trading Company**

Drew isn't a member of the "high disposable income crowd" he targets. But over the years, by being alert to new opportunities and exploring the market, he identified not only this valuable niche market but a product that would appeal to its members: high-priced, handcrafted, limited-edition fountain pens.

"This one sells for about \$7,500," he said casually as he produced a pen from his pants pocket. I was almost afraid to hold on to something so valuable for fear that I would drop it. The pen was very heavy and embedded with numerous pave diamonds. As I admired the instrument, Drew described its many attributes, and I began to sense how much he loved to talk about his merchandise: this part was enamel, that part was gold, that part rhodium, a white metal related to platinum.

## “If You’re Going to Sell for a Living, You Might As Well Sell Something Expensive”

A look at Drew’s completed auctions on eBay indicates how he is able to maintain his PowerSeller status. He sells his share of watches and fine gifts for up to, say, \$80. But as soon as he sells one pen for \$3,995, he’s made his Silver PowerSeller quota for that month. Over \$10,000 in gross sales per month and he maintains his Gold PowerSeller status.

How is he able to consistently sell such high-priced merchandise on eBay? First of all, he knows his customers: he has identified them, he knows what they are looking for, and he has learned how to connect with their needs and tastes.

“My customers are professionals like lawyers, gynecologists, plastic surgeons, and dentists,” he says. “They like to exhibit their ‘jewelry for men’ especially among professional peers. When they get together at their annual conventions, they compare their pens.”

He also knows what dedicated collectors like to hear, and he provides them with all the juicy details he can. A sample of one of his glowing sales descriptions is shown in Figure 3-1.

Drew doesn’t sell just any kind of pen. He sells rollerball and fountain pens that are manufactured in limited edition quantities using high-quality materials. Pen manufacturers like Montblanc have known for years that pens, like works of art, can actually gain value over time if they are produced in limited, numbered editions.

An inspection of White Mountain Trading Company’s listings for Michel Perchin pens turns up phrases that are certain to interest bidders, such as:

- “One of several last remaining . . .”
- “Brand new . . .”
- “An extremely limited edition . . .”
- “It is an extremely attractive and HIGHLY COLLECTIBLE item since being reported as SOLD OUT by the manufacturer . . .”

Get the message? This pen is rare because the manufacturer intended it to be that way. It’s a really desirable object and, if you don’t buy it now, it’s going to be permanently unavailable to you. That’s the message that Drew Friedman communicates, and it’s one that connects with his market.





**FIGURE 3-1** Rarity, quality, and craftsmanship: White Mountain’s pens have just what collectors crave.

### “You Pretty Much Have the World at Your Doorstep”

Drew didn’t always have it in his mind that he would sell high-ticket items on eBay. In fact, his initial online pursuit was figuring out how to save money by streamlining his employer’s sales process, and how to sell more using the Internet. “I was the sales manager of a manufacturing company with about 80 field sales representatives,” he says. “My job was to figure out how to use business-to-business web sites, liquidate our company’s excess inventory, and work with sales representatives from all North America. I realized that you pretty much had the world at your doorstep on the Internet.”

He started looking at eBay as a potential market for his employer's safety footwear and protective clothing products. "I remember thinking, I wonder if there's a market for selling other things on eBay. I spent weeks scouring the Internet, looking at every market and dozens of B2B web sites. I always wanted to buy a nicer pen than a BIC. I bought a Parker Jotters I used to pick up for around \$2. The interesting thing that struck me was the Montblanc Writer's Edition ballpoint pen. The first one ever produced was named after the writer Ernest Hemingway. I found an online distributor who had 550 pieces left over in a warehouse on Long Island. I bought one as a trial and put it up for sale on eBay. It sold for \$450. Then I made a deal to buy 150 of them with an option to buy the remainder in 30 days. I had them shipped C.O.D. I wasn't home when they were delivered so my wife handed the UPS driver a check for \$27,000, but only after she insisted on opening every box and making sure the pens were actually in there. I started selling them through Thanksgiving of 1999. I sold them for \$400 to \$500 each."

The story sounds pretty straightforward, but there's more to it than meets the eye. Drew did a lot of work to begin with. He investigated eBay for hours on end during his personal time; then he experimented with some trial sales. He hit on a product that was easy to store and ship. "You have to evaluate the marketplace and decide on a strategy," he explains. "Now, I saw on that deal a good profit margin. Pens don't take up a lot of space. These things were sold in limited edition quantities. I decided to buy enough so I could effectively corner a market."

After selling Montblanc pens for a while, he got to know the marketplace better, and hit on a brand of pen that was even harder to find and sold in smaller quantities. There was also the chance for an even bigger profit margin. "The company that makes Michel Perchin pens was located in St. Louis. I flew to St. Louis and had a meeting with the owner. I was fascinated by his pens. They were beautiful objects made from precious materials in countries known for their craftsmanship. There was English sterling silver engraving and enamel. The pen nibs were made in Germany from 18K gold."

Perchin pens aren't sold as widely as Montblanc; they are found primarily in pen stores and are also sold by retailers who specialize in writing implements. The Perchin web site (<http://www.michelperchin.com>, Figure 3-2) doesn't offer pens directly to the public. In other words, it's an ideal situation for an enterprising eBay seller.

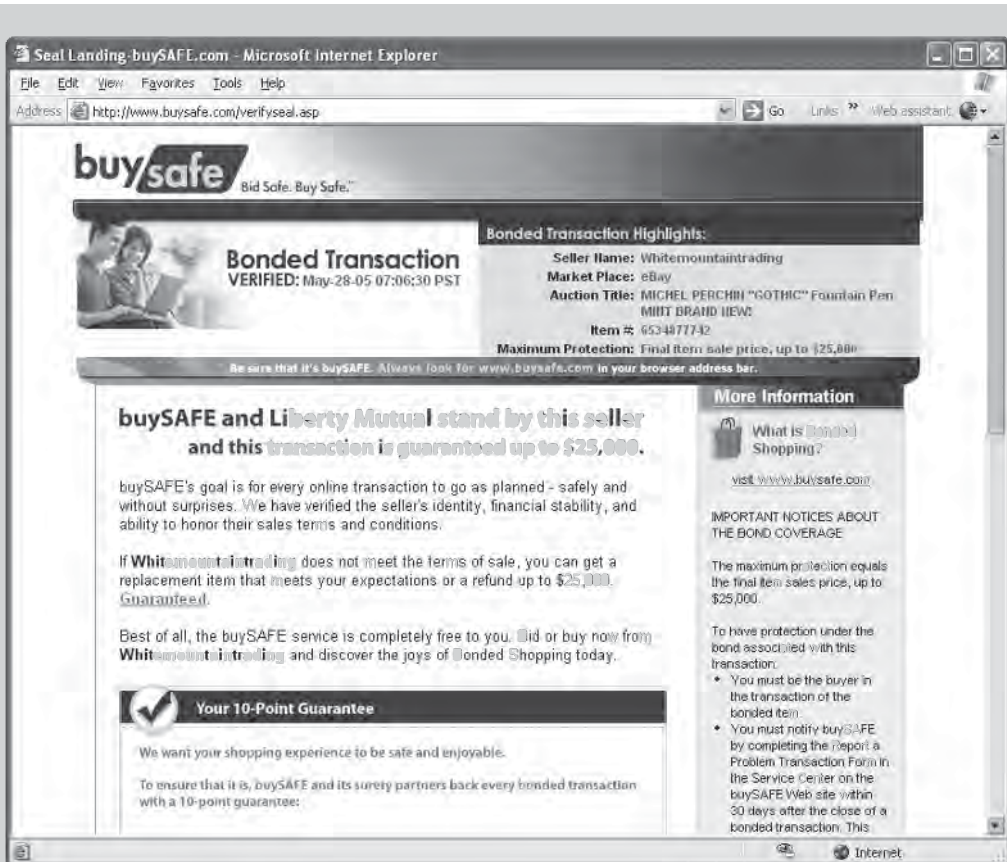


**FIGURE 3-2** White Mountain Trading Company deals in hard-to-find, unique merchandise, including these fountain pens.

### Seals of Approval: Do They Really Work?

The first thing that appears at the top of each of Drew Friedman’s sales descriptions is a logo from a company called buySAFE. buySAFE (<http://www.buysafe.com>) is one of several organizations that provides a “seal of approval” for businesspeople who sell online.

If you click on the link supplied beneath the buySAFE logo (“Click here to verify”), you go to a page on the buySAFE web site such as the one shown next. The page informs you that transactions from this seller are insured by buySAFE for up to \$25,000: if the seller doesn’t follow through with the sale and you don’t get what was ordered, buySAFE will reimburse the buyer (as long as the buyer lives in the United States and has lived up to his or her part of the bargain).



Should you, as a would-be PowerSeller, try to obtain a “seal of approval” from buySAFE, SquareTrade (<http://www.squaretrade.com>), or TRUSTe (<http://www.truste.org>) for either your eBay sales or your web site?

The first thing to keep in mind is that buySAFE is different from the other seals mentioned. It specializes in certifying eBay sellers—it doesn’t provide its protection for web sites. But you don’t obtain the seal for free. You have to pay one percent of the price of each item sold. You also have to go through an application process and submit financial information to buySAFE, including your checking account balances and your monthly eBay sales volume. In return, buySAFE provides you with a dispute resolution process, a keyword search program that helps you publicize your eBay sales, reimbursement in case you ship an item and the buyer fails to pay, and the seal of approval—which, the company claims, makes it as much as 15 percent more likely that you’ll make a sale.

*(continued)*

The SquareTrade seal program doesn't require as much information, but it isn't free, either. A prepaid year's membership in the program costs \$67.50 at this writing.

I heard a fair amount of skepticism from PowerSellers, who seemed willing to try the buySAFE seal for a while to see if it really brings them more purchases and higher purchase prices. (At this writing, six months after the original meeting, Drew is still in the buySAFE program, as well as many of the other sellers I profile in this book.) These sellers, after all, have already proved that they are trustworthy by obtaining eBay's own seal of approval in the form of the PowerSeller logo. That's the seal you should try to obtain before you think of adding on third-party logos as well. Still, Drew says of buySAFE:

"Adding a service like buySAFE allows us to provide an even higher level of purchase protection to our customers while differentiating ourselves from our competition. As a member of the Professional eBay Sellers Alliance (PESA), I was able to utilize the service at half the normal cost, which made it too appealing to refuse. Although anecdotal only for now, our customers seem to appreciate the added touch."

### **"Instead of Building a \$60,000 Web Site, We Bought Inventory"**

White Mountain Trading Company does have a web site at <http://www.whitemountaintrading.com>. But like other PowerSellers, Drew uses his web site to point visitors to his eBay Store. The site contains only the single web page shown in Figure 3-3, and that's by design.

"My wife Candy and I dedicated \$60,000 to the business," Drew explains. "Instead of building a \$60,000 web site, we bought inventory. I may only have 40 items up for sale at any one time on eBay. But the market value of what I have online is usually in excess of \$100,000."

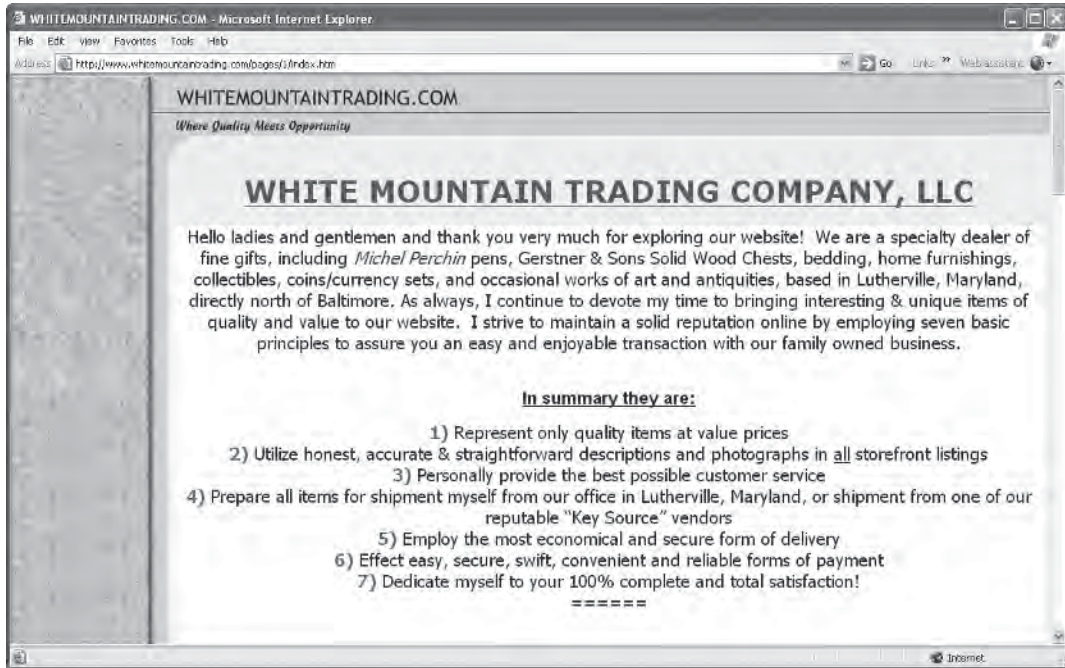
Drew also puts money into advertising. "In March 2005 we initiated paid search on Overture and Google." He also attends trade shows where pen sellers and collectors congregate.



**tip**

*See Chapter 6 for more about marketing your business and your eBay sales by purchasing keywords from Overture and Google. Essentially, you tell these services how much you will pay to display an ad with a link to your site in response to a keyword search. For example, if you sell Michel Perchin pens, you would tell Google you might pay, say, 10 cents every time someone clicks on the ad Google displays and goes to your web site. Your web site, then, can direct visitors to your eBay sales.*





**FIGURE 3-3** This seller decided to focus on building inventory rather than a web site.

### “Thirty Percent of Our Customers Make Another Purchase from Us”

For White Mountain Trading, like many other eBay sellers, eBay provides a way to make connections with new and prospective buyers. It’s the perfect way to steer shoppers to your products. After a sale is made, it’s up to you to maintain contact and encourage future purchases. “eBay is really a customer acquisition tool,” says Friedman. “Thirty percent of our customers make another purchase from us.”

Drew values his customers and gets to know them. He sends many of them e-mail messages to tell them about new pens he is selling online. Almost all of his customers turn out to be reputable buyers, even though there is a substantial danger of fraud because such high-priced items are at stake. “I lost a pen on a bounced check years ago,” says Drew. “I was out \$4,500. I held the check 21 business days before shipping the pen, but banking laws in Maryland allow the bank to return a check back for up to a year. After I sent the pen out, the check bounced back.”

### **“It’s Still Dynamic, It’s Still Exciting”**

At age 45, Drew Friedman has been selling on eBay for nearly six years. Making sales still excites him. So does being his own boss. “I walked away from my job after six weeks. Six years later it’s still dynamic, it’s still exciting.”

For his first six months as a self-employed eBay seller, he maintained an office outside of his Baltimore-area home. But then he moved his office into his house. “I get up early, try to clear my desk by 7 A.M. when my son wakes up. He sees me working at my computer at home all the time. He says, ‘I don’t want to go to preschool, I want to stay in my pajamas, like dad.’”

### **PowerSeller Round Table: Unique Versus Everyday Merchandise?**

It’s one of the questions that is frequently asked by eBay sellers when they are just starting out: “What’s the best thing to sell on eBay?” If you ask 10 different PowerSellers this question, you’ll probably get 10 different answers. Or you might not get any answer at all: some sellers are just plain reluctant to give out the secrets they’ve worked so hard to discover.

In general, though, the answer falls into two categories of sales merchandise: everyday merchandise you buy from a wholesaler, and merchandise that’s either hard to find or totally unique. There are pros and cons to either approach: wholesale merchandise is easy to obtain (once you find a reputable wholesaler, at least), and you can purchase large quantities at once, so you can have a steady supply of things to sell on eBay. Collectibles and other hard-to-find items are, well, hard to find. But they’re sure to be in demand, and you’ll have less competition for those old pieces of pottery, antique postcards, or exotic brands of coffee you want to sell online (though it often seems like, for everything you try to sell on eBay, there’s always a handful of other sellers who are offering the same thing).

The two sellers profiled in this chapter, Drew Friedman and Lisa Vanasco, primarily sell items that are hard to find. That doesn’t mean the items are antiques, of course: Drew’s pens are brand new. But it does mean they appeal to people who are collecting and eagerly searching eBay to find just the kinds of things they want. Not all sellers focus on collectibles, however.

Robert Zanger (User ID: lucky86), who is profiled in Chapter 5, started out selling stuffed animals such as Scooby Doo figures and comic books before settling on men’s suits he could obtain at wholesale. “You sell this, you sell that; you need to see what works,” he says.

Alan Warshauer (User ID: aleegold), who appears in Chapter 4, also sold many different things before hitting on charms imported from China, cell phone batteries, and screen protectors for handheld devices.



But Melissa Sands, who is profiled in Chapter 4, takes a different approach. She believes unique items will always have appeal on eBay and enable beginning sellers to compete with those who deal in hundreds or thousands of wholesale items a month.

“This is just my opinion, but people who sell vintage and used goods are going to survive longer than those who sell new items that have a small profit margin. I think selling on eBay is a tough business to break into. Every time eBay raises its sellers’ fees, it hurts those sellers who work on volume. It wouldn’t take much to drive someone out of business because margins are so tight. Not only that, but you can carve yourself out a niche, and then run into a ‘clone’—someone who figures out who your suppliers are, and what your secret of success is. You always have to stay one step ahead of the competition.

“For me, my success depends on my knowledge of vintage things,” she adds. “If I sell things that can’t be duplicated, then I have less direct competition.”

The important thing is to find the approach that works for you: Find merchandise you can purchase at a low price and resell on eBay for a profit. Whether that merchandise consists of wholesale, everyday goods or one-of-a-kind collectibles depends on what you can find most easily.

## Interpersonal Skills Connect with Medical Buyers: Ready Medical

Often, success on eBay isn’t just what you sell; it’s how you sell it that counts, too. A careful examination of Lisa Vanasco’s eBay Store, Ready Medical, illustrates a variety of ways in which she connects with the ideal group of customers: a niche group of individuals who are very knowledgeable about a specialized area of interest, and who are willing to spend money in order to save money. These customers don’t want to do a lot of shopping around. If they can find a trustworthy source of merchandise at a reasonable price, they will return again and again to that resource.

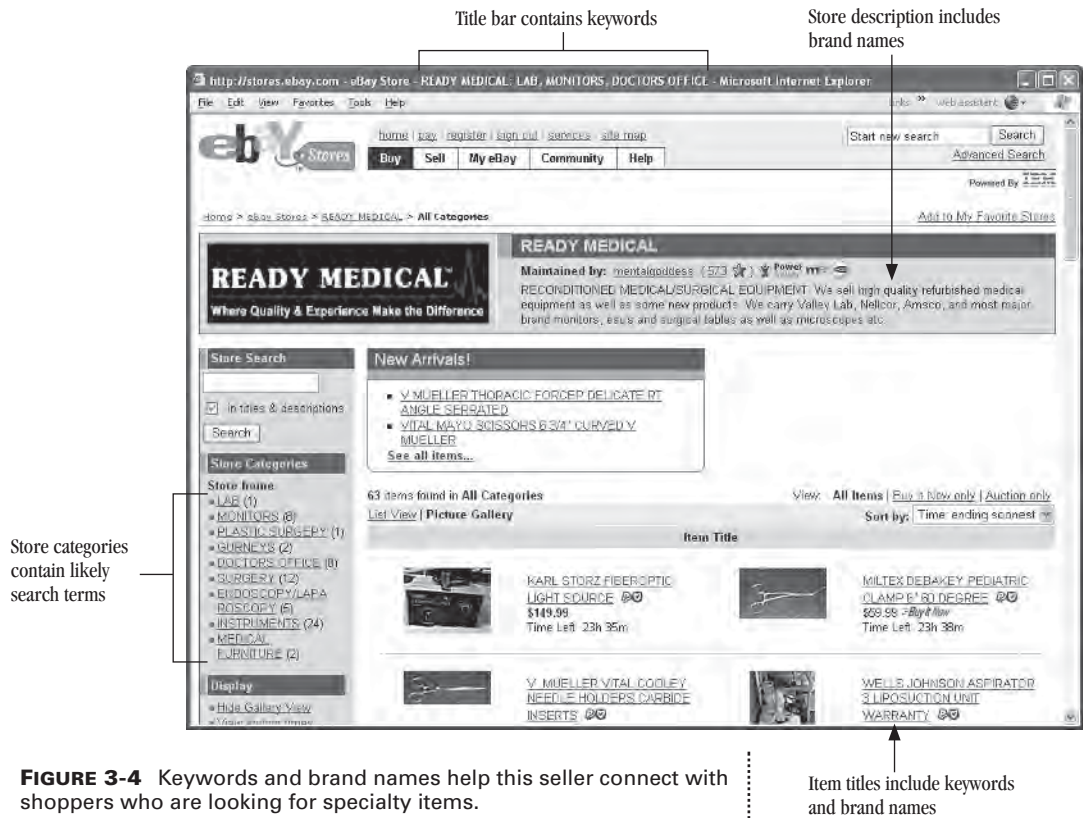
As you can see in Figure 3-4, Ready Medical deals in reconditioned medical and surgical equipment. Many keywords have been added to the

**Business name** Ready Medical

**Seller name** Lisa Vanasco

**Web site** <http://stores.ebay.com/READY-MEDICAL>

**Sells** Refurbished medical equipment



**FIGURE 3-4** Keywords and brand names help this seller connect with shoppers who are looking for specialty items.

Item titles include keywords and brand names

site's home page in order to help Vanasco, 42, connect with the buyers she wants: doctors and hospital administrators who are operating on tight budgets and who are often looking for specialty items they can only find from a handful of other sources. You'll find such keywords in the following places:

- The title bar of the store's home page includes keywords that are likely to come up in a search done on the eBay Stores home page—"lab, monitors, doctor's office."
- The description of the site also includes the brand names of some of the medical equipment sold on the site: Valley Lab, Nellcor, and Amsco. You also find, included in the description, keywords that name many of the most popular items sold there: monitors, microscopes, and surgical tables.

- Each of the items sold on the site contains a brand name and one or two words that name the item; each of these keywords enables the item to be found more easily in searches done on Google, since Google now indexes the contents of eBay Stores.
- The Store Categories on the left-hand side of the Ready Medical home page also contain plenty of specialty terms that will be of interest to doctors: endoscopy, laparoscopy, and so on.
- A New Arrivals! section near the top of the home page tells returning customers what's new on the site.

A well-organized eBay Store and a good presentation can attract the customers who are looking for exactly what you have to sell, in other words.

### **“I Work the Chick Factor”**

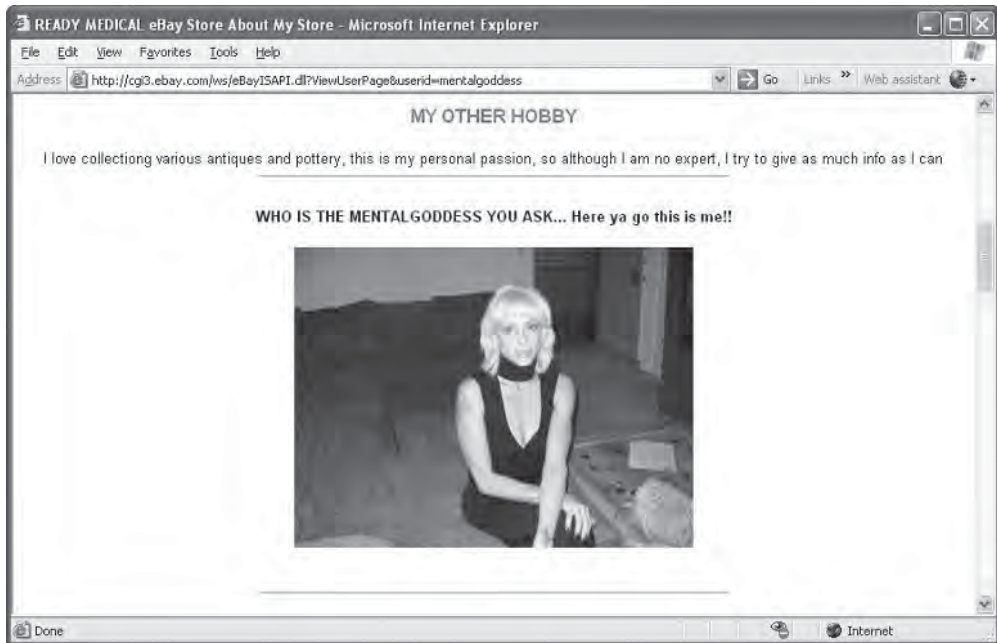
Lisa Vanasco does the basics, the kinds of best practices that all PowerSellers observe, such as creating clear descriptions, building trust, responding quickly to e-mails, and shipping quickly. But she does something else that most sellers don't attempt: she uses her ability as an actress and her engaging personality to win customers.

There aren't many women who work in the medical supply field, after all, and she uses the novelty factor to her advantage. She expresses as much in her own New York Bronx accent and in her outspoken, honest way: “I work the chick factor. I play the dumb chick. It helps that you don't find a lot of women in this field.”

The photo Lisa is referring to appears on the About My Store page of the Ready Medical site and is shown in Figure 3-5.

Most sellers keep a low profile. They let their merchandise do the work, and they only identify themselves by name when they communicate with buyers. If you look at Lisa's About My Store page, she doesn't identify herself by name, either. She does describe her own qualifications and those of Ready Medical:

- They have a brick-and-mortar business facility—a warehouse—that people can visit if they are in the local area.
- They do their own refurbishing of used medical equipment to make sure it's in good condition.
- They are a family-run business.



**FIGURE 3-5** This seller uses her acting ability and her personality to connect with customers.

- Lisa is a certified eBay Trading Assistant.
- Lisa is a member of the well-known PowerChicks group, a discussion group on eBay Groups that consists of female PowerSellers.

These best practices are things that every PowerSeller should do. But Lisa does one thing more: she uses her personality and her previous experience as an actress to her advantage; they attract interest by publicizing themselves, and they forge connections with loyal customers by making a personal bond.



**tip**

*See Chapter 4 for more about finding space where you can run your business and help it grow.*

## “How Do You Say That Big Word, Doctor?”— Getting to Know Your Merchandise

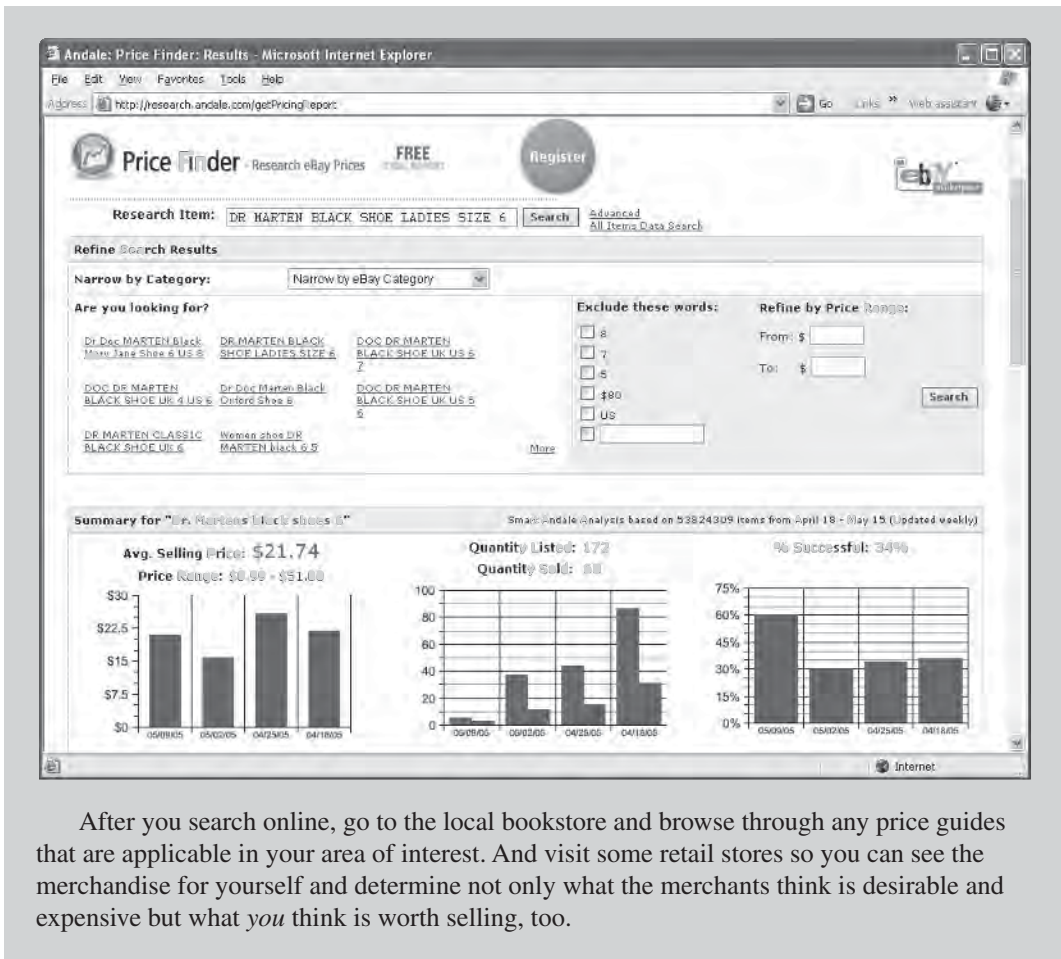
Both of the sellers profiled in this chapter had to learn a type of merchandise that was new to them, and a whole new vocabulary, when they were starting out. For Drew Friedman, the world of premium fountain pens was something he was just discovering when he first purchased a Montblanc for resale on eBay. For Lisa Vanasco, business-to-business medical equipment and terms like *endoscopy tower* and *autoclaves* had to become part of her vocabulary in order to create accurate sales descriptions. She says she has uttered things like “How do you say that big word, doctor?” to prospective customers, but if she does, you can bet she knows how to say that word and exactly what the word means.

Whether you are selling consumer goods or complex electronic equipment, it pays to explore one area well so you know what brands and models are in demand on eBay and which variations within those brands fetch especially good prices.

Don’t expect to become an instant expert in your chosen field. And you don’t have to love what you sell, either. (It helps if you are at least interested in what you sell, though, so you can create positive and enthusiastic sales descriptions.) You just need to know what’s considered “rare” or desirable. Where do you get this information? Here are some suggestions:

- **eBay’s completed auctions** Click Advanced Search, the link that appears just beneath the eBay navigation bar. Check the box next to Completed Items Only, and enter your search terms—or simply enter a generic search term like “shoes” or “pens.” You’ll get real-world information about what sells in your chosen area, and how much people are willing to pay for certain models.
- **Andale’s Price Finder** Andale, the auction service provider, provides a sales tool called Price Finder for \$3.95 per month. But you can conduct a sample search on the Price Finder page (<http://cms.andale.com/research/price-finder.html>). As you can see from the following image, this tool provides you with far more extensive completed auction results than eBay does, including charts containing three weeks’ worth of sales data.
- **Froogle** Froogle (<http://froogle.google.com>) is Google’s search tool for current consumer merchandise being sold in online stores. If you are selling new or nearly new electronics, sporting goods, or other items, go here for an accurate survey of the current prices.
- **eBay’s discussion groups** Search discussion groups on eBay for any that pertain to your area of interest; if you need advice about pricing, you can ask one of your fellow sellers.

(continued)



After you search online, go to the local bookstore and browse through any price guides that are applicable in your area of interest. And visit some retail stores so you can see the merchandise for yourself and determine not only what the merchants think is desirable and expensive but what *you* think is worth selling, too.

### **“In One Place We Have an Upholsterer, a Painter, and We Store Our Own Equipment”**

For Lisa and Ready Medical, it's important to have a physical location to store the medical equipment they obtain, refurbish it, and have a place to do the packing and shipping as well. One reason should be obvious: As you can see in Figure 3-6, many of their items are bulky and heavy, and it takes a lot of room to store the merchandise and prepare it for sale. Another is legitimacy: many wholesale suppliers or other businesses (not necessarily in the medical equipment business) won't ship directly to you unless you have a physical address and a business license. They want to know that you're legitimate.





**FIGURE 3-6** A physical facility gives this company room to work and grow as well as legitimacy.

Ready Medical frequently mentions its large warehouse facility, where six employees work. (Their painter, Carlos, left, and their upholsterer, Beto, are shown in the upcoming photos.) On its web site (<http://www.readymedical.net>), the company emphasizes its commitment to selling affordable equipment that is in excellent condition:

We sell used, high quality refurbished medical equipment, as well as some new products. The savings in used equipment pricing, versus new pricing is approximately thirty to seventy percent, depending on the piece purchased.

READY MEDICAL maintains a facility in Paramount, California, of over 40,000 square feet that houses one of the largest reconditioned medical equipment marts in the United States. We offer a unique variety of equipment and services, including a complete upholstery and paint shop on site for equipment restoration.



All equipment is reconditioned to manufacturer's original specifications, through disassembly, inspection, repair, cleaning, replacement of necessary parts and reassembly. Emphasis is also placed on cosmetics, to ensure a "LIKE NEW" finished product.



There's one more benefit to having a physical store that customers can visit. When you have a physical business, you have a phone number, and prospective customers can contact you there as well as by e-mail. You don't *need* to have a physical facility in order to have a phone number, of course. But Lisa Vanasco says those in the medical profession like to call and talk to someone personally, and having a business address as well as a business phone number makes that easier. "eBay is like advertising," she says. "The medical community wants our phone number. We get calls all day long from eBay."

### **"It's Like Gambling; It's All About the Action"**

Selling on eBay is a lot of work, and you have to have a clear motivation to keep working at it. For Lisa, one of the motivations is that it's not at all boring. "I'm a New Yorker, right?" she says. "It's all about the action. I like eBay; it's like gambling."

Another motivation: she's led a very adventurous, action-packed life, and the opportunity to join the family business and make some money selling medical equipment online came at just the right time for her. "I grew up in Jamaica, Queens, surrounded by New York Italians," she says. "I went to college in Cincinnati, and I got an accounting degree. I went to Maui and spent many years in Hawaii, just drifting around. You might say I got my freak out, and I worked it out safely. My dad was here in California, so I went here to be closer to him. I was walking down the street one day in Hollywood. I had shaved my head at the time. There I was, this skinny chick contortionist who had a motorcycle license. This TV director spotted me just walking down the street and must have thought I looked cool, because he asked me if I wanted to try out for a TV pilot. That turned out to be the pilot for the show *Dharma and Greg*. I ended up playing Dharma's lesbian bridesmaid."

For several years Lisa worked as an actress in Hollywood. She played aliens, drug addicts, and other colorful characters. In one film she was busted by Robert De Niro, who was playing the role of a cop, and was topless with Nicholas Cage in another. She may be best known as one of the alien characters on the successful TV series *Star Trek: Voyager*. "I was bald, and I was blue, and I had a sort of seam running down the middle of my face," she says. "I did that through the mid-1990s. After the last episode, I was an out-of-work actress. I was trying to decide whether acting was just a fluke or not. I just don't have the head for Hollywood."

Lisa's father had been selling refurbished medical equipment for 23 years, and she got a job with Ready Medical as a temp. At the time, Ready Medical was fighting to survive; the company had no presence on the Web, and was being outsold by its competitors, who were already selling on the Internet and stealing away business.

Vanasco stepped in and offered to list some items on eBay. "They all laughed, but they let me go ahead," she says. "I tried it and I sold a Hewlett-Packard multi-parameter device for \$1,100. Then, I sold a patient blood monitor, and then all kinds of medical equipment." In that first week, she sold more than \$5,000 worth of medical equipment; before long, the company became a Gold PowerSeller. Lisa (left) and a fellow seller, Coco, are shown here in front of the Ready Medical facility.



As you can see, Ready Medical, like White Mountain Trading Company (see the previous profile in this chapter), deals in expensive merchandise that potentially carries a big profit margin. She helped to expand the business to eBay and the Web. But it wasn't all part of a well-thought-out plan. "It just started because I was bored," Lisa admits. "Hollywood was a bunch of BS, I had guys hitting on me, girls hitting on me... eBay was like, no one has to look at me; no one has to know who I am."

### **"Let Your Customers Think They're Your World"**

Today, Ready Medical has roughly 60 items for sale at any one time in its eBay Store (<http://stores.ebay.com/READY-MEDICAL>). The company has a basic web site, but it simply redirects visitors to the eBay Store, which is doing so well that Ready Medical doesn't feel it needs to sell directly to its customers. Recent increases in eBay Store fees have cut into profits, but the ability to sell at fixed price, rather than having to wait for bids to come in and relist if an item doesn't sell the first time at auction, makes up for it.

"I am testing my new philosophy," explains Lisa. "I would rather pay the money on the back end. In an auction, we might not sell something that we list. I will pay the higher eBay Store fees, as long as I know for sure that we have the sale. If I get business calls from eBay, it's worth the higher listing fees."

She also depends on three guiding principles to encourage repeat business: "Customer service, customer service, customer service. I do everything to hold on to customers. We send little cards out to our customers to remind them we're there."

Timely shipping and good communication are also key, she adds. She checks her e-mail four or five times a day, and is as friendly as she can be to everyone who calls or asks for help. "Don't let your customers think they don't matter," she says. "Let them think that they're your world."

### **Lessons Learned in This Chapter**

- If you are able to find high-priced merchandise that is sought after by an eager niche market, you don't need to achieve high sales volume on eBay.
- In order to sell high-priced merchandise, you need to connect with your customers: get to know their needs and their personalities, and learn to speak their language.
- In your sales descriptions, play up the quality and scarcity, as well as other desirable qualities such as an advantageous price, that will appeal to buyers.

- When you are deciding what to sell, do your homework. Experiment with some trial sales before committing to buy a large quantity from a supplier.
- Keep your web site simple, at least at first; like both of the sellers profiled in this chapter, you can create a simple web site that directs shoppers to your eBay Store.
- Do everything you can to encourage repeat purchases from your customers; keep in touch with them via mailings, and try to get to know them personally.

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# **Chapter 4**

## Think and Act Like a Businessperson

Melissa Sands just isn't cut out for the nine-to-five working world. She began to realize this while working at an accounting firm near Detroit, Michigan. "I think of myself as a type A personality and working for someone else just wasn't right for me."

At the time, Melissa's husband Jim sold comic books and sports cards at local collector's shows. As a result, the house was crowded with merchandise. Melissa's brother suggested eBay as a way to dispose of all that stuff; she began by selling some promotional cars—models of real automobiles that were given away in the 50s, 60s, and 70s. (Her husband had pulled them out of someone's garbage in Grosse Pointe, Michigan, a town where many American auto industry executives have lived.) When those sold well—some for as much as \$200—that's all it took to get Melissa hooked on eBay. Her story illustrates some critical practices that separate moderately successful sellers from PowerSellers: an obsessive devotion to hard work, a commitment to working as hard as it takes to be successful, and the importance of having a business plan. If you can begin to think the way a businessperson thinks, you've made it half of the way toward meeting your eBay business goals.

**Business name** Sands-o-Time Estates Antiques

**Seller name** Melissa Sands

**Web site** <http://stores.ebay.com/Sands-o-Time-Estates-Antiques>

**Sells** Pottery, jewelry, other collectibles

### Planning for Success: Sands-o-Time

Melissa Sands (User ID: sands-o-time) knew she wanted to leverage selling on eBay as a way of leaving the nine-to-five grind and helping to support her family. But she didn't always have a systematic plan for doing it. If your eBay business is your first business, you owe it to yourself to do something Sands eventually did and hire a business planning consultant—someone who can work with you to create a detailed projection that not only spells out where you want to be, but how you're going to get there.

Melissa had been accumulating collectibles at estate liquidations and selling them on eBay for several years. In order to sell collectibles in quantity,



Melissa found herself working long hours. When she started having kids, her sales activities grew even more stressful. “The business had taken over our house, with inventory all over the place. I also had to work into the evenings and on weekends. My sales had gone down because I had a baby, and it wasn’t as easy to do the things I used to,” she explains.

Melissa also needed to find new ways to cope with increasing competition and rising fees on eBay. “I deal in vintage pottery, porcelain glass, and costume jewelry. Some weeks I spend my time going to garage and estate sales; some weeks we buy whole estates.” She also teaches classes on eBay in her home area, Clinton Township, Michigan.

She wanted not a handwritten document, but a formal business plan: a systematic way of defining what you want your business to do and projecting your costs and income over a period of years. That way you not only determine that you are doing what you really want to do, but you define what constitutes success, and when you expect to achieve it.

### **“It Helps to Have a Formal Business Plan”**

Like many eBay sellers who deal in antiques and collectibles, Melissa is a collector herself. As she notes on her About My Store page (<http://cgi3.ebay.com/ws/ebayISAPI.dll?ViewUserPage&userid=sands-o-time>), she herself collects Taylor Smith Taylor pastel dinnerware. “I sell on eBay to support my LuRay habit!” she jokes. She finds an eBay Store a useful venue for reaching customers: in the store, she can offer multiple items at a fixed price. Unlike eBay auction items, merchandise that’s put up for sale in a store can remain up for sale for a long period of time: 30, 60, or 90 days, or even an unlimited period of time.

But she felt a formal business plan was the way to take her eBay business to a new level. “I am working on ramping up this year. It helps to have the business plan in the form of a book, with all of our plans and goals. We can say, this is who we are, and who we want to be; it has been a living, breathing plan, so we say this isn’t working, we take this out of the plan. It gives us a spot to strive for, and if something doesn’t work, we just say, ‘We are going to take that out.’”

Part of her plan involved a new (and, some might say, surprising) way to expand her eBay sales: she opened a brick-and-mortar store, shown in Figure 4-1.



**FIGURE 4-1** This seller depends on a business plan to achieve goals and plan new strategies.

### **“I Built Up a Huge Reference Library—Anything and Everything I Could Get My Hands On”**

From the start, Melissa treated selling on eBay as a full-time business opportunity rather than a part-time hobby. Her professional attitude first manifested itself in a desire to be a knowledgeable seller. She made it her

### “I Go Through the Plan Once a Week and Set Goals for Myself”

“My business plan took two months to create and required various meetings,” says Sands. “I went to a man I met in a business networking group. I talked to him about creating my operational business plan. It’s not necessary to have a business plan in order to sell on eBay, and I didn’t necessarily need a plan I could take to a bank to get money, but a plan on how my business was going on a day-to-day basis. I set goals and dates for things I wanted to accomplish. I go through the plan roughly once a week—sometimes less, sometimes more—to see if I am actually accomplishing what I set out to do, and if the plan seems doable. I go from there and set sales goals for myself. We ended up with a physical planning document, and it cost me around \$4,000. I spent a lot of time and money on this plan and I think it was well worth it.”

What can you learn from Melissa’s plan? Once you identify your niche, tend to your business on an ongoing basis. Look ahead to the next month and year, and come up with goals for yourself. Then be prepared to change those goals and adjust your plan as the need arises.



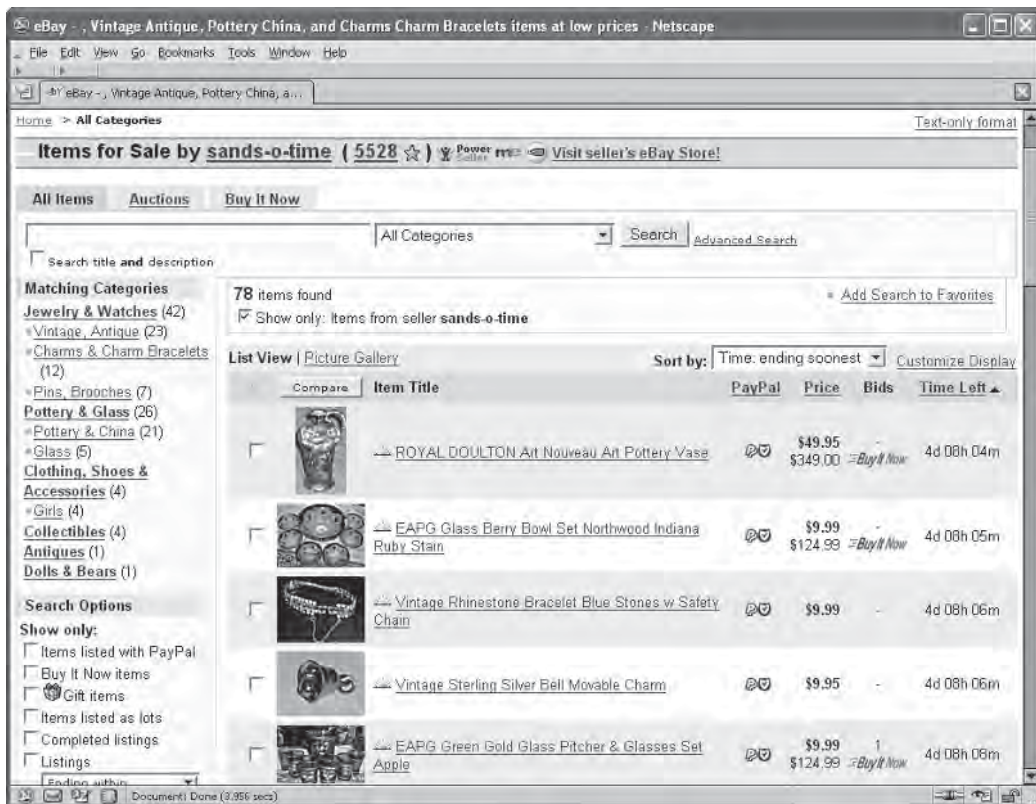
**tip**

*Don’t let your sales activities take over your life. Develop a schedule and stick to it. If you are selling on eBay full time, set aside one or two days for buying merchandise, one or two days for preparing auction listings, one day for packing, and one day for shipping. You’ll probably also have to devote part of every day to answering e-mail inquiries—one of the most time-consuming and important parts of customer service. (See Chapter 8 for more on the importance of responding to e-mail quickly.)*

mission to educate herself on antiques and collectibles of all sorts so she could learn which items to purchase for resale on eBay.

“With the promotional cars, I had tons of collectors e-mailing me for more information. In the process I learned all about them. I knew that if I could learn about these things and sell them and make a big profit, I could sell other things. I built up a huge reference library on anything and everything I could get my hands on. Even today, I am constantly buying new books, taking classes on antiques and collectibles, and watching any and all shows on decorative arts in order to learn more.”

It’s easy to see how Melissa’s research has paid off. As you can tell from scanning the list of items currently for sale in her eBay Store, Sands-o-Time, she has anything and everything for sale, from an ivory carved miniature to a piece of rhinestone jewelry (see Figure 4-2).



**FIGURE 4-2** This seller is constantly researching and educating herself so she can sell more effectively.

As Melissa indicates, the more you know about what you sell, the better off you are in many ways. First, you'll be much more likely to purchase merchandise that people will actually want. You'll know if a pair of shoes has the original sole on them or has been re-soled, for instance. You'll know if that doll is a remake or an original edition. Second, you'll be able to write descriptions that have more informative details of the sort collectors love. Third, you'll know what constitutes a reasonable reserve price or starting bid, because you'll know what the item is really worth.

## How Melissa Sands Takes Advantage of Multiple Sales Venues

Like Melissa Sands, most PowerSellers on eBay don't work in one place. They sell not on one version of eBay, but on two or more of the international



If you're already online and on eBay, you've got some research tools at your fingertips. Simply researching eBay's completed auctions and reading other sellers' descriptions can educate you about what's hot and what's not. If you're interested in selling antiques and collectibles, as Melissa does, don't forget other online resources such as Kovels' Online Antiques and Collectibles Price Guide (<http://www.kovels.com>) and Antique and Collectible Mall (<http://www.tias.com>), which contains links to many authoritative web sites on antiques. But there's no substitute for purchasing antique price guides and studying them at home in your spare time—which, by the way, you have to work to create, in order to learn more so you, too, can become a PowerSeller.

versions of the site. They don't just put multiple items up for auctions. They also sell through their eBay Store, or through a brick-and-mortar store. And they have About Me pages—free web pages that eBay provides to all of its users and on which they can explain more about who they are and what they buy and sell on eBay. Sellers can make a link from their About Me page to a web site. Melissa Sands' business web site looks like her eBay Store (shown in Figure 4-3) because it uses the same logo and colors; the consistent presentation helps her build her business identity online. Her web site (<http://www.sands-o-time.com>) contains information about yet another sales venue: her brick-and-mortar store, where visitors can get appraisals and purchase items from this busy seller.

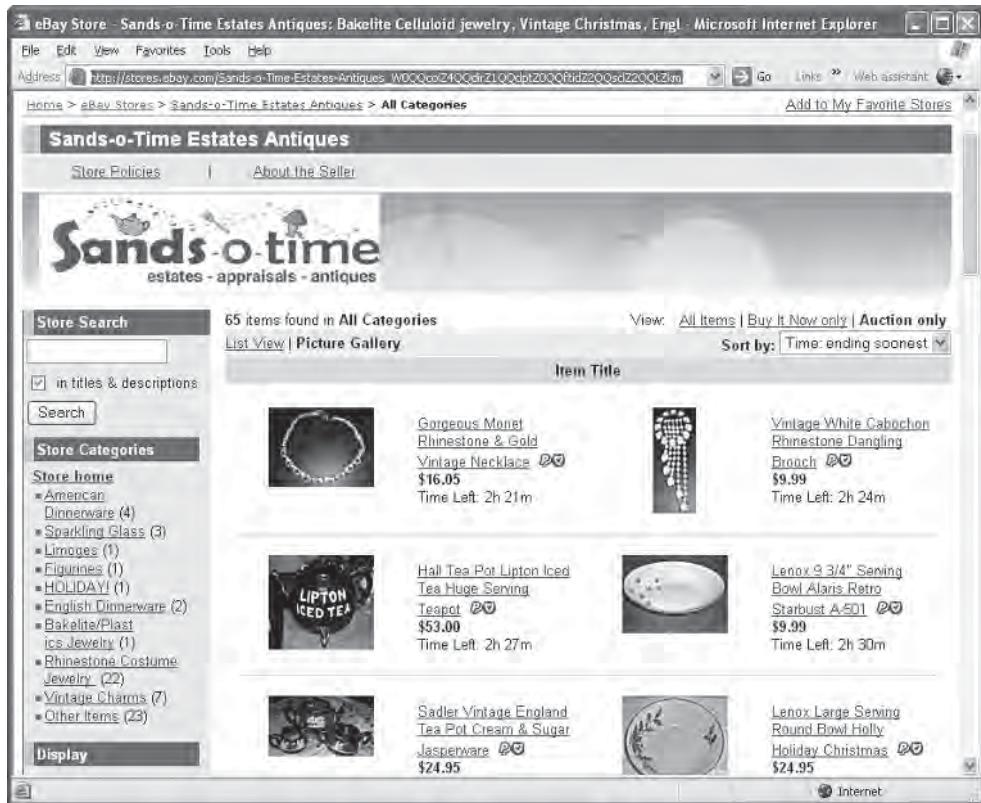
Other changes are less dramatic: PowerSellers change product lines,



### **“You've Got to Be Flexible and Ready to Change”**

One of the great things about doing business online is the ability to stop on a dime and take a totally new direction without incurring excessive overhead costs. For Melissa Sands, the change came when she purchased a former antique store and opened up a physical business facility. For some former brick-and-mortar store owners, the change came about when they started to sell in volume on eBay and realized they were finding more customers online than they ever could in their brick-and-mortar antique store. They closed the store, rented a warehouse where they could store the merchandise, and became PowerSellers.

find new suppliers, open new stores, and generally focus their business in



**FIGURE 4-3** An eBay Store can point to a web site, and vice versa, to gain more attention for your sales.

new directions as the market changes. That's one important feature about a business plan: it isn't written in stone, and can be changed to fit changing situations.

Rather than going from one sale to another and buying single items that seem likely to sell on eBay, Melissa Sands buys up entire estates. It's more work hauling everything back and selling one item at a time, but she doesn't have to go out so often. And now that she has a brick-and-mortar store, people come to her with merchandise to sell; she doesn't have to go out looking as much as she used to. It's just one of many approaches that separates professional eBay sellers from amateurs. Some others are illustrated in Table 4-1.



Subject	What the Amateur Thinks	How the Professional Acts
Getting the Work Done	“I’m really busy; I’ve got to clean the house and do the shopping; I can’t get to the post office today.”	“I’m going to have to fit the packing and photography in today and find time for shopping; maybe I should call the cleaning service in.”
Questions from Prospective Bidders	“Why is this person bothering me with a question about how to pay? Am I supposed to educate them on how to use eBay?”	“I want this bid; I want good feedback; I’d better be courteous and respond right away.”
Packing	“I can’t believe how much work this is! Why did I wait until the last minute? I’d better just shove this stuff in boxes and get it out the door.”	“I’m tired, but I’ve got to pack this carefully and put in a thank-you note so the people are happy when they open up the box.”
Finding Inventory	“Is this for real? Do I really have to get up at 6 a.m. on a Friday just to go to an estate sale? Can’t I sleep late for once?”	“It’s Friday; I have to get up early today and tomorrow to go to sales. Well, at least I’ll be able to sleep late Sunday and Monday.”

**TABLE 4-1** Differences in Attitude Between Amateur and Professional eBay Sellers

## Roll Up Your Sleeves, Put In Long Hours:

### Alan Warshauer

When Alan Warshauer told me what he sells on eBay and how he sells it, I was just amazed. “It’s very hard, it’s a lot of work,” he said. But he said it with a smile—the smile of a Platinum PowerSeller, a level that has a minimum requirement of \$25,000 in gross sales per month. As you can see from Figure 4-4, Alan has a feedback rating of more than 33,000 and a “shooting star” icon next to his User ID. And, at the time we spoke, he had 2,190 items currently for sale on eBay.

When I met Alan, he was just in the process of signing up with an auction service provider, Zoovy, to use their sales automation system. But for the six previous years, he had been selling thousands of items a week all by himself, keeping track of all the sales manually.

“There’s a lot of work involved in doing that,” he said with some understatement. “I work a full-time job during the day, then I spend 4 to 5 hours a night after working 8 to 10 hours a day. I basically do much of the operation myself, though my wife and kids help with the packing. My children also help me with laying out the charms. I list 3,000 charms a week, an average of 400 to 500 a day.”



The screenshot shows the eBay Member Profile for user 'aleegold' (ID: 33304). The profile includes the following information:

- Feedback Score:** 33304
- Positive Feedback:** 99.7%
- Members who left a positive: 33383
- Members who left a negative: 90
- All positive feedback received: 89532

**Recent Ratings:**

	Past Month	Past 6 Months	Past 12 Months
positive	3328	22942	51228
neutral	5	96	179
negative	2	53	101

**Member since:** Jul-17-98  
**Location:** United States

**Feedback Received:** 89873 feedback received by aleegold (15 mutually withdrawn)

Comment	From	Date / Time	Item #
Fast shipping great condition thank you.	Buyer <a href="#">circlesmith</a> (15 ☆)	Jun-07-05 14:01	4992682182
nice charms	Buyer <a href="#">brn1256</a> (159 ☆)	Jun-07-05 13:33	4998979098

**FIGURE 4-4** This seller came up with a system and put in the work in order to sell at high volume.

**Business name** Aleegold's Wholesale Shoppe

**Seller name** Alan Warshauer (User ID: aleegold)

**Web site** <http://stores.ebay.com/ALEEGOLDS-WHOLESAL-SHOPPE>

**Sells** Italian charms, condoms, pregnancy testers, handheld screen protectors, cell phone antenna boosters

### “I’m Always Looking for New Products”

Like many sellers, Alan and his family turned to eBay out of necessity. “My wife, Renee, is the one who started selling in 1998,” he says. “She needed some medical procedures done, and it wasn’t something that was covered

by medical insurance at the time, so she told me she was going to sell something on eBay. I said, ‘eBay? What’s that? It all looks like junk.’ Then I started seeing these checks come in, one after another, and she told me it was money coming in from eBay.” Alan and his wife, along with one of their children, are shown in Figure 4-5.

The sight of all those checks quickly changed Alan’s attitude toward eBay. “When I started selling, I got all kinds of odds and ends, whatever I could get, from garage sales. I sold Tupperware for a long time. I gradually realized it was tough to spend two or three days garage selling just to find things to sell.”

Tired of the continual grind of hunting, hauling, selling, and packing, Alan found a way to reduce the amount of time and energy spent on those first two steps: hunting for merchandise and hauling it to his home in Lake Ronkonkoma, New York.



**FIGURE 4-5** This wife turned this husband into a hard-working PowerSeller.

### “They Are All Being Made in China”

Like many PowerSellers, he began to focus on buying large quantities of items from wholesalers. In his case, he focused on lines of merchandise that were the opposite of those put online by the two sellers profiled in the preceding chapter. He found small—you could even call them *tiny*—charms and cell phone boosters, objects that were lightweight, easy to ship, and yielding small profits. And he turned to China to find them.

Several of the PowerSellers I interviewed for this book did what many retailers are doing: turning to China, Korea, and other countries in the Far East for cheap supplies of merchandise to sell. One especially high-profile seller said he had actually reached an agreement with the government of Korea in order to obtain goods directly from them that he could sell online.

“I had some friends who were selling these Italian charms,” explains Alan. “We got them interested in selling on eBay, and we just started selling the charms too. I sought out the product, and found where they were actually being made. There is no such thing as an Italian charm made in Italy, they are all being made in China.”

But he decided not to deal directly with the Chinese themselves, and he didn’t have the time to travel there. “I spoke to some of my distributors for other products. I said, ‘I really do not want to deal with them, you do the work.’ In order for me to get up and leave and go to China, I can’t list auctions for six days. If you don’t run auctions for six days, there’s a lot of work you’ve lost. My guy just got back from China last week; he was there for ten days.”

### **“You Need Someone Who Has a Rapport with Them”: Find a Chinese Broker**

Alan Warshauer does import some merchandise directly from China himself. But the bulk of his sales stock is obtained by Chinese brokers: individuals who are used to working with Chinese manufacturers as well as that country’s often complex regulations. “I deal with distributors. I don’t have the time to have to deal with China. In most cases, most of the time it’s easier for me to make a phone call and say, ‘Here’s what I want, here’s the money, take care of it.’ The guy I deal with goes there on a regular basis. You need someone who has a rapport with them.”

How do you find such brokers? First of all, look for someone who is located in your area, so you can easily meet with them in person and gauge for yourself whether they are reputable or not. Interview several brokers, and expect to try out more than one before you find the broker who works for you. A reputable broker will be able to call the right people when delays in delivery come up; that person will have influence and many contacts that can be put to use if you run into production snags.



**tip**

*You might also need a customs broker who can clear your shipment through U.S. Customs. The U.S. Customs web site (<http://www.customs.gov/>), in fact, has a list of such brokers in every state.*

A good broker will also be on top of the latest issues in taxation when it comes to importing goods from China into the United States. The U.S. government is constantly debating whether to impose—or lift—trade controls and tariffs on Chinese imports. The broker should be able to explain the current regulatory climate and tell you how to meet the laws that are in place.



**tip**

*An article on the Ecommerce-Guide web site (<http://ecommerce-guide.com/solutions/building/print.php/3503441>), “Wholesale Profits from Chinese Connections,” describes how one American woman found Chinese brokers in Atlanta who helped her build a wedding gift business that boasted \$2 million in sales in 2004.*

### **“You Can Find Products, But They’re Not Always What You Want to Sell”**

Your broker of choice should put you in contact with a variety of manufacturers who can send you samples of the goods they produce along with price sheets. Be prepared to inspect the merchandise carefully and pick the items that are of the best quality—items that you would feel good about sending to buyers. This manufacturer might not be the one with the lowest prices; the factories that turn out the best goods are the ones that have better quality control, which adds to the manufacturing cost.

“It’s very hard to find new products,” adds Warshauer. “You can find new products, but the problem is that it’s not always something that you want to sell.” If you sell something that interests you and that you like yourself, you’ll enjoy selling it. Alan likes the charms (see Figure 4-6) because they’re small, easy to transport, simple to pack, easy to arrange for photography—and in demand on eBay.



**FIGURE 4-6** This seller likes his current products but is always looking for new merchandise.

### “As an American, the Chinese Love You”

For some reason, I had the impression that Chinese manufacturers might be suspicious of Americans and other Westerners who want to import and sell their merchandise. Not so, according to Alan Warshauer.

“I know some people who are Chinese and who want to sell on eBay, but when they go to China, they get the bum’s rush. The Chinese don’t always like dealing with their own. I’ve heard that many times. As an



Alan Warshauer is always looking for new products. You should, too. Even if you are already working in one category on eBay, it pays to shop around for new products to sell. Here's a tip that no PowerSellers would come out and tell you, but it's something that they probably do themselves: study what other PowerSellers put up for sale. The current list of items that a PowerSeller has up for auction on eBay or in an eBay Store represents the kinds of things that person is reasonably certain will sell. By jotting down brand names and model numbers and reading the descriptions, you can learn a lot about the eBay marketplace yourself—as well as the subtle variations on color and trademark that make some products desirable and some others turn out to get zero bids.

### **“People Like to Deal with Me”: Be Careful with Drop-Shippers**

Alan Warshauer likes dealing directly with the public. He doesn't mind packing up his charms and cell phone boosters and sending them directly to buyers. He receives his merchandise at home and photographs the items and sends them out himself. “I'm not dealing directly with China per se. People like me; they like to deal with me; in that way, it works out.”

But many sellers don't feel that way. They're eager to find a drop-shipper: a wholesale supplier who will not only sell them large quantities of merchandise for a small price, but who will also store them until a customer makes a purchase, then ship them out for you.

The attractive thing about working with drop-shippers is the fact that they free you from working directly with your merchandise. You deal with customers, answering questions and accepting payments. The drop-shipper does the heavy lifting: packing and mailing out what has been purchased.

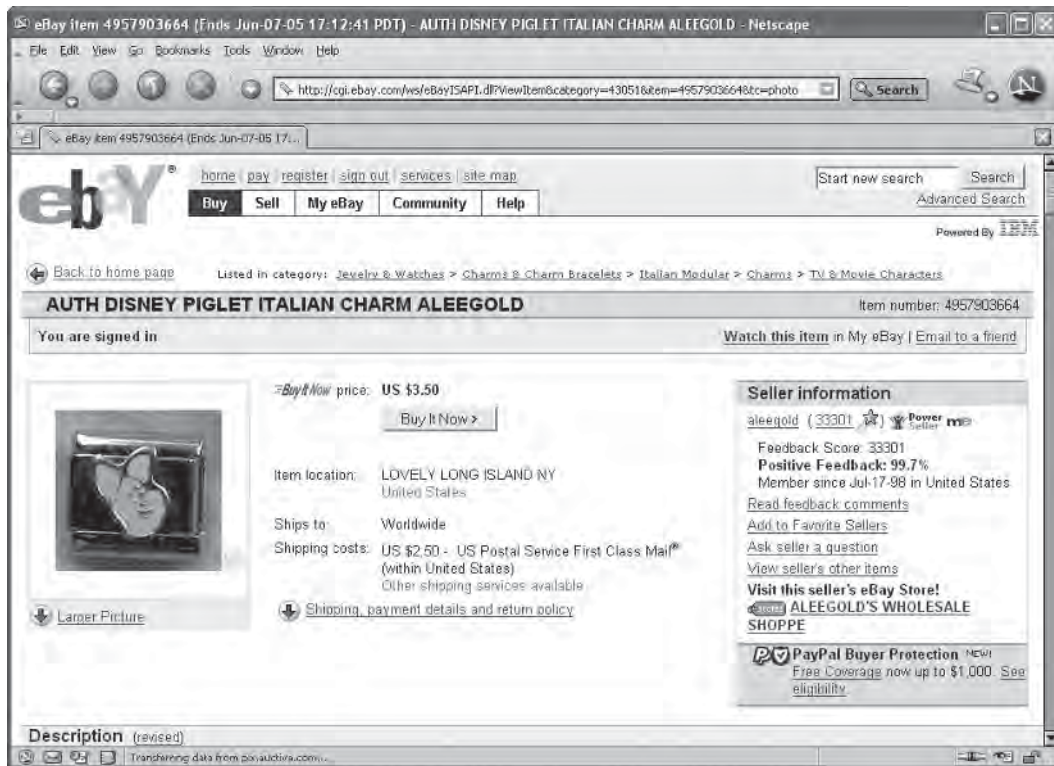
But being insulated from your own inventory is a double-edged sword. You have to rely on stock photos of your merchandise rather than taking them yourself. Some buyers don't mind this, but others find that it looks untrustworthy when the same seller uses the same photos over and over again to sell items that aren't always the same. You have to be careful that you obtain photos of all the varieties of merchandise you have to sell. And you place a lot of trust in your drop-shipper to pack carefully and ship quickly. Any mistakes the shipper makes are ones for which you are accountable. Many eBay sellers would prefer to control their inventory and deal directly with the public, putting in personal touches like thank-you notes and extra-careful packing when needed. They know the extra touches will get them glowing positive feedback, which leads to more sales. Alan Warshauer is one of them.

“I only trust myself to do the work right,” he says. “When it comes to my customers, I don't want someone else handling my products. That's not to say that there are no good drop-shippers. You just have to find one you can trust.”

American, they love you. They show you the town, they take care of you.” In other words, it might seem intimidating to turn to such a faraway country for merchandise, but give it a try: you just might get the red carpet treatment.

### “Most of the Profit Is in the Shipping and Handling”

Everyone sells on eBay to make a profit: buy low and sell high is the operative strategy. In Chapter 3, you met two PowerSellers who have no problem with that working philosophy, because their merchandise sells for hundreds or even thousands of dollars. But Alan Warshauer’s case is much different. He sells very inexpensive items. The single Piglet charm shown in Figure 4-7 only has a Buy It Now price of \$3.50. How does he maintain his PowerSeller status?



**FIGURE 4-7** Shipping and handling can help make selling low-priced items worthwhile.



Item	Cost
Original cost of item	approx. \$0.60
eBay's listing fee	\$0.35
eBay's Final Value Fee (5.25 percent of closing value)	\$0.18
PayPal fee (if applicable)	approx. \$0.36
Subtotal	\$2.01

**TABLE 4-2** eBay Sales Costs

Table 4-2, shown above, analyzes this sale to see where the profit is.

That's quite a dramatic reduction for such a small purchase. But like many (if not all) eBay sellers, Alan helps boost his profit through shipping and handling charges. As anyone knows who has sold on eBay in any quantity, there's quite a bit of physical labor involved in carrying, photographing, editing, packing, and shipping. A handling charge is reasonable—as long as you don't make it excessive. Personally (this is your author speaking), I try to keep handling charges to \$1 to \$2; anything more could be considered “gouging” by your customers and might get you some negative feedback. Alan's shipping charge for this single item breaks down like this.

- Weight: approx. 6 oz.
- Shipping cost, USPS first-class envelope: \$1.52
- What Alan charges: \$2.50

As you can see, Alan makes an extra dollar on the sale through shipping. And on an item that sold for \$3.50 to begin with, that's a 30 percent bonus. For many sellers, shipping charges cover the cost of packing materials, which can be expensive. For other sellers, shipping and handling “bonus profits” are the only thing that make an eBay sale worthwhile—particularly if you start the bidding out at a low rate, such as 99 cents or \$1, and you only get a single bid. “Sometimes I'll sell a charm for a single penny,” says Alan. “But I'll make it up in the shipping and handling end. I also sell screen protectors for the Handspring Treo 650, and there's a little more profit in that than a 10-cent or 20-cent charm.”

For international sales (and he has many of them), Alan ships Global Priority Mail for the most part. “Anything that's big or expensive I ship only through FedEx,” he says. “A lot of overseas people like Disney charms, and everyone has to pay \$6 shipping for those.”





There's an important tip buried in Alan's last quote, and I don't want you to miss it: he sells things that have a U.S. affiliation and that are in high demand overseas because they're simply harder to find there. The classic example is Levi's jeans: if you can find a size or variety (such as the 501 jeans) that are in demand by bidders in Europe and elsewhere, you'll get more sales and higher bids. Don't be reluctant to ship worldwide; some of your most dedicated customers are likely to be there, and they're willing to pay what might seem like high shipping costs just to find something they can't locate at home.

### “I Don't Put Much Stock in Being a PowerSeller”

When you talk to Alan, you notice that he downplays the fact that he is a PowerSeller, and that he typically falls into the Gold (\$10,000 per month) or Platinum (\$25,000 per month) levels. These kinds of figures impress you and me. But while I'm sure he's happy with his level of financial success, that's not his overriding concern as an eBay seller. In other words, he isn't obsessed with money. He's obsessed with something that's also of great value and that can only be found on eBay: feedback.

“Right now I'm a Platinum PowerSeller; float in between Gold and Platinum,” he says matter-of-factly. “I sell 1,500 items a week, sometimes 2,000 items. I don't really put too much stock in being a PowerSeller. I always try to keep a sales goal; being a PowerSeller gives me the phone support I need from eBay. To be a Titanium PowerSeller doesn't mean anything. That's just a gimmick eBay has. People think that's something to aspire to. Put it this way, somebody who sells 10 items a month can be just as good of a seller. Your feedback makes you a good seller.”

Accordingly, he admires sellers who have high feedback ratings—Jay and Marie Senese, who (at this writing) have a feedback of more than 236,000 under the User ID **jayandmarie**; and Jonathan Gariss of Gotham City Online, who has a feedback level of 91,000 under the User ID **gothamcityonline**. “What matters about the PowerSeller designation is not the dollar amount you pull in but the fact that you are selling a substantial quantity of items and providing buyers with good customer service,” he says. “I try to give the best customer service I can and the best turnaround times I can. Usually the day I receive payment, everything goes out the next day.”

The desire to send out everything as soon as you receive payment is a double-edged sword. PayPal, for instance, gives you the ability to receive payments virtually minutes after a sale ends. But as soon as those payment messages come in, you've got to think about printing invoices, sealing

packages, affixing labels, and so on. If you have a hundred items for sale and those sales all end Sunday night, you might well have 60 or 70 packages that you want to get to the shipper the next day. Yet, that's part of the commitment of being a PowerSeller. Another one is answering e-mail inquiries from the shopping public, a subject explored in the following section.


**warning**

*Alan mentioned a cautionary tale that resulted from customs requirements for an overseas shipment. It illustrates the importance of keeping your paperwork. "Every so often you'll have a problem," he says. "The packages for the cell phone boosters say '\$19.99 value,' for instance. I don't ever fudge on a customs slip. Whatever you bought, that's what it gets sent for. On boosters, for 10,000 pieces a fellow in Italy paid \$350. I put down \$350 on the customs slip. Once Italian customs opened up the box, the slip said \$350 value but they saw that each package says '\$19.99 value.' So they wanted to charge the guy \$199,999 in customs fees. I had to send by Express Mail an affidavit (notarized) that he paid \$350, plus a copy of the wire transfer stating he paid for everything. They wouldn't release it for the correct customs charge until he had the documentation. It took three weeks."*

### **"I Average 1,000 to 1,500 E-Mails a Day. I Go Through Them Real Quick."**

When you have as many as 2,000 items up for sale on eBay, you're likely to receive thousands of e-mail questions, too. Not everyone asks questions about each of your items, of course. And the more complete you are with the information you provide in your descriptions, the fewer questions you are likely to receive. But still, you have to wonder how Alan Warshauer gets through his e-mail—especially when he says that he averages 1,500 to 2,000 e-mail messages each day. Many PowerSellers hire an assistant to help them get through the e-mails. Not hard-working Alan.

"I do it all by myself," he says. How, I ask, can you possibly answer so many e-mail messages without going crazy? "I go through them real quick. A lot of e-mails are from people asking for total shipping costs, or whether I can combine this or that, and I'm good at that. I try to do everything as fast as I can. I can shoot through a couple hundred e-mails in a short time."

Like many sellers, he regularly checks his e-mail on his laptop or other portable devices. "Every day I check e-mails several times a day. I spend at least half an hour going through e-mails, doing what I can. It's part of doing business. People don't pay attention to the fact that you're out of town; they want their stuff and they are not interested in an automatic reply that you're on vacation."

### “My Wife Counts the FedEx Drivers as Part of the Family”

“One of the things my wife says is that we have ten people in our family,” says Alan. “She counts the FedEx drivers as part of the family. The same guys come every single day, and we get to know them real well.”

I’ve spoken to many PowerSellers over the years, and many of them say the same thing. They get to know their shippers, and meeting them becomes an enjoyable social activity as well as a business experience. Where I live, in the heart of Chicago, visiting the post office isn’t the homey, pleasant experience you might have in a small town, of course. The important thing is this: no matter what shipper you choose, get to know your options and use them to your advantage.

For instance, my local post office might not be Party Central, but it has the advantage of opening at 7 A.M. If you arrive between 7 and 8 A.M., you’re likely to encounter no waiting. If you print your own labels and postage at home, you don’t have to wait at all; you can drop your packages at a loading dock behind the building. Or you can call 24 hours in advance for a pickup at your home or office the very next day. You can order your Priority Mail or Express Mail supplies at the U.S. Postal Store online (<http://shop.usps.com>), too; they are delivered to your door a week to ten days later, and you don’t have to ask the employees of your post office for boxes of a special type or size—which they might not have, and they might not enjoy retrieving from one of their storage areas.

As Alan Warshauer says, “You have to have the priorities; the post office I go to once a day; FedEx comes twice a day.”

When you’re starting out, it makes sense to use the U.S. Postal Service, and to take advantage of their Priority Mail free boxes and tape.

- The United States Postal Service (USPS) <http://www.usps.gov>

But don’t overlook other shippers as well:

- United Parcel Service (UPS) <http://www.ups.com>
- Federal Express <http://www.fedex.com>
- DHL <http://www.dhl-usa.com/home/home.asp>



**note** *Combining shipments is a good way to encourage more sales. If you sell things that are small and easy to pack together, like Alan’s charms, mention in your sales descriptions that you will be glad to do combined shipments—to place two or more separate purchases in the same box so the buyer only has to pay one shipping fee. The new USPS Priority Mail Flat Rate boxes make combined shipping especially easy—no matter how much you place in the box, up to 50 lbs., the box costs a flat \$7.70 to ship in the U.S.*

### **“It’s Become Too Difficult to Manage by Myself”**

eBay does allow independent entrepreneurs to exert total control over their home-grown businesses. For example, Alan says: “No one else handles the payments but me. My wife could handle that if needed, but one person needs to do the job every time so there are no variations. I think it’s important to have total control over what’s coming in so there are no mistakes. I can’t have any mistakes because if there are any mistakes, there’s going to be an unhappy customer.”

As you might expect, there’s a limit to how much one person can do by himself—even Alan Warshauer. While it’s true that mistakes make for unhappy customers, it’s also possible to keep customers happy while reducing the amount of work you do yourself. That’s where automation software comes in.

“I’m going to change over to Zoovy’s system in the next month or two because it has reached a point where it is too difficult to manage everything by myself. It’s getting really time-consuming.”

In a typical day, Alan gets home at 3 or 4 P.M. from his job as a printer. “After that, I’m working on eBay.”

For the future, Warshauer hopes to branch into product lines that have higher sales prices, so they have to complete fewer transactions each month. “My wife and I are always looking for new products to sell—high-ticket items so we can lower the number of auctions we have. At the moment, that’s not the case; later on, it’s always a possibility.”

As he speaks, it’s obvious that he’s doing something while he’s talking. The sound of packing tape being unrolled is heard. “We’re not a big company, we’re very small,” he says. “It’s not that I don’t want to get big, but at some point you have to decide what do you want to do [sound of wrapping]. When you’re selling little things [sound of typing] it’s difficult to expand any further. At that point you have to start hiring people. With the charms it fluctuates. One week could be unbelievable. The next week it might not be so great. Then I would still have to pay employees. Right now my kids are happy to help.

“I have to get ready for the FedEx driver,” he says hurriedly. “I do have a pickup today.”

### **Lessons Learned in This Chapter**

- Expect to work long hours at the outset, but also expect to hire employees or contract with a service provider to help you build your sales volume.
- Draw up a business plan that identifies the products you want to sell, how you want to sell them, and how soon you expect to be successful.

- Combine an About Me page, an eBay Store, and a web site with your eBay auctions to drum up more business overall.
- Focus on providing good customer service and quick delivery so you can build up a good feedback rating.
- Know all your shipping options and choose the ones that are right for you—that are most convenient, cheapest, or both.
- Remind shoppers that you are open to combined shipments in order to encourage more purchases from you.

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# Chapter 5

## Identify Sources of Merchandise



eBay isn't just for lone individuals who are starting out in business for the first time. Those who are already in business have plenty of advantages. And if you are like Robert Zanger and you have a wholesale or retail business, you are in a perfect position to start selling on eBay.

"My father had a knitting mill," Zanger says. "He made hats and scarves. So it was natural for me to be in the clothing business, too."

For many years, Zanger lived the life of a wholesale clothing dealer in New York City's garment district. He sold his clothing to resellers such as small clothing store owners, flea market sellers, and those enterprising people he simply calls "peddlers." He also welcomed the public to the New Era Factory Outlet, a brick-and-mortar store at 63 Orchard Street in New York City's garment district. Then, he discovered eBay.

**Business name** DRESS SUITS

**Seller name** Robert Zanger

**Web site** <http://stores.ebay.com/DRESS-SUITS>

**Sells** Girls' and boys' school uniforms, men's and boys' dress suits, men's hats

## Turning a Wholesale Business

### Public: Robert Zanger

It was Christmas 1998, and Robert Zanger went to a holiday party. While he was there, his cousins showed him eBay. Later, when he got home, his sons (now ages 14 and 17) showed him how to get on the Internet and register with eBay. At that point, Zanger did what came naturally: he started selling.

"I got into it slowly," he recalls. "I started selling things one at a time. I began with things like Scooby Doo figures and other stuffed animals. At the time they didn't have any pictures—nothing. I sold a Marvel comics collection, one issue at a time, and some sold for as much as \$35."

Are you seeing a pattern here? Like many other PowerSellers who are now highly active and successful, Zanger began slowly. He started by cleaning out merchandise he had at home, and then experimented with different things in order to see what people wanted the most and were willing to bid on. Eventually, he began to think about selling in quantity. This is where he had a huge head start over other sellers: he already had a store full of wholesale merchandise just waiting to be sold.

"When you have a brick-and-mortar store already established, you have an advantage," he remarks. "You always have junk to get rid of, to

put on eBay.” The difference between brick-and-mortar wholesaling and virtual selling was that eBay enabled him to move from selling to other sellers to dealing directly with the public.

### **“You Get an Item You Have a Lot of, and You Keep Relisting It”**

Zanger created an eBay Store with the simple name DRESS SUITS, and a logo based on his User ID: lucky86. He highly recommends creating an eBay Store in which you can sell lots of merchandise at a fixed price. He explains how he is able to list 1,500 items each week, each with one or more photos, with a single statement: “You get an item you have a lot of, and you keep relisting it.” You might be surprised to learn that Robert has only a staff of three people to handle that amount of business. How does he get all the work done? Some of his approaches are described in the sections that follow.

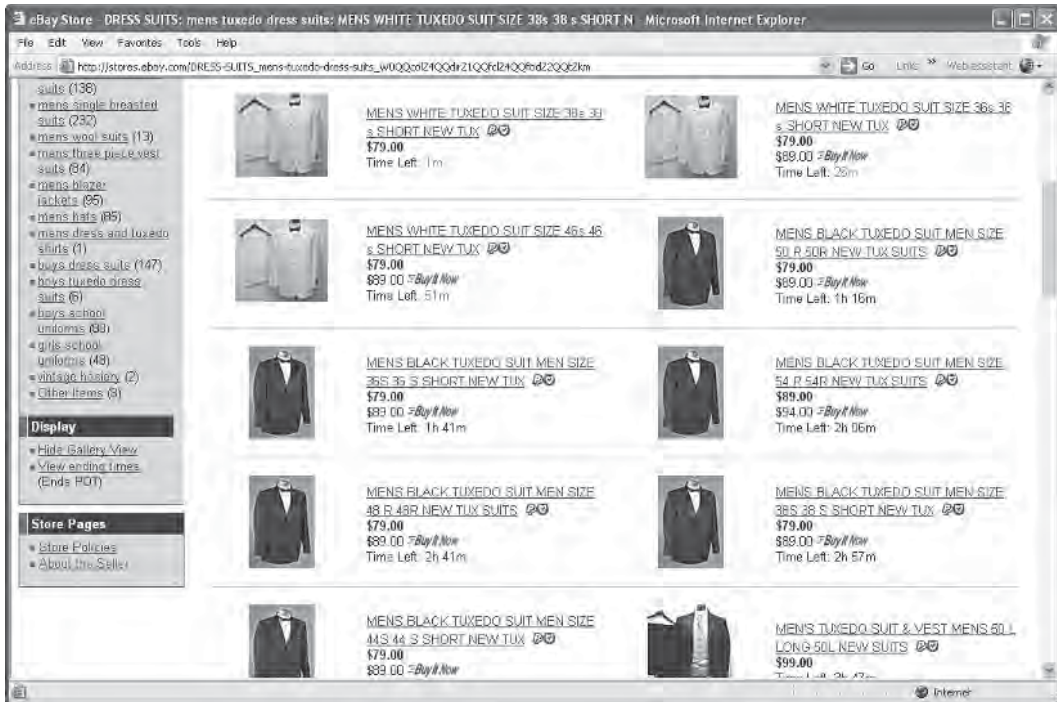
### **Providing Variations on Your Product Line**

“I cannot put a thousand different items for sale on eBay the way a big business can without hiring a lot of people,” Zanger explains. “The items I sell are things like basic dress suits, tuxedos, school uniforms, and bathrobes. The items I sell are items I can repeat over and over again. The zoot suits are the only items with styles that are changing. With the other types of clothing, I can publish one set of images that covers 15 auctions, each one of which is a different size (38 to 52 regular and long). I might carry 14 different colors of a particular suit, and 20 different sizes.” (Some examples of variations on the same product line that can reuse the same photos are shown in Figure 5-1).



You can follow Robert Zanger’s example even if you sell items other than clothing. You might sell many different colors of the same MP3 case, or battery chargers for many varieties of digital cameras. The more variations you have online, the richer your eBay Store, and the more likely a shopper is to find just the right option and make a purchase.

The DRESS SUITS store includes many sizes of school uniforms, for instance. Over time, Zanger has found that uniforms have become almost as important to his business as his suits. He typically has five different types of uniforms up for sale at a time. He also advises would-be PowerSellers



**FIGURE 5-1** This seller builds volume by selling variations on product lines.

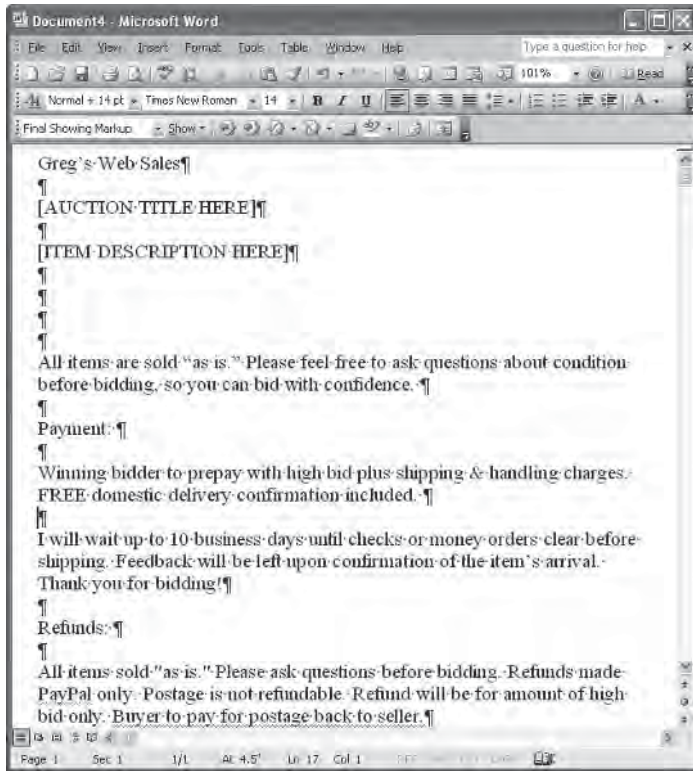
to follow his example and try many different product lines before flooding your sales niche. “See what’s out there,” he says. “You see what other people do, you find out what sells best.”

Time and again, Zanger discovered that an initial investment of time and energy had long-term benefits. The efforts he undertook when he was just starting out on eBay continue to make his current life as a seller go more easily. Having set up the store and his standard description format, he can “plug in” the details and get the listings online more quickly. That “investment” idea applies to the look and feel of his web site, too.

### Developing a Sales Template

Simply selling items that are essentially the same but that differ in size or color isn’t enough. You need to create a sales template—a layout or standard description that contains “boilerplate” details. *Boilerplate details* refers to information that stays the same no matter what you are selling, such as your sales tax policy or your preferred payment methods.

You can create a template in one of several ways. If you use the Sell Your Item form, you can assemble a text file or HTML document that contains the standard details you use over and over again. When you create your sales description, you can copy and paste the information into the form. Your text document might look like the one shown in Figure 5-2.



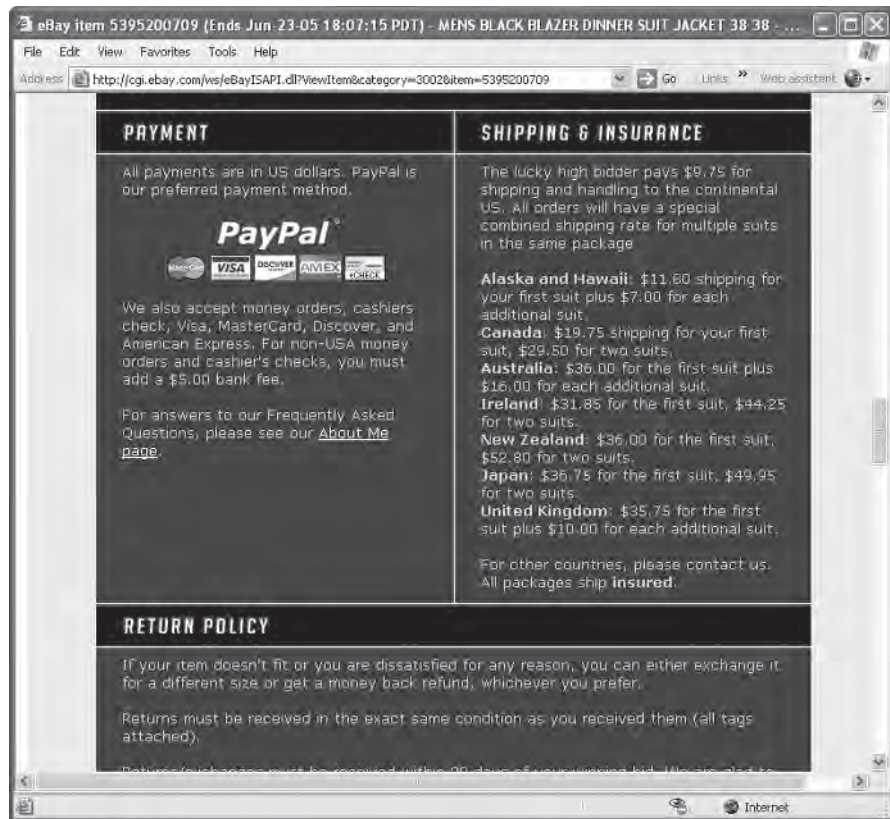
**FIGURE 5-2** You can use a simple text file as your sales template.

The problem with a text-based template is the need to apply formatting to headings and other elements every time you put something up for sale. Robert Zanger, however, took a different approach. He had a web designer create a standard design for his sales listings. The design includes his repeated “boilerplate” sales information such as:

- Links to his products by size
- Payment options
- Shipping procedures

- His return policy (he offers refunds or exchanges, no matter what the reason)
- A short About Us paragraph
- Contact information, including an e-mail address and toll-free phone number

Some of this information is shown in Figure 5-3.



**FIGURE 5-3** Zanger uses a web layout that contains standard, reusable details.



**tip** *If you use eBay's free listing tool, Turbo Lister, you can create a sales description that contains the standard information you need, and then reuse that description whenever you create a new one: you save the standard details you want to repeat and replace the information that is specific to the "template" item with your new items.*

### “People Call Me to Say, ‘Are You for Real?’”

Dealing with the public through eBay is a highly personal process, Zanger says. “One of the most important things I’ve done is have an 800 number. People call me to say, ‘Are you for real?’ I deal with questions a lot, especially with new users. They call and want to know if you’re for real. One person a day calls that number.”

But e-mail is by far the most frequent means of connecting with the buying public. “Instead of dealing with people in person, I do it through e-mail. It’s so much work to do, you don’t have any life. You have to work on your e-mail three or four hours a day.”



#### **warning**

*It’s challenging to sell clothing-related items on eBay because of the unreliability of color photos published on the Internet. You have to be very careful how you light your items in order to portray them in an accurate color. Color differs depending on the lighting being used, the monitor on which an image is displayed, and the limited number of colors a web browser can display accurately (there are said to be only 256 “browser-safe” colors). Try to use halogen lights if you have them; incandescent light bulbs and fluorescent lights can make colors seem too light. The author has found the home furnishing store Ikea to be a good source of inexpensive halogen lights (see Figure 5-4). Taking photos outdoors in natural light can help make the colors more accurate when displayed online, too.*

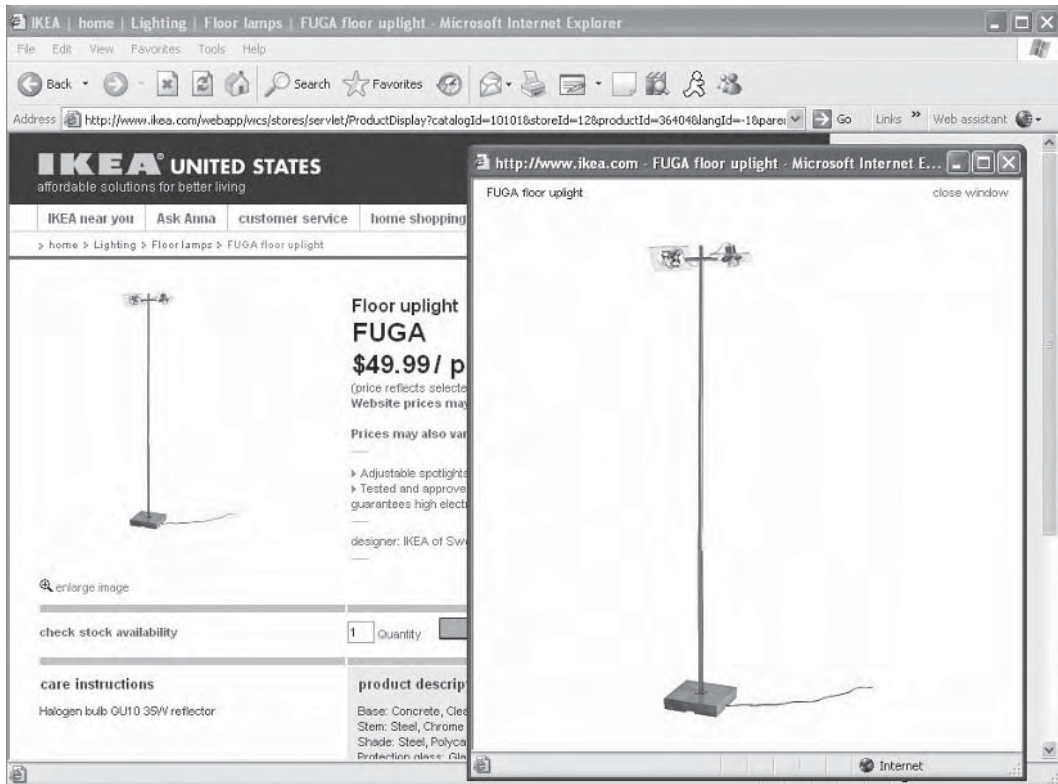
### “It’s Easier to Sell a Suit on eBay Than Through My Store”

You might think that, as someone who operates a brick-and-mortar store and has existing customers, it’s easier to sit back and wait for clients to come through the door than to sell online. After all, Zanger had to learn not only how to get on the Internet and how to use eBay, but to take digital photos, check e-mail, pack, ship, and all the other steps required to sell online. Not so, he says.

“It is easier to sell a suit on eBay than in my store. If shoppers come in person to the store, they typically try on four or five suits, and it takes an hour to sell just one. Online it takes two minutes to answer an e-mail, and if it is the wrong size, it only takes minutes to exchange the suit.”

The speed with which business transactions can occur online doesn’t mean you don’t need to take care with each sale in order to ensure that you come out with a profit. There are few things more frustrating than making a sale only to find that you underestimated the shipping cost and will have your profits cut or even eliminated. Robert Zanger makes sure his work pays off.





**FIGURE 5-4** Try to find inexpensive halogen lights that portray clothing and other colors accurately.

“I try not to sell anything on eBay for less than \$20,” he says, “unless it is extremely easy to ship, like a tuxedo shirt that just fits in a Priority Mail box and could be sent out in seconds. I like items that can be relisted and sell for at least \$25. eBay is more expensive than people realize. Between eBay’s fees, PayPal’s fees, Auctionworks’ fees, keyword fees, and time spent on eBay, I figure the cost to be 25 percent of sales. Of course, you have to also see what items are selling for on eBay and also try items on. I have tried jeans and other clothing items that haven’t done too well on eBay. I have tried starting auctions at a penny—sometimes they work out and sometimes not. Just as in a brick-and-mortar store, you have to try different things and realize that they won’t always work.”



## Clothing and Condition Issues

Different sales categories on eBay require you to sell in different ways. Condition is important no matter what you are selling. But condition is of critical importance when it comes to clothing. Even if an item is new, there's a difference between an item that is New With Tag (NWT), New Without Tag (NWOT), or New in Box (NIB). If an item you want to sell is not new, make that clear to shoppers. Tell them that the item has been “pre-worn” or “lightly worn” if that's the case.

Words like “Excellent,” “Very Good,” or “Like New” aren't specific enough for some users. If you sell shoes, for example, you might say that the “heel is 90 percent of original” or the “sole is 95 percent of original condition.” Some sellers post their own set of explanations and grades along with each of their sales descriptions. The following table shows an example of clothing “descriptors” and what they mean:

Condition Grading System (100% = brand new, never worn)	
Grade	Explanation
Like New	95 to 99 percent
Excellent	90 to 95 percent
Very Good	80 to 90 percent
Good	70 to 80 percent
Fair	70 percent or less

It's hard to sell clothing items on eBay that have a lot of wear, unless the item is rare because it's “vintage” or desirable because it would be expensive if purchased new—or if it bears an “exclusive” brand name such as Prada.

## Hiring a Designer: “A One-Time Expense Yields Rewards for Years to Come”

When you're creating stationery or business cards, or even a web site, it's natural to think about hiring a professional graphic designer to help you out. Robert Zanger wanted a designer to create a logo, a look for his store, and a standard listing template. He hired a popular designer named Debbie Levitt, who owns As Was design (<http://aswas.com>, shown in Figure 5-5), to do the work.

“It cost a few thousand dollars, but it was a one-time expense, and it will reap rewards for the foreseeable future,” he says. “Making your site give people the impression of a professional, large corporation gives



**FIGURE 5-5** Robert Zanger hired this eBay design and marketing specialist to create a professional look for his store.

confidence to bidders. I have had people come into my store and say, ‘I thought you had a hundred workers and you were a huge company.’”

One benefit of having a predesigned template is the ability to simply “drop in” photos as needed. Some items only need a single photo, but others require three or four because they are large in size or have many different features (or different areas of wear or damage that need to be shown to prospective buyers). The DRESS SUITS site gets as many as 1,500 new items a week; that’s thousands of separate digital images that need to be processed. Because he doesn’t have to worry about designing each description from scratch, Zanger is able to take many of the images himself.

“I take the zoot suit pictures,” he says. (See Figure 5-6 for an example.) “For the items that are just being relisted, I re-use photos. These include single-breasted suits (13 colors, all sizes), double-breasted suits (13 colors, all sizes), tuxedos, and hats. Some pictures of school uniforms that have

been taken professionally come from the company that does my sales catalog. A one-time investment reaps rewards for years to come.”



**FIGURE 5-6** Zanger uses stock photos from a catalog and a predesigned layout to reduce the work involved in taking and posting thousands of images.

To store thousands of image files at a time, a sizable amount of computer storage space is needed. If each image is 20K to 50K in size, for instance, 30MB to 60MB of computer space would be needed for just one week’s worth of sales in the DRESS SUITS store. Where are all of those photos stored?

“I use Marketworks,” says Zanger. Marketworks is just one of a number of companies that you could use for your auctions. Among them are ChannelAdvisor (<http://www.channeladvisor.com>) and Vendio (<http://www.vendio.com>). These companies make everything easy: once your auction is set up, you can basically put the auction on again as easily as checking a box or you can have the auctions automatically go on at certain times.

### **Where Do You Find a Web Designer?**

Lots of people do web design. When you're thinking about having someone design your eBay Store or your eBay sales descriptions, the logical place to start looking is on eBay itself. A number of eBay sellers who have done their own web design are willing to design others' sales as well. Do a search on eBay for "web design." You'll turn up pages and pages of CDs, books, and even prepackaged web designs. If you change the search terms to "web design service," you'll turn up a few individuals who are offering their services on eBay itself.

You can also find designers on eLance Online (<http://www.elanceonline.com>). This innovative web site enables you to solicit bids for designers' work. You post a notice on the site stating your needs, and contractors respond with bids for your particular job. You can choose to take the lowest bid, or you can pick another bidder who might not have the lowest bid but who offers more experience or other qualities that impress you.

## **Seek Out New Products and New Suppliers: MemoryQueens.com**

"You have to know how to get merchandise," says Linda Conoval. Linda, who with her daughter Ava runs the eBay Gold-Platinum PowerSeller business known as MemoryQueens.com, knows what she's talking about. When we spoke, she and Ava had just begun switching their whole product line from computer memory and related devices to accessories for iPod and MP3 players. It's the kind of turn-on-a-dime change of direction that can only take place on eBay.

The question "How do you find merchandise to sell on eBay?" is the one probably asked most frequently by those who want to sell big-time on the online marketplace. The profiles of PowerSellers presented in preceding chapters have emphasized the need to find a wholesaler supplier from whom you can "buy low." That way, you can "sell high." If you can sell hundreds or even thousands of items a month, the PowerSeller designation is well within your reach. According to Linda Conoval, it's worth all the effort she puts into it. "The most exciting day is the day you get the message saying you're a PowerSeller," she laughs.

### **"We're Always Looking; It's All About the Research"**

The MemoryQueens.com ladies are always looking for new products to sell on eBay. Even when they find one thing that sells well, they'll continue to look for more. They know how quickly the market can change. They've

had to adapt quickly themselves. In fact, their entire eBay business history has been a series of quick and ambitious adaptations. “It’s just me and my mom,” says Ava. “We started in 2003. I had just graduated from college. Someone she worked with said, ‘Why don’t you sell computer memory cards on eBay?’ I am a dancer, and I needed some income on the side so I could have a business while going to auditions and building a career. As it works out, my mom handles all the buying and research; I handle all the listings and shipping.”

**Business name** MemoryQueens.com

**Seller names** Linda and Ava Conoval

**Web site** <http://stores.ebay.com/MemoryQueens>

**Sells** Computer flash memory, MP3 players, iPod accessories

### “There’s a Level of Trust with Family That You Don’t Have with Other People”

At least half of the PowerSellers I’ve talked to in the last few years involve their family members in their operations in one way or other. Ava Conoval and her mother (shown in Figure 5-7) usually do hire employees to handle the packing of their merchandise. But they say the employees aren’t as reliable as family, and they call on other family members when needed.



**FIGURE 5-7** The MemoryQueens depend on one another and on other family, as well as their employees.

“A lot of it has to do with trust,” says Ava. “It’s amazing, working with someone in a family business. The whole family wanted to help out when my mom was sick. There is a trust thing there that you don’t have with other people. We have hired and fired a lot of people who have done the shipping for us. They don’t really care about the business; they could care less if the wrong product goes in. One time, an employee put a \$500 item in the package and mailed it out, and the person only paid \$200.”

### **“I Have Been Searching High and Low for Trade Shows”**

As you learned in Chapter 1, it’s important to find a niche—to search for products that other sellers don’t sell on eBay already. Trade shows serve as an excellent way to find new products. “We started carrying a lot of MP3 players and accessories, then moved into bags and cases,” says Ava Conoval. “We went to a lot of trade shows.”

Trade shows can easily become overwhelming. It’s a good idea to go with at least two people, or have one person attend the event while one stays at home at a computer. When the “team member” at the convention

### **Where Do You Find Trade Shows?**

Where do you find trade shows? Convention center web sites don’t always tell you the whole story. A search for the term “trade show” might turn up a list of conventions around the world, but it won’t get you a list of shows in your area. What do you do? Here are some suggestions:

- Newspapers
- Your local Chamber of Commerce
- Convention bureaus in large cities where conventions are commonly held, such as New York City, Las Vegas, and Chicago
- Any newsgroups (see <http://groups.google.com>) related to your area of interest

In addition there are a few web sites. TSNN (<http://www.tsnn.com>) calls itself The Ultimate Trade Show Resource. A search form on the site’s home page lets you search for upcoming shows around the world by type of industry, date, or location. If you are involved in a particular category, you might be lucky enough to find a web site that tracks trade shows in that area; for instance, Apparel Search Company has a trade show search page at [http://www.apparelsearch.com/trade\\_show.htm](http://www.apparelsearch.com/trade_show.htm). But Ava and Linda Conoval stress that these indexes aren’t comprehensive, and you have to supplement web-based research with some looking on your own in newspapers and other venues.



spots something interesting, he or she can phone back to the partner at the computer, who can research whether or not the items sell on eBay, and if so, how much they sell for.

Ava Conoval suggests avoiding the big corporations' displays and focusing instead on smaller, hungrier vendors.

"When you go to these big shows, you don't have to go to the Kodak booth or the Sony booth," she says. "There are hundreds of people who sell their products on eBay. We went to some small vendors that not many people know about, especially on eBay. They are really nice. Not many people carry them. That's what you want—you want to carry the product that a thousand other people aren't carrying."

A glance at the products being sold on the MemoryQueens eBay Store (shown in Figure 5-8) indicates that they sell a mixture of the well-known companies' products as well as those of the small companies.

The screenshot shows the MemoryQueens eBay Store page. The browser title is "eBay Store - ipod accessories monster: Secure Digital, MP3 Players, Digital Specialty Cameras - Microsoft Internet Explorer". The address bar shows "http://stores.ebay.com/MemoryQueens". The page features a navigation menu with "Home", "eBay Stores", "MemoryQueens", and "All Categories". A banner for "MemoryQueens" is maintained by "memoryqueens (4832)" with a "Power Seller" badge. The store description states: "The MemoryQueens are specialists in digital flash memory cards and products: sandisk, delkin, dane, mp3 players, rio, inver, ipod accessories, Monster cable, Griffin Itrip products, etc. Email us: info@memoryqueens.com for special requests and inquiries." Below the banner are three sections: "Store Search" with a search box and "in titles & descriptions" checked; "New Arrivals!" listing "512MB SD Secure Digital TOSHIBA Memory Card 4 KODAK 512" and "512MB SD Secure Digital TOSHIBA Memory Card 4 KODAK 512"; and "Ending Soon!" featuring "NEW iPak Case 4 iPod & iPod Mini HOLDS ALL Accessories" for \$16.50. A table of 51 items is shown, sorted by "Time: ending soonest".

Picture	Item Title	Price	Bids	Time Left
	NEW iPak Case 4 iPod & iPod Mini HOLDS ALL Accessories SAME DAY SHIP! Platinum Powersellers! Retail Packaging!	\$16.50	8	4h 43m
	256MB SD Secure Digital TOSHIBA Memory Card for KODAK 1 SAME DAY SHIP! Retail Packaging SATISFACTION GUARANTEED	\$9.08	10	6h 43m
	NEW iPak Case 4 iPod & iPod Mini HOLDS ALL Accessories SAME DAY SHIP! Platinum Powersellers! Retail Packaging!	\$12.00	14	8h 43m

**FIGURE 5-8** The MemoryQueens mother-daughter team focuses on items from both small and large vendors.



### **“You Have Cash Outlays Just Like Any Other Business”**

It doesn't cost any money to register yourself with eBay, but you do have to incur some expenditures when you want to sell. Where do PowerSellers find the money? In an ideal world, you'd generate income from sales, and you'd “pay as you go,” purchasing new merchandise to sell with the proceeds from previous sales, without piling up debts. But in order to achieve PowerSeller status, you have to complete a large number of transactions every week, for months or years at a time.

What separates the Conovals from other, more casual eBay sellers is that they continually try to build up volume. You build up volume by taking a risk—you gain the ability to make a large-scale purchase of inventory by obtaining a loan or going into debt.

If you have a business already and you are able to take out a business loan, you're in good shape. If not, you may want to consider taking out a home equity loan, or making use of your credit card.

“In the two years we've been in business, we've gone up a learning curve,” says Linda Conoval. “We didn't have success right away. We kept going, and we learned from our mistakes. It took time. We tried new ideas, we borrowed some money, we spent more money, we made more money. The more money you put into your business, the more opportunities you will have.”

Linda suggests getting a home equity loan or a loan from a relative—anything that will enable you to purchase more stock so you can resell it and make it back. “Get an American Express card,” she says. “They make you pay your bill in full. They will let you buy \$10,000 worth of stock. You turn it around within 60 days, then you can pay it all back.”

This professional way of thinking about funding is all part of moving from being an amateur to being a businessperson. Before you can even think about getting a loan, you need to set up the basics to establish your eBay business. Consider the following:

- Business name
- Tax ID
- Your eBay User ID
- Your eBay Store
- Some inventory to get your store started
- Employees

In short, anything you can consider that takes your eBay enterprise from that of a lone entrepreneur (you) to a person with a business identity, stock, addresses, and other business features will increase trust in your customers. It'll give you more confidence as a seller, too.

### **A Cautionary Note: “A Lot of People Don’t Think eBay Is a Marketplace”**

When you’re listening to success stories, you tend to get the idea that it’s easy to call up a wholesaler or manufacturer and convince them that you will be a good reseller of their products. That’s not true at all. The moment you mention that you’re a seller on eBay and you want to sell their products there, don’t be surprised if you get the brush-off: “We’re just not interested in eBay.”

“A lot of people don’t think eBay is a real marketplace,” comments Linda Conoval. She has the advantage that she has had her own computer consulting business for several years, and has a physical office with a “real” business address. But other sellers have had to try a variety of tricks to overcome traditional businesspeople’s skepticism about eBay:

- **Rent space in a mall** One PowerSeller (who wanted to remain anonymous) rents space in an antique mall. She uses the mall’s address as her business address and has arranged to receive merchandise there.
- **Don’t mention eBay** Just tell the manufacturer that you have a business and a Tax ID, and give them your business address.
- **Get references** Whatever you can do to function as a reseller for an individual or business entity will help you gain credibility. If you sell on behalf of friends or relatives, you can use them when you’re asked by a wholesaler to provide references.
- **List yourself in the phone book** A listing in the business section of your local phone book gives you credibility—and it can also be a good source of future business from people who want to use you as a trading assistant.

You might be reluctant to resell a lot of merchandise you find at the local flea market or bargain warehouse, or even on eBay’s Wholesale Lots area. But consider doing so at least once when you’re starting out, so you can build up a clientele.

Also consider finding a broker—someone who is used to dealing with wholesale manufacturers in China or other countries. See “‘You Need Someone Who Has a Rapport with Them’: Find a Chinese Broker” in Chapter 4 for more information on working with a wholesale broker in your local area.

## Lessons Learned in This Chapter

- If you have an existing source of merchandise that you sell through a retail or wholesale brick-and-mortar store, you are perfectly situated to become an eBay PowerSeller.
- One way to build volume sales on eBay is to focus on a single product line and sell many variations on that product, such as different colors or sizes of clothing.
- Creating a sales template is essential to selling a large volume of merchandise; it frees you from having to enter the same information every time you want to create a sale.
- It can be easier to sell clothing online than through a brick-and-mortar store because less time is involved.
- The one-time expense of hiring a designer to make your store look professional will pay off for years to come.
- If you obtain bulk supplies from a wholesaler, ask that supplier for stock photos you can use in your descriptions, to reduce your own photography load.
- Expect to research different product lines constantly to cope with increased competition on eBay.
- Trade shows are an excellent place to check out new sources of merchandise and meet manufacturers and wholesalers.
- In order to make money, you have to spend money; try to take out a loan or be open to using your credit card in order to purchase your initial stock. Then turn around the sales quickly so you can pay the loan off without incurring interest.

# Chapter 6

Reach the Widest  
Possible Audience

Ron Bratt went to New Orleans in 2004, but not to attend a football game or party on Bourbon Street. He went there looking for a new entrepreneurial business opportunity—which he subsequently found at eBay’s annual convention, eBay Live. Bratt and his partner, Jeff Shiller, don’t have an entrepreneurial or even a business background. They were both trained as real estate lawyers, and Bratt had a position at Catholic University in Washington, D.C. But Bratt came away inspired by eBay and determined to forge a new type of eBay business—one that uses innovative new ways to reach shoppers around the world.

“There was a certain level of excitement being around all those ‘pajama millionaires,’” he recalls. “They all came out of their basements and were there to share their secrets with everyone. At the Toys Round Table, there was so much sharing and collaboration. Flying back from New Orleans, I thought, we should build an eBay in Howard County.”

eBay is known for having a worldwide reach. After all, as the auction site’s representatives continually claim, selling on eBay puts your merchandise before the eyes of more than 40 million members around the globe. But when you’re just starting out, you often receive only one bid for the items you sell: you set a starting bid, and someone bids at the last minute. You sell the item for the minimum you wanted, but you wonder where all the bidders are. You wish some of those overseas bidders would start a bidding war over those items you’ve spent so much time putting up for sale. Auction Safari has created a new model for gaining instant exposure for new sellers. It boils down to the principle that impressed Ron Bratt in New Orleans: collaboration.

**Business name** Auction Safari

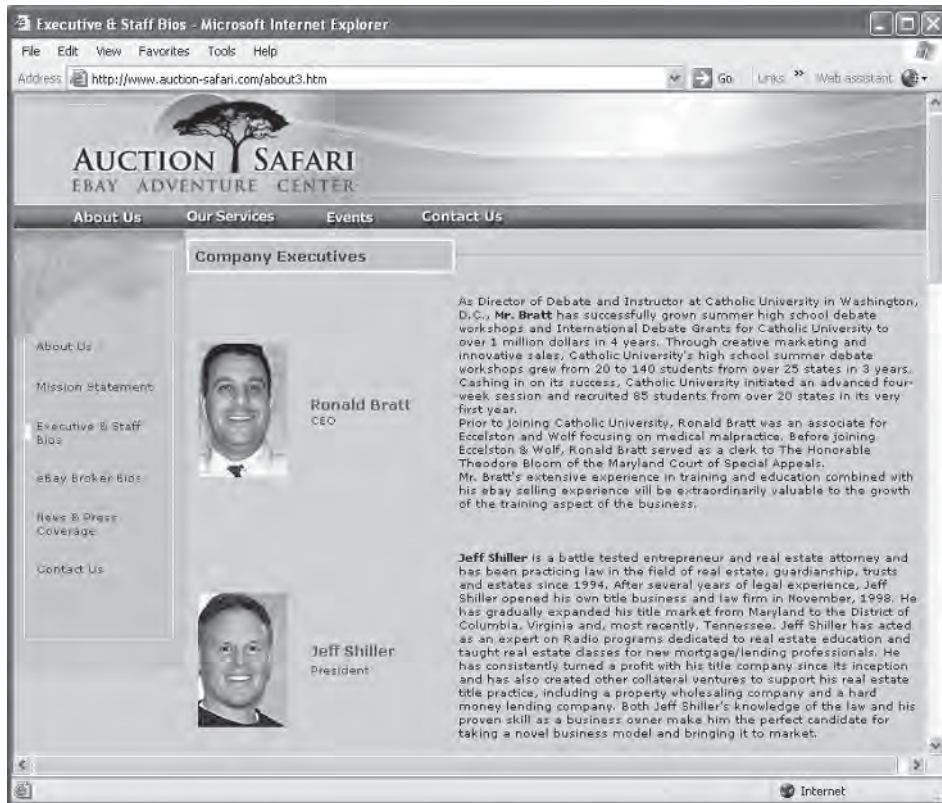
**Seller name** Ron Bratt

**Web site** <http://stores.ebay.com/Auction-Safari>

**Sells** Clothing, DVDs, and other items listed by its “brokers”

## Franchising eBay for Maximum Market Share: Auction Safari

Bratt and Shiller (shown in Figure 6-1) have started a new form of eBay business, which they call an eBay *brokerage*—a business that’s run like a real estate office, where many individual sellers share facilities and are able to work collaboratively while each selling in his or her own sales niche.



**FIGURE 6-1** These former real estate lawyers have started eBay's first sales "brokerage."

First, Bratt and Shiller became PowerSellers in their own right, learning the ins and outs of selling toys and DVDs on eBay, so they could teach others how to do the same. Then, they purchased a warehouse in Columbia, MD and invested in expensive photography equipment.

Once they had a physical space, Bratt and Shiller began interviewing potential brokers—people who are eager to sell on eBay and want to start a new business, but who need a helping hand. At this writing, as many as 40 brokers share space in the warehouse. They pay a fee to join Auction Safari, but the company helps them find merchandise to sell, instructs them on how to present the merchandise, and provides them with employees who help pack and ship it.

“Our business is all about increasing scalability by working through our brokerage,” says Ron. “You can work out of your home, but you reach a point where there are only so many e-mails you can send and packages you can stuff each day.”

### “There’s So Much Learning and Collaboration”: Teaming with Experienced Sellers

eBay sellers have always learned from one another. The eBay community is so open that collaboration is part of the culture. So it’s natural for beginning sellers to team up with experienced full-time professionals. Some sellers learn from Trading Assistants. Others network at gatherings like eBay Live and eBay University.



**tip** *eBay University is eBay’s educational arm. It helps new users learn the basics about buying and selling through three types of instruction: Classroom instruction is provided by certified instructors in cities around the country; online classes are offered that you can take on your home computer; and instructors are available in selected areas around the country to give classes and provide individual instruction. Find out more at the eBay University home page, <http://pages.ebay.com/university>.*

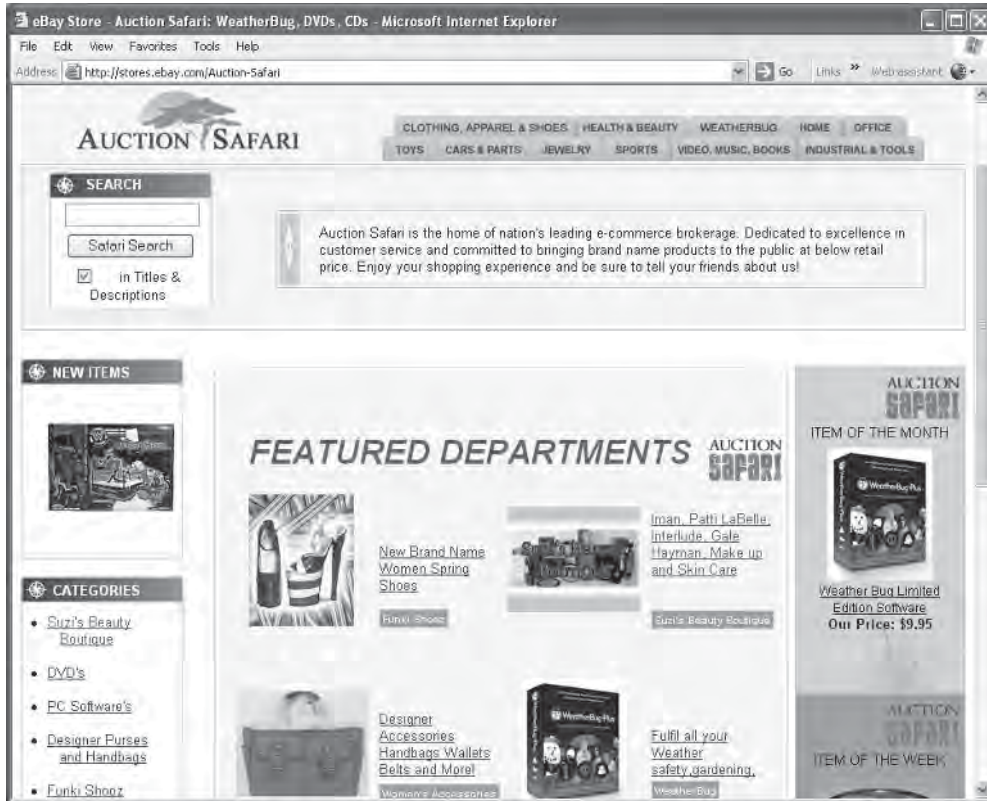
Auction Safari has taken the collaboration model to a new level, giving sellers a space where they can photograph and work together, learning from one another and from Auction Safari itself. When they join Auction Safari, they gain “space” in Auction Safari’s eBay Store (see Figure 6-2). They all sell through the store and they use the User ID Auction-Safari. This means that, as soon as they start out, they are “instant” PowerSellers.

“This really lowers the overhead that individual sellers have to spend in order to sell on eBay,” Bratt explains. “We bought some camera equipment, big light boxes, and spent a couple of thousand dollars, but when some of the overhead costs are shared, you can do a lot of great things like that.” The company contracted with Marketworks to upgrade their web site, and Marketworks was happy to do the job because they were helping 20 brokers rather than one individual seller.

“The collaboration also increases our leverage with liquidators, who act as our suppliers. Because we all share the same User ID, we are able to negotiate much better deals. We also share employees who do the picking and packing. Every five Auction Safari businesses have one warehouse picker and packer; that way, you are able to spread around the cost of employees.”

Unless you live in the Columbia, Maryland area, you can’t be a broker with Auction Safari yourself. But there’s a lesson you can learn from Auction Safari’s example: don’t try to do everything yourself. Find an experienced





**FIGURE 6-2** Each of the stores listed in the left-hand column of Auction Safari's eBay Store is run by an individual "broker."

seller to consult with you, and consider partnering with that individual to help you "get your feet wet." You can also learn a lot from the way Auction Safari trains its brokers to market their sales to gain maximum exposure from potential buyers.



**tip** *Over the past few years, I have been lucky enough to make connections with a number of PowerSellers who are especially generous with their knowledge. When I run into a situation with a buyer that I'm not sure how to handle, I ask them for advice. Find your own group, either on your own or through the eBay Community. The eBay Groups area (<http://groups.ebay.com/index.jspa>) is filled with local groups of eBay sellers you can meet either online or in person, if those groups hold gatherings.*

## “The Name of the Game Is: How Do You Drive Shoppers to Your Store?”

Auction Safari and its brokers do their selling through eBay Stores. By opening an eBay Store, you immediately get more exposure for your sales. That’s because eBay Store listings are indexed by Google and other search engines. “We try everywhere possible to push shoppers into our eBay Store, which is absolutely critical,” he says. “The name of the game is: how do you drive shoppers to our eBay Store? We have one eBay Store, but there are multiple stores within it.”

eBay Store listings don’t show up on Google by magic, however. You increase the chances that your listings will get such exposure by including as many relevant keywords as possible in the titles and descriptions. The more keywords you “plant,” the higher the chances that someone will conduct a search on Google using one of those words, which will cause your listing to be included in the search results. For example, examine this description from the Auction Safari eBay Store. I’ve highlighted the keywords in bold:

Auction Safari **Accessories** from Macy's

NWT **Gift Coach** Red Leather **keychain**

Welcome to Auction Safari's Macy's collection blowout sale! We're offering the latest in **apparel accessories** at an affordable price! Forget paying hundreds of dollars for these spectacular designer **accessories**! This is a **Coach**, Red Leather, **keychain**!

Bid with confidence, knowing that this is from a company that offers extraordinary customer service and quality, evidenced by our 100% positive feedback rating! We have all sorts of **handbags, wallets, belts, gifts,** and **women's accessories** in our eBay store so be sure to check it out today!

This sales description is probably longer than it needs to be. The writer didn’t need to add “This is a Coach, Red Leather, keychain” at the end of the first paragraph, or list “handbags, wallets, belts, gifts, and women’s accessories” in the second paragraph. But these are all words that someone might search for in Google. Auction Safari brokers know that it costs the

same to write a 10-word description as it does to write 100 words, many of which are potential search keywords.

“Our brokers immediately get the recognition of being a PowerSeller because they are selling with us,” says Bratt. “You create a set of aggregate sales. One of our sellers sells makeup, and another one sells women’s shoes. I’ve seen that, when we add a new store to our brokerage, everyone’s sales increase dramatically. I don’t immediately see a link between women’s makeup and DVDs, but my DVDs sell faster when the women’s makeup store is online and selling faster.”



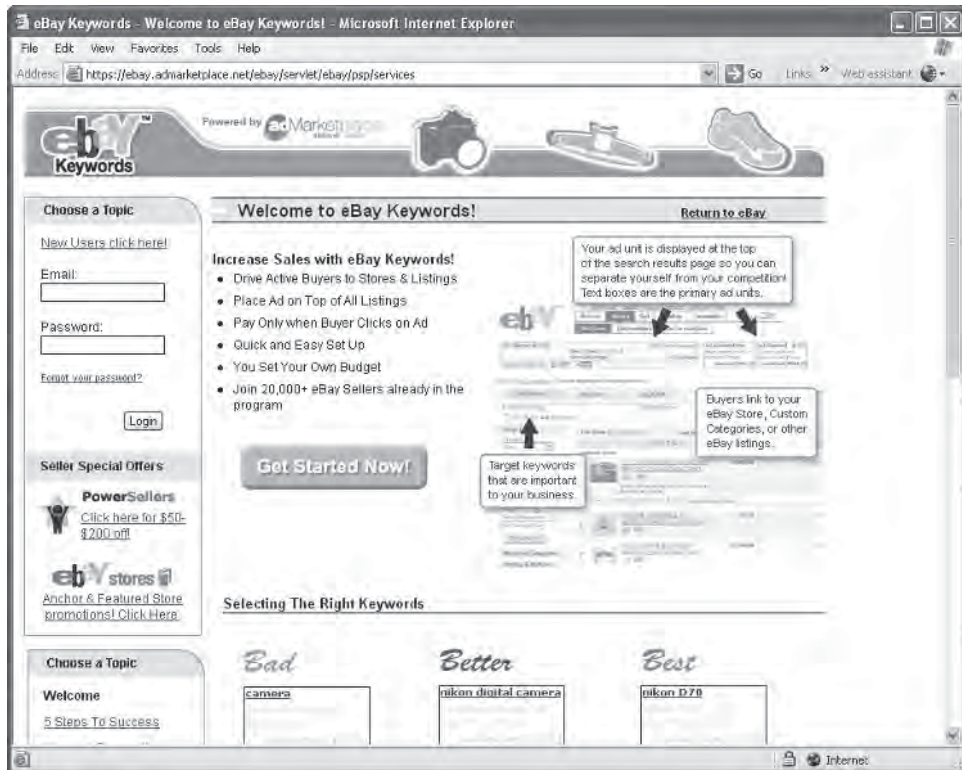
### warning

*Ron Bratt points out that eBay’s fees make it more cost-effective to sell through an eBay Store than through conventional auctions. He sells primarily through the Auction Safari store at fixed price, and minimizes the amount of merchandise he actually lists through auctions. Instead, he uses auction listings to drive visitors to his store. “Although auctions are important, the fees force us to minimize our exposure on eBay. For higher-end merchandise—say, over \$25 starting bid—you end up paying a \$1.20 insertion fee plus a gallery fee. In a store, the fees are only a few cents each. Suppose I get 100 Joseph Abboud shirts, and I have five different colors and five different sizes, resulting in 25 different SKUs. I would put one of each SKU out there on eBay at auction, and say in the description, ‘Many more colors and sizes can be found in our store.’”*

## The Keyword’s the Thing

“It’s not like *Field of Dreams*, you build it and they will come,” Ron Bratt says of eBay. “Our number one recommendation to our brokers is that they buy eBay keywords. Right now, eBay’s keywords cost much less than Google’s. You can get a banner right on top of the eBay search results page when someone enters the keywords you’ve purchased.”

eBay Keywords (shown in the following illustration) is a targeted advertising program that is available to anyone who currently has items to sell on eBay (either at auction or an eBay Store) and has a feedback rating higher than 20. Suppose you sell Coach handbags. You could place a bid of, say, 50 cents on the words “Coach handbag.” If yours is the high bid for these keywords, you win; your ad is displayed at the top of a page of eBay search results when someone searches for those two words—and you are charged 50 cents if someone clicks on your ad and visits your store or auction listing. It’s a way of getting your merchandise before the eyes of potential shoppers who have—by entering the keywords—already expressed an interest in the item.

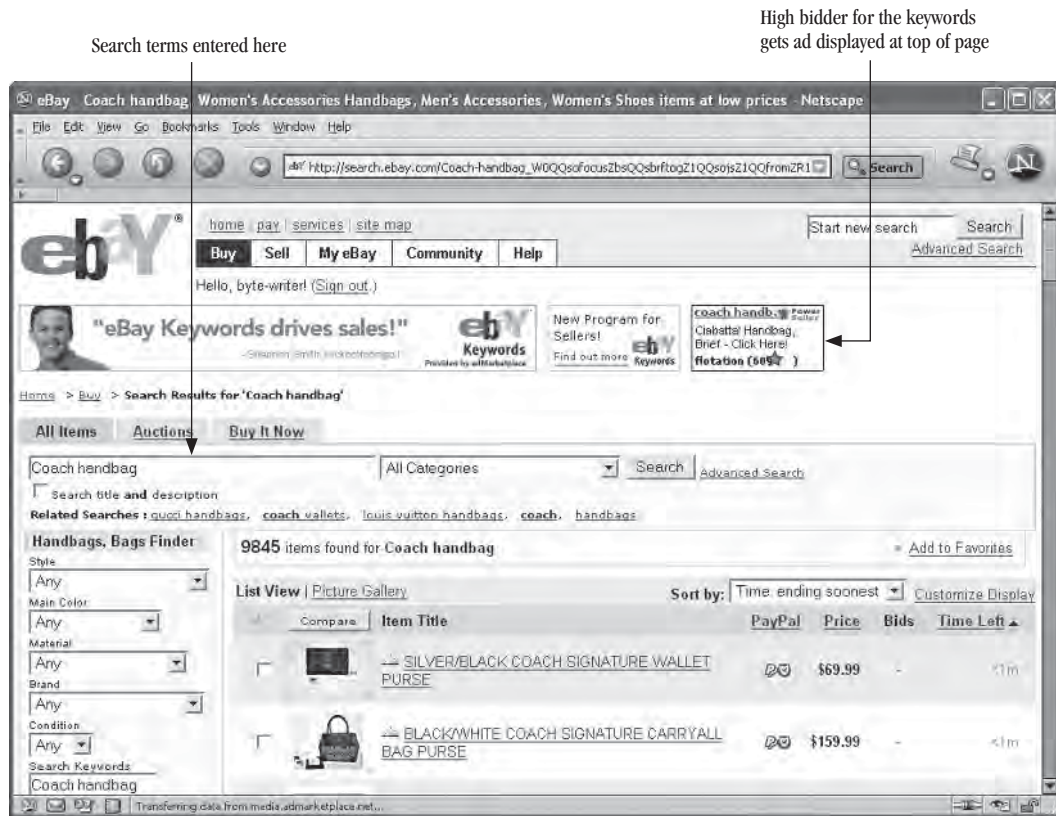


“The choice of keywords is everything,” says Ron Bratt. “The ultimate question you have to ask yourself is, What is every single possible permutation that someone might type in to find what you are selling? The less relevant your keywords are, the more you are going to pay for a click, and it is not going to lead to a sale. For every brand, we have about 15 keywords. Because we sell Coach brand items, we have keywords like ‘Coach shoes, Coach high heel, Coach open toe, Coach sandals,’ and so on.”

The keywords “Coach handbag” are either words that Auction Safari hasn’t purchased or for which someone bid higher. When you entered these terms at the time this was written, the ad shown in Figure 6-3 appears.



**tip** *There isn’t any standard cost for purchasing eBay keywords because you decide how much you want to pay. In fact, you place a bid on a set of keywords. The highest bidder gets his or her ad displayed when someone enters the keywords purchased. The more specific your keywords are, the better your chances of winning, because there’s less competition. You can find out more about the program, and access a tool that suggests keywords you can purchase, at <https://ebay.admarketplace.net/ebay/servlet/ebay>.*



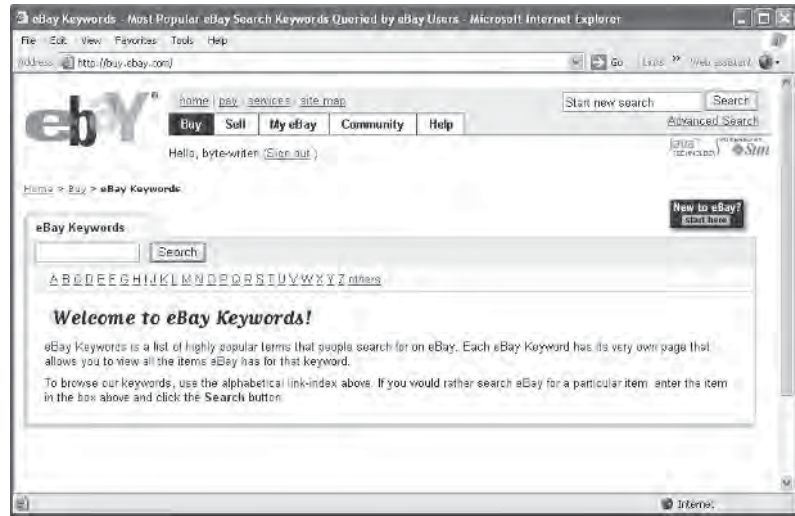
**FIGURE 6-3** Auction Safari and other PowerSellers gain more exposure by purchasing eBay keywords.

You don't have to rely on your own intuition when it comes to figuring out the most popular keywords that are related to the merchandise you sell. You only have to go to another eBay Keywords page (<http://buy.ebay.com>, shown in Figure 6-4) to make use of a form that lets you browse the most popularly used keywords by letter.

### “Partner with Shopping Engines to Pull People into Your eBay Store”

Ron Bratt also recommends to his brokers that they pay for advertising on one of the big shopping search engines, such as BizRate (<http://www.bizrate.com>), Shopping.com (<http://www.shopping.com>), or other shopping engines to pull people into their eBay Store. On Shopping.com,





**FIGURE 6-4** This eBay Keywords page tracks the most popular terms that people search for on the auction site.

the per-click ad rates range from 10 cents to 50 cents, for instance. Bratt says it's worth the expense.



**note** *The contents of eBay Stores are automatically included in BizRate search results whether you pay for advertising or not.*

“Again, your insertion fee for a typical eBay Store listing is only three cents. I like BizRate because they will do all the work for you in the partnership. eBay doesn’t want to hear this, but if you build your own web site, you are able to draw traffic in through that. You don’t have to pay for clickthroughs, either. You should always try to sell worldwide. Why limit the number of clients you receive?”



**tip** *When you create an eBay Store, you have the option of generating an XML (Extensible Markup Language) version or “feed” of your store’s contents. You can submit a link to your XML feed to Google’s retail search arm Froogle (<http://froogle.google.com>) so your store’s contents can be included in Froogle search results. Find out more at <https://www>*

### “We’re Going to Be Working More with Retailers”

Even though he’s had some measure of success with the auction broker model, Bratt says Auction Safari is going to be changing direction in the future. Rather than working solely with individuals who try to liquidate

merchandise they receive from wholesalers, they're going to be working with businesses who want to sell their product lines directly on eBay.

“What we discovered is that it is very hard for people to make money on liquidating goods. The margins are razor thin. One client we had was an ‘Aha!’ moment for us. He was the president of sales for Color Me Beautiful before he retired. After he left, he agreed with the company that he would sell seven of their product lines on eBay. He was selling them out of his house. He said his life was totally taken over by it. Instead of eBay being a nice little hobby, his house smelled like fragrances, and he was up until 3 A.M. answering e-mails.”

The learning point to take away from this is that you, too, might have trouble making a profit when you deal with liquidation merchandise. You might be better off hunting for one-of-a-kind collectibles you can sell, or working with your own neighborhood retailers to sell for them on eBay on a consignment basis.

## Reaching Out to Customers Around the World: Tony Cicalese

eBay is known for merchandise offered in certain categories. CDs and DVDs are the types of merchandise that are widely sold on the auction site. In Chapter 11, you meet a seller in North Carolina who has managed to rack up nearly 50,000 sales of such items in a little over two years. How can anyone compete with high-volume sellers in this area, or in any eBay category for that matter?

For Tony Cicalese (shown in Figure 6-5 with the van from which he once sold CDs), the key to staying successful in a highly competitive part



**FIGURE 6-5** This seller has used his passion for music to travel the country finding CDs to sell at home and abroad.



of eBay boils down to a few principles: his own passion and love for music; his commitment to raising money to fight AIDS through his music sales; his gift for being able to anticipate what styles are about to become popular; and his ability to find CDs in the U.S. that will appeal to overseas buyers. “Even if the U.S. economy is down, looking overseas hedges your bets and keeps you in business,” he says.

**Business name** We Got the Beats

**Seller name** Tony Cicalese

**Web site** <http://stores.ebay.com/we-got-the-beats>

**Sells** CD dance remixes, club mixes, dance artist compilations

### “Buying CDs from My Van with My Kitty Was a Great Opportunity”

When you get really passionate about something, it takes over your whole life. Tony Cicalese has always had a passion for music. He’s collected CDs most of his life, and originally became a member of eBay in 1999 in order

to expand his own collection. In the course of hunting down the CDs he was looking for, he noticed that certain disks sold for much higher prices than he paid for them. He began looking for music that others might want to buy on eBay. In his first batch, he found a CD for \$6 that sold for \$110.

From then on, Tony went looking for CDs to resell as well as CDs to collect. He’s now become a PowerSeller who typically has 2,000 or items for sale at any one time in his eBay Store, which is simply called we-got-the-beats. For many years, he roamed the country in his van with his pet cat (Figure 6-6), attending concerts, making connections, and buying up CDs.



**FIGURE 6-6** Tony’s pet cat still helps with his CD sales on eBay.

“From October 6 of 2002 until February 1 of 2005 (with my kitty, no less!) I went to nine Mariah Carey concerts from coast to coast,” Tony explains. “I attended the Grammys in L.A., visited the Rock-N-Roll Hall of Fame in Cleveland, the Motown Museum in Detroit, and more. As you might expect, the connections I made during those travels proved invaluable for my business.”

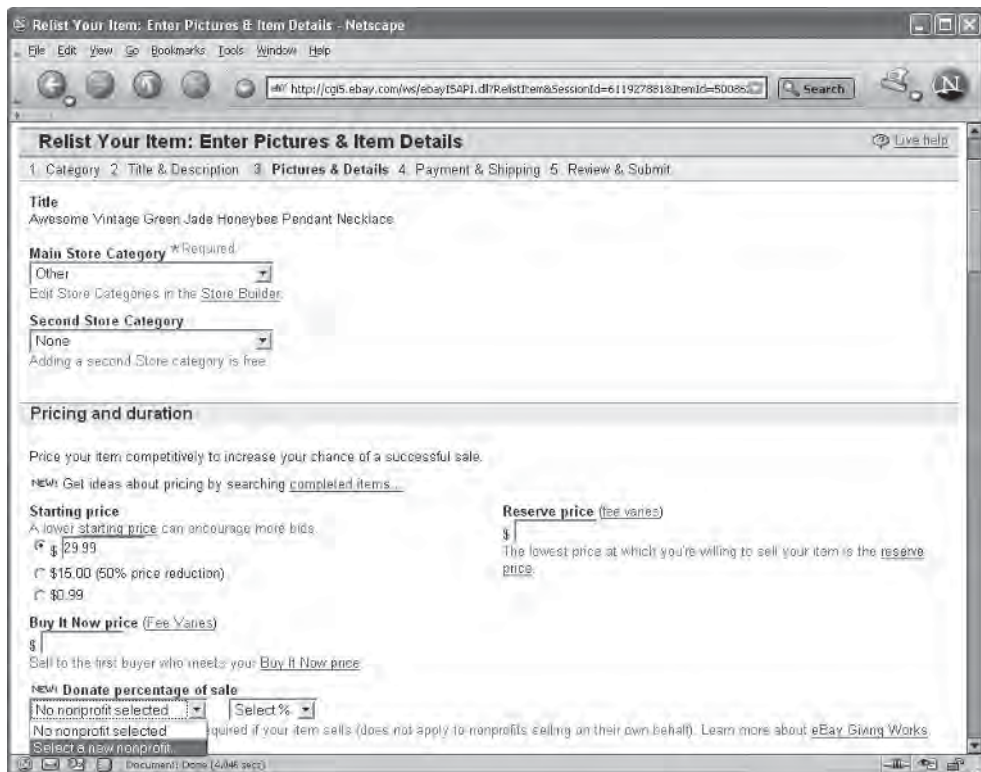
### **“I Thought Using My Business to Raise Money Was a Good Idea”**

Even before Tony Cicalese experienced the death of a close friend named Joey Scima due to AIDS, he decided to create a business on eBay that built in a charitable donation as part of each sale. That turned out to be a large number of sales: He has become a PowerSeller and, at this writing, had a feedback rating that was approaching the 10,000 mark. Over the past several years, he has raised about \$7,500 for organizations that fight AIDS. Today, in memory of that friend, he continues to donate 10 percent of the profits he realizes on each sale toward several AIDS-related projects. His commitment to charity attracts more attention for his sales and helps boost his business, too.

“I’ve always been one to place importance on charity,” says Tony. “I remember ‘sponsoring a child’ when I was still a child. But on a personal level, my giving was haphazard and fluctuated based on my own paychecks at a given time. I felt a duty, partly based on my spirituality, to be more consistent. When conceptualizing my eBay business, I thought it was a great opportunity to just ‘build in’ the donation factor. I was at the time a recently ‘out’ gay man. I had come to know too many people with HIV and AIDS, and didn’t feel that my volunteer work in that area was enough. So I thought using my business to raise money was a good idea.”

Tony does his charitable donations on his own, after sales are made. He posts a letter from an AIDS-related charity, Tuesday’s Angels, which is one of the groups that benefit from his sales. As an eBay seller, you can also donate a percentage of any sale through the Sell Your Item form (see Figure 6-7). You can also choose a charity through eBay’s charitable arm, MissionFish, which offers a system called Giving Works for donating to nonprofit causes.

Donating to charity not only corresponds to Tony’s personal concerns, but it’s helped enhance customer relations, he says. “As a side benefit, many of my clientele appreciate and relate to the specific charity I have chosen. It has sparked conversations, friendships, and customer loyalty.”



**FIGURE 6-7** Tony makes donations after the sale, but you can earmark a percentage of an item's proceeds to charity through this part of the Sell Your Item form.



**tip** A book I wrote with Jill Finlayson, *Fundraising with eBay*, takes a detailed look at the ins and outs of using eBay to raise funds for your own nonprofit institution, or donate part of your eBay sales revenue to charity. It's also published by McGraw-Hill/Osborne.

## “Is Tony a Mental Case?”: Using Humor and Personality Sells

How can a seller who is working on his own compete with big-volume operations? One way in which Tony Cicalese competes is through his own knowledge of music. Another is that he sells himself: He plays up his identity and his interests, and he talks about himself on the About the Seller page of his eBay Store. He even has a photo of himself, as shown in the preceding section. He isn't afraid to be open about his activities and his lifestyle, and to

poke fun at himself as well. Here's what he says on his About the Seller page. First, he identifies his audience and appeals to their emotions:

Hello, fellow music lovers!!

If music really affects you - changes your mood, gives you a rush, makes you dance, cry, or remember a great time - welcome home! Some songs are great friends of mine.

Tony worked in traditional retail management for 12 years. He knows that in order to make sales, it's often important to establish a personal connection with a customer: to make a sale—or to make a customer want to return to make a second or third sale. Accordingly, he speaks about himself in a friendly way so potential customers can get to know him:

Is Tony a mental case?

Actually I prefer the term **extreme music enthusiast**. I have been traveling the country with my kitty since September of 2002 in search of great old music that you just can't find anymore. I also supplement my listings with some more recent things when I can get it at a good price. I especially love to find old dance/pop/freestyle/R&B remix singles - what I consider to be "my music."

Anyone who feels the same about dance music is sure to want to investigate the site and at least seriously consider making a purchase after reading this.

### **“I Want to Be Seen as Approachable, Friendly, and Fun”**

Tony now conducts his eBay sales from a residence in Tampa, Florida. He's no longer roaming the country full-time in his van, buying music and selling it on eBay. “The business is too big to fit in the van anymore. Now I'm working out of my apartment in Tampa,” he says.

Like many eBay sellers, he is able to conduct a large number of sales by means of a template—a layout he has designed in advance and that contains standard typefaces, colors, and information such as shipping costs that is the same from one sale to another. Whenever he has to create a sale, he only has to write the auction title and add some descriptive information about the individual item. He can then get the sale online quickly.

Cicalese uses bright colors in his sales descriptions and his logo (shown in Figure 6-8), eye-catching typefaces, and a web page feature called tables to organize the contents of his sales of CDs, DVDs, and other music-related items. It's in keeping with his business philosophy.



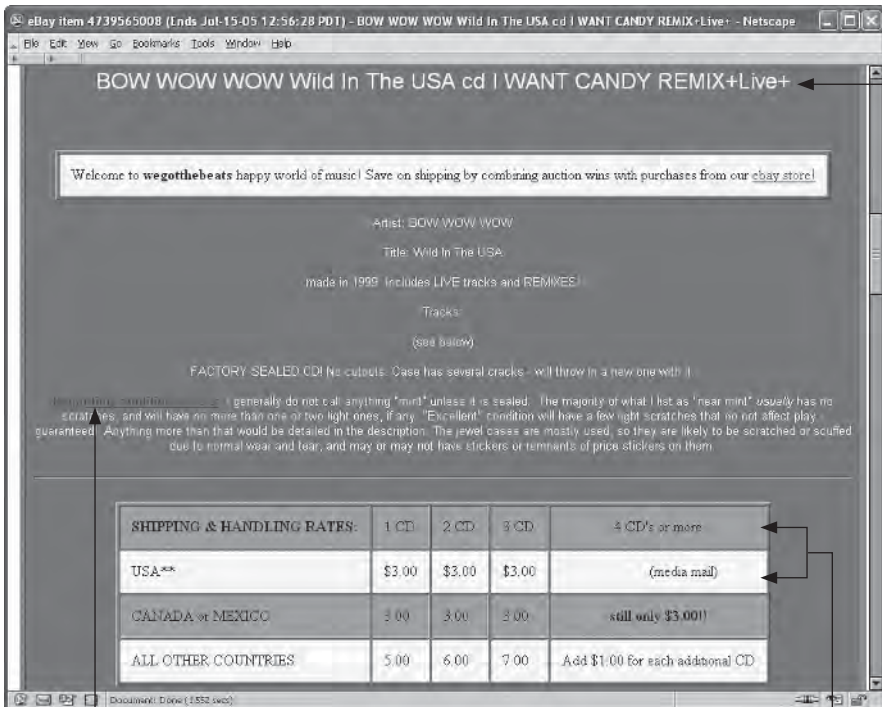
**FIGURE 6-8** Tony worked with a designer to create his logo and sales descriptions.

“The font matches what’s on my business cards,” comments Tony, who was in the process of reevaluating his sales listing designs as this was being written. “I was in traditional retail management for 12 years, so I have a good concept of what is ‘professional,’ and I run my business professionally. But I very specifically want to embrace the informality that is music, the camaraderie and community among my specific niche clientele and extended target audience. While maintaining standards of professionalism, I want to be seen as approachable, accessible, friendly, fun, etc.—in the way that a local

record store might have more personality than a ‘big box’ type of store.”

You can’t see it in Figure 6-9, but the backgrounds of his auction listings are bright blue and yellow. The whole listing is contained within

**FIGURE 6-9** Tony uses bright colors and eye-catching type fonts to convey a friendly, approachable image.



Type is bright yellow

Blue links are hard to read against green background

Table cell backgrounds alternate between blue and yellow

SHIPPING & HANDLING RATES:	1 CD	2 CD	3 CD	4 CD's or more
USA <sup>48k</sup>	\$3.00	\$3.00	\$3.00	(media mail)
CANADA or MEXICO	3.00	3.00	3.00	still only \$3.00!
ALL OTHER COUNTRIES	5.00	6.00	7.00	Add \$1.00 for each additional CD

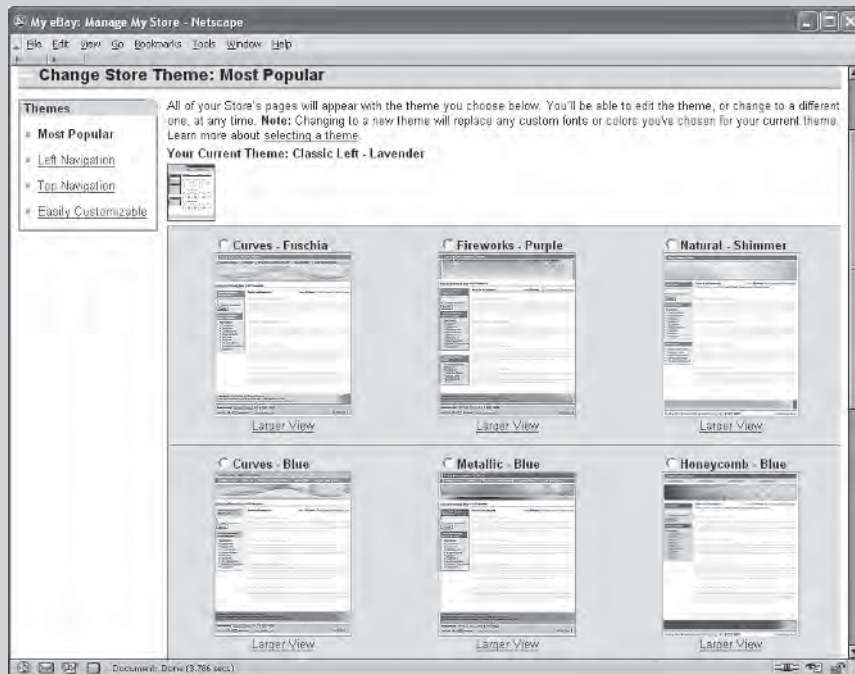
a table, which enables a designer to organize contents into rows and columns. To create a table, you either need to write the raw HTML commands yourself in a text editor, or you need a web page editor such as Macromedia Dreamweaver (<http://www.macromedia.com>) or the free Netscape Composer, which is bundled with the Netscape Communicator browser package (<http://www.netscape.com>).

### “We Discovered That Blue Sells the Best”

Experiment with layouts and colors to see what gets the best results. One of the people who put together the eBay PowerSeller business called BuzzPlace (<http://stores.ebay.com/buzz-place>) told me that they experimented with different color schemes for their eBay sales layouts.

“We did some sales in red, some in green, and some in blue,” he told me. “We found out that blue sells the best. I don’t know why; it just does.”

I’m not going to recommend that you automatically prepare all of your eBay sales listings based on this single comment. However, it is a good idea to take care with the colors you use so they match your targeted audience. When you’re putting together the listings for an eBay Store, you have many options for layouts, and each of those layouts has its own color scheme, as shown here:



(continued)

The important thing is to follow Tony Cicalese's example. Define the kinds of customers you want to reach, and choose colors that will appeal to them. If you are trying to attract young people who like hip-hop music, choose bright primary colors like the ones Tony uses. If you sell walkers, canes, and other medical supplies to older customers, choose a more restrained layout. Making your layouts match your customers' tastes is one of the best practices that many eBay sellers follow.

### **Reaching Overseas Buyers**

Tony Cicalese is based in Florida, but he roams the country to find CDs. Why? One reason is that he's looking for specialty items that overseas music enthusiasts can't find easily in their own countries. In fact, international buyers make up about half of his business, with Japan, Germany, and Britain acting as his largest markets. The special DJ versions and remixed versions of the music he finds are in great demand abroad. The demand generates monthly sales that approach \$10,000.

"The main reason I look for merchandise I can sell abroad is to reach bigger markets," he says.

### **Open an Overseas Store**

A few of the largest and most successful eBay sellers have taken a big step in order to reach customers overseas. They've decided to open up a whole new eBay Store and locate it in one of eBay's worldwide locations. You met one of these sellers in Chapter 1—Phil Leahy, who runs Entertainment House eBay Stores in his home country, Australia, and in the U.K. version of eBay (<http://www.ebay.co.uk>).

When I spoke to David Yaskulka, who operates Blueberry Boutique, he was in the process of opening a new store in Australia to complement his existing one in the U.S.

"There are many buyers outside the U.S. who simply like seeing their auctions listed in their native currency. When you list in a store that's hosted overseas, you can provide more details particular to their market. If an Australian citizen goes to eBay.com in the U.S. they do buy from us, and we have lots of customers from Australia. But they need to figure out the purchase price and shipping to some extent. When an eBay seller sells on a native site (such as Australia) everything would be in local currency. We ship to hundreds of countries around the world. People ask what will customs be, what will VAT be, and we don't know immediately; we have to look it up. When we open an Australian store, we will know the answer to that question for customers who live in Australia."



When you're looking for merchandise yourself, keep in mind that buyers in the U.K. and other overseas countries might not have access to them. You typically find interest in Levi's jeans and Converse All-Star Made in U.S.A. vintage shoes outside the U.S., for instance. It's worth searching through eBay's completed auctions to see which items in your own category of choice typically sell to bidders in other countries.



**tip** *eBay's completed auction database typically gives you only about the past two weeks' worth of sales. If you subscribe to Andale's Price Grabber service for \$3.95 per month, you gain access to the past 30 days' worth of auction results on eBay, plus detailed charts that suggest the best starting price, the best day to end the sale, and other*

## Lessons Learned in This Chapter

- When you're starting out as a seller, don't try to do everything on your own. Find a knowledgeable seller to help you, either as a Trading Assistant or someone you consult on the eBay discussion groups.
- You might be able to collaborate with sellers in your own geographic area to share photography equipment and storage space.
- You get more attention for your merchandise by opening up an eBay Store, where listings typically cost less than 10 cents each, and sales descriptions are listed on Google.
- Be sure to add as many keywords as possible to your sales descriptions to maximize the chances that they'll turn up in a set of eBay search results.
- Consider placing a bid on specific keywords that buyers would enter to find what you have for sale.
- List your eBay Store with Google's retail shopping search engine Froogle, and consider placing ads with Shopping.com or BizRate, too.
- Try to find unusual versions of your merchandise that people in your home country can't find, and if you want to reach buyers overseas, be sure to specify that in your auction listings.

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# Chapter 7

## Diversify Your Business Presence

When I met David Hardin, he was wearing a special “double-decker” business tag holder around his neck. I noticed right away that he had more than one business tag, and more than one business name on those tags. When he ticked off the names of his various eBay Stores, web sites, and User IDs, I was amazed. “I sell through the User ID Shoetime, also Fashion Outlet Mall, and I have eSAVz Corporation, which provides software for managing eBay auctions. eSAVz is also the name we use for our eBay drop-off stores; you can start up your own drop-off business with no up-front franchise fees.” At one time, he also provided computer programming through a company called DEK Consulting.

“It’s been a great yellow brick road,” Hardin says of eBay.

One of the secrets of becoming an eBay millionaire is finding a way to grow. You may already be familiar with this on a small scale: Once you find a line of profitable merchandise, you look around and find more. It works on a larger scale, too. Once one eBay Store becomes profitable, you naturally want to expand to new sales outlets in order to find new customers.

Hardin and the other PowerSellers profiled in this chapter, Amy Mayer and Ellen Navarro, have either expanded existing businesses or created new ones by finding new venues in which to sell. They are by no means in the minority. You’ll find additional examples throughout this book. But as these sellers show, success on eBay is all about growing: spending more on your business design and infrastructure, finding more merchandise to sell, and finding new ways to get your name and your products before the eyes of potential customers.

## **From Wholesaler to eBay Mogul: David Hardin**

The year was 1999, and as the new millennium approached, David Hardin’s family-run wholesale shoe business was facing difficulties. Hardin had been in business in Kentucky since 1985. He would buy shoes at wholesale prices from major department stores, break them into small groups, and sell them to small family-run retail stores as well as a few major retailers. But the small businesses who were his primary customers were themselves being edged out of business by the big chain stores.

“My core wholesale business was smaller independent shoe stores,” he says. “I saw the handwriting on the wall. My niche got smaller and smaller as stores such as T.J. Max, Payless, and Wal-Mart took over. It got to a point where, trying to sell to the big stores, if I didn’t sell it for less than I had paid for it, they wouldn’t buy.” David can afford to laugh about

his situation now: “I could either go back to where I started when I was young and during the summer and fall we would pick cotton, or sell shoes. It was a no-brainer,” he says. The challenge he faced in 1999 was to find a new way to sell shoes.

**Business name** Shoetime/Fashion Outlet Mall/eSAVz

**Seller name** David Hardin

**Web site** <http://stores.ebay.com/shoetime>

**Sells** Men’s and women’s shoes

### “All of a Sudden a Light Went On”: Shoetime

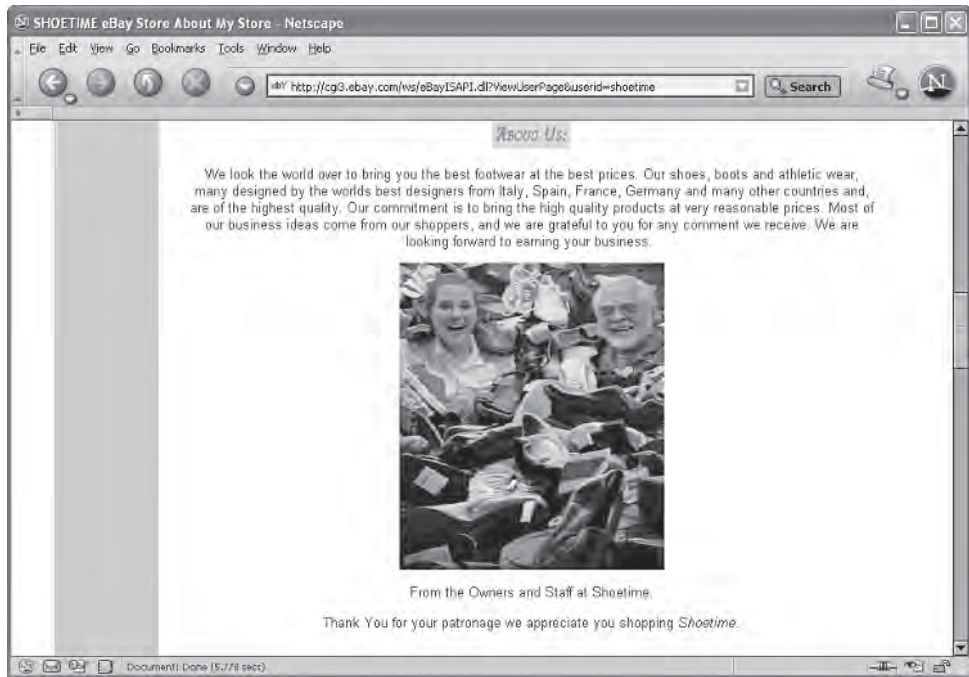
One day a young man named Steve Hicks visited Hardin’s shoe warehouse and mentioned the word “eBay.” “I asked, ‘What’s an eBay?’” Hardin recalls. “He proceeded to tell me about eBay. All of a sudden a light went on. I thought, if I can’t sell to a brick-and-mortar store, I can sell in an eBay Store.”

Hardin started out slowly on eBay. “I took five pairs of shoes and gave them to one of my employees who knew about eBay. Right away, he got some bids on them.” Next, they listed 50 pairs of shoes, and were pleased with the results. As Hardin and his coworkers gained confidence and experience with the Internet, they moved up to a hundred sales listings, then more and more.

Today, Hardin’s wholesale shoe business is thriving. He works out of a 200,000 sq. ft. warehouse, and also has five different eBay apparel businesses. He sells 1,000 to 2,000 pairs of shoes each week through his main eBay Store, Shoetime. He and his daughter Shelly Hudson, who is marketing director for Shoetime, are happily awash in a flood of shoes (see Figure 7-1). The picture was taken by Lamar Hardin, who plays a large role in all of their enterprises.

### From Shoes to Fashion: Fashion Outlet Mall

“eBay is like a car,” David Hardin says. “It’s a great vehicle for e-commerce, and it gets you going without having to pay high startup costs. But it’s up to you to apply the gas pedal yourself. With some energy and imagination, you’ll be surprised how far you can go.”



**FIGURE 7-1** This wholesaler now has five different apparel businesses on eBay.

One way to go a greater distance on eBay, and at a higher rate of speed, is to sell through multiple User IDs or multiple eBay Stores. Hence the eBay Store called Fashion Outlet Mall (see Figure 7-2), where Hardin sells a slightly different grade of shoe than he does through Shoetime.

Why sell the same kinds of merchandise through different eBay Stores? One seller, David Alexander, told me that it's easier for shoppers to navigate through the merchandise in a store if it isn't too large. Rather than forcing your customer to scroll through many hundreds of listings, breaking up your merchandise into two separate stores and making the merchandise slightly different in each location makes the shopping experience more user-friendly for customers. It's also a way of getting more items in your chosen sales niche before a higher number of potential buyers. If they don't find you in one store, customers can locate you in your other facility.

For David Hardin, the two stores enable him to sell two different types of items without having them interfere with one another. In Shoetime, he sells only auction items that are newly listed; he saves Fashion Outlet Mall for lower-priced shoes that are "closeouts."



**FIGURE 7-2** This eBay Store serves as David Hardin’s “outlet mall,” where older inventory is placed so it doesn’t interfere with newer sales.

“It’s kind of like Filene’s Basement,” he explains. “One store sells a lesser grade of goods, so I don’t get the reputation of selling old or ‘damaged’ merchandise in the main store. I got the idea for having two stores when my sell-through rates were going down. It dawned on me that my eBay Store items were covering up my newly listed auction items. If you don’t take your older merchandise out of the store once in a while, it covers up all the new merchandise you just listed. I don’t sell fixed-price items on Shoetime; I do *only* fixed-price items on Fashion Outlet Mall.”



**tip** *Anyone who goes to eBay Live or follows eBay PowerSellers knows something about David Hardin: He’s everywhere. He’s a master at networking, talking, and sharing information. He’s especially open to talking to writers like me. He’s one of those people who proves the rule that the more you share with other people, the more you get back in return. Don’t turn down opportunities to meet with other sellers or talk to the press: they’ll pay off in the long run.*



### **“I Went from Shoe Salesman to Software Developer”**

“I used to think I was too old to be in online business,” says David, who is 60 years old. “It turned out that not only am I not too old, but I could be a pioneer in a lot of ways.” One of the ways in which he pioneered was in software development—ironic, considering that he didn’t know much about computers when he first began selling on eBay. “I realized something,” he says. “In our regular wholesale business we go into a store and find shoes we can resell. If I go online, all I need is the niche.”

As it turned out, the niche of selling men’s and women’s name-brand shoes at cut-rate prices was made for Hardin. His sales continued to shoot up as he tried Turbo Lister, Selling Manager, and one third-party auction sales tool after another. Before long, Hardin discovered that he had “broken” all of the software programs he had tried to use to manage his sales—in other words, the number of transactions he was conducting and the complexity of the data was more than the software could handle. He made a daring decision: he would try to invent his own eBay sales software.

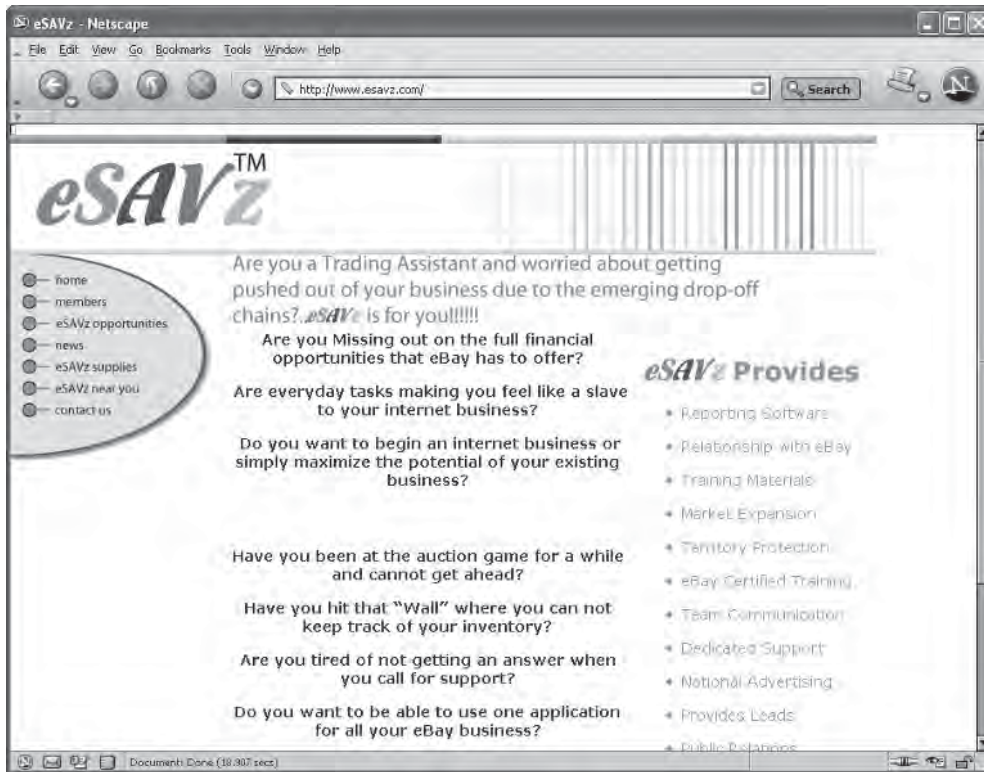
“Streamlined is the way eBay’s got to be,” he says. “We counted up 35 separate business steps that it takes to complete a sale on eBay. We saw immediately that we couldn’t make a profit if we had to go through that number of steps, with all the labor involved. We worked with all the PSPs—Auctionworks, Andale—when we got up to a certain point, we broke them. We created our own software where we took 35 business steps and boiled them down to 9. The software lets you record the bar code, track the physical inventory, and show the location of the item in our warehouse.”

### **“If You’ve Got a Computer and a High-Speed Internet Connection, You Can Do This Out of Your Home”: eSAVz**

When he became a successful PowerSeller on eBay, David Hardin discovered that he had a saleable commodity to offer the public that had nothing to do with shoes or fashion. He had his own knowledge and experience—not to mention his considerable skill as a salesman—that he could provide to others who wanted to learn how to sell on eBay.

The idea of becoming a Trading Assistant has appealed to him, but not to one or two individuals at a time. For several years, he has been pitching his company’s services as an eBay Trading Assistant to large companies in countries as far-flung as China, Korea, and Peru.

He also came up with eSAVz and partnered with Brad Young and Mike Hopkins, owners of the software company DevSource, to form an eBay franchising business (<http://www.esavz.com>, shown in Figure 7-3). eSAVz enables individual eBay sellers to become drop-off store operators,



**FIGURE 7-3** Hardin also has a presence online through his eBay franchising business, eSAVz.

but without having to pay the large franchising fees levied by well-known auction franchisers.

“We’re targeting a lot of people who are already Trading Assistants on eBay, because they already have a working knowledge of eBay. We’re giving them a branded name that will enable them to sell across the U.S. and internationally, too. We help people with everything from getting their licenses and deposit fees taken care of to how to ship. We offer three tiers of eBay stores: a retail drop-off store, doing fulfillment for local retail stores, and fundraising for nonprofit groups. We help all of them find merchandise to sell, and give them phone support plus many more services. We don’t charge the big fees up front, but we do take a percentage of each sale on the back end.”

### **Giving Back: It's Good, and It's Also Good Business**

Several of the sellers in this book give back to various communities by donating their time and expertise. In Chapter 9 you read about David Yaskulka, who consults with nonprofits to help them conduct fundraisers on eBay. In Chapter 6 you meet Tony Cicalese, who donates a percentage of his sales to benefit organizations that fight AIDS.

Hardin and his daughter Shelly (who is the Marketing Director for **Shoetime**) and their staff and employees are all active supporters and members of PESA (Professional eBay Sellers Alliance). They were at the forefront of a fundraising effort that raised over \$15,000 for the Disabled Online Users Association (DOUA). They were also involved in sending much-needed aid to the victims of Hurricane Charley in Florida. PESA also raised \$11,000 in part by auctioning off the chance to accompany eBay North America President Bill Cobb on an amusement park ride for \$4,000 to benefit NetSmartz, an organization that teaches children and their parents how to protect themselves from online predators. eSAVz and their franchise store Zeas eSAVz are presently raising money for Habitat for Humanity to help the Katrina disaster relief through the eSAVz cooperation. Such work has a benefit in and of itself: It's just a good thing to do. But it can also increase your exposure on eBay, build new contacts, and boost your reputation. And all of these things are likely to help your business.

Anyone who knows David Hardin knows how open he is with his views and his knowledge. In any gathering, he's surrounded by people. He gives plenty of interviews to writers like me. Such networking is an important part of reaching out and improving your business, he says.

"I think somebody once said, 'I don't care what they say about me as long as they're talking about me.' It's hard to succeed in online business today without networking. You need to have friends in a lot of places. People help me, so I feel I should help other people. If I learn from someone and don't pass on what I've learned, that knowledge is going to die, and things will never get better."

### **Open a Brick-and-Mortar Store: Ellen Navarro and Amy Mayer**

In eBay's early years, brick-and-mortar sellers moved to eBay in order to find new customers. Some grew so successful that they were able to close down their storefronts and sell on eBay full time. Other store owners, such

as antique dealers, keep themselves afloat by supplementing their street traffic with eBay-generated revenue.

Ellen Navarro and Amy Mayer have experience in the traditional world of retail sales; they met while working at a high-end women's boutique in Chicago. They became friends and decided to go into business together. "Originally, we thought of opening an online clothing boutique," says Navarro. "Then Amy's husband heard about eBay drop-stores. At the time, there were only a handful of them around the country. We thought, 'There's a real need for this; we'll give it a try.'"

**Business name** ExpressDrop

**Seller names** Amy Mayer and Ellen Navarro

**Web site** <http://www.expressdrop.com> or <http://stores.ebay.com/ExpressDrop-Chicago>

**Sells** Clothing, antiques, household goods, electronics, consignment merchandise

### **“We Decided That This Is a Destination Business”**

Navarro and Mayer, who are both 25 years old, first conceived the idea for their drop-off store in January 2004. Within two months, they were open for business. The first and most important decision they had to make was where to locate their store. On the Web, location is important; having a storefront on eBay's well-traveled web site is a plus, as is creating a storefront with a popular shopping area like Yahoo! Stores. When it comes to locating a brick-and-mortar store, it comes down to finding a well-trafficked area, and getting your store and your physical advertisements to attract the attention of as many local residents as possible.

Their ultimate choice was an intersection of streets that are well known but not in the most fancy-schmancy part of town. That makes it more affordable than paying the rent in one of the “prime” business areas in Chicago. It doesn't really matter that pedestrians and drivers aren't likely to discover the store by chance as they are passing by, because Navarro and Mayer are looking for serious customers who have already decided to do business with them.

“We decided from the get-go that this should be a destination business—a place that people might travel a little bit to reach, rather than a convenience space. The intersection where we are located is a four-way stop. You get a lot of traffic, especially from people heading out of town going toward the expressway. There's a bus stop on either side of the street. We've had people

drive one and a half hours to get to us—even from as far away as Wisconsin and Southern Illinois. We often have people drive in from the suburbs of Chicago to bring us stuff to sell. They have drop-off stores out there, but they say they’ve had bad experiences with those stores.

“We really feel no competition from places that are also located on the North Side of Chicago,” says Ellen. When the local Fox News channel did an undercover investigation of three drop-off stores in this area, ExpressDrop was reported to be the most reputable establishment. Their primary competitors are bigger drop-off store chains such as AuctionDrop, QuickDrop, and iSold It. Navarro, left, and Mayer are shown in Figure 7-4 in front of the ExpressDrop store at 1900 West Belmont in Chicago.



**FIGURE 7-4** These two twenty-something entrepreneurs chose the location of their brick-and-mortar store carefully.



**warning**

*Before you put down money on a location for your store, make sure the zoning classification for that address allows you to resell used merchandise. City ordinances might restrict such activities. Also check your state and local regulations on dealers of secondhand merchandise to make sure you comply with them.*

**“People Get Caught Up in the Romance of Selling on eBay, and They Don’t Do the Business Projections”**

ExpressDrop was buzzing with activity when I visited on a Tuesday afternoon. A police officer was there with some merchandise to sell;

a young man came in with two boxes of rollerblades; Amy and Ellen took turns on the phone, answering questions about shipment times and methods as well as the usual business inquiries such as “What are your hours?” and “How much does it cost to sell on eBay?” Ellen quickly did a check of eBay’s completed auctions and determined that the rollerblades wouldn’t sell for the required minimum of \$50. The young man didn’t seem disappointed; he went to his car and retrieved a musical instrument case, which eventually was put up for consignment. Plastic tubs full of clothing, shoe boxes, and exercise equipment that had been left by their owners were scattered around the storefront.

After about 18 months in business, the two drop-off store entrepreneurs have sold more than a million dollars worth of merchandise; they estimate that they’ve completed 7,000 transactions. Their feedback level is 5,200 at this writing. They put up as many as 400 items for sale in a given week (the average is 150 per week), and their “sell-through” rate is about 70 percent. By all indications Navarro and Mayer are doing well, which pleases but doesn’t surprise them. Before they opened their doors for the first time, they knew what their goals were and had a plan for how to meet them.

“We drew up a business plan before we started,” says Mayer. “We read a good book about preparing business plans. Too many people get caught up in the fever, and the romance, of selling on eBay. They get carried away with it before they have done projections such as on how much they need to have in reserve in case they don’t sell anything in one day, or one week.”

So far, however, a day has not gone by without some business coming through the door. They were also happy to learn that the licensing and other requirements needed to start a brick-and-mortar business in the city weren’t especially difficult to obtain. Luckily, inspection procedures were simplified because they found a “vanilla box” space—an office that had just been newly constructed. They only had to build a wall to separate the customer service area from the photography area. They store items that have already been listed in the 900 sq. ft. basement.

They had to do “a bunch of paperwork,” but they found many of the necessary forms on the City of Chicago web site (<http://www.cityofchicago.org>). They also incorporated and applied for a tax ID number and a City of Chicago sales tax ID number. They went to a city office to get a merchant services license. “We spent some time on various procedures and had to follow up on a few things, but nothing was entirely difficult,” says Amy.

They retained a general services lawyer to make sure everything was done correctly. The lawyer also crafted a returns policy as well as an elaborate consignment disclaimer that is added to each one of their sales. The statement limits their liability in case they receive an item that has

been stolen or that doesn't work. This is just the first paragraph of the two-paragraph statement:

ExpressDrop, Inc. is not the owner or seller of these goods, but is a bailee acting on behalf of the bailor/seller to facilitate the sale of the goods. ExpressDrop, Inc. merely holds the goods until the sale is completed and the goods are placed for shipment to the buyer. ExpressDrop, Inc. warrants and represents that the goods are as they are described in the above listing and that ExpressDrop, Inc. neither knows nor has reason to know of any outstanding title or claim of title hostile to the Sellers rights to sell the goods. ExpressDrop, Inc. will accept returns only if the goods fail to meet the listed description. ExpressDrop specifically disclaims any implied warranties of title, merchantability, fitness for a particular purpose and non-infringement. Based on the different laws of states, this disclaimer of implied warranties may or may not apply to you. The warranty and representation given herein provides you with specific legal rights and you may also have other legal rights depending on the applicable state law.

If you sell on consignment for others, consider adding a legal disclaimer to your own sales descriptions. Also be aware of the danger of selling items that have been stolen. If you suspect something is ill-gotten gain, call the police right away. Also know what you can and can't sell legally; the ExpressDrop owners are often asked to sell tickets on eBay, but they don't have an Illinois ticket broker's license.

The state of Illinois recently began to enforce controversial regulations that require drop-off store owners to obtain a state auctioneer's license—a process that requires the licensee to enroll in a course and pay an application fee of several hundred dollars. One drop-off store owner in rural Illinois, David Portugal (who is profiled in the sidebar at the end of this chapter) said he had to obtain such a license. But Mayer and Navarro say they were assured by the city that no such license was needed because eBay is actually conducting the auction; they are only receiving the items to sell on consignment.



**tip**

*eBay held a workshop for Trading Assistants on the ins and outs of opening a drop-off store. You can read the archived proceedings at <http://forums.ebay.com/db2/thread.jspa?threadID=410301903>.*



## Things to Consider When Planning a Drop-Off Store

When you're looking at locations for your own drop-off store, you have the following options:

- **Retail locations** These include strip malls and downtown areas where other businesses are located. Strip malls are convenient for shoppers who are visiting neighboring stores, not just your store.
- **Office parks** If your customers are primarily from your local area, you can benefit from space in an office park. The rent is usually lower than with a retail store.
- **Industrial parks** If you are looking for a large warehouse space, you can find it here—but your prospective customers might have trouble finding you, as industrial parks tend to be in out-of-the way locations.

You also have to make a choice of the type of drop-off store you want to open. David Portugal took the route of opening his own independent store. But other sellers become franchisees: they join one of the big drop-off store franchises like ISold It and AuctionDrop, which provide them with help and advice on hiring employees, marketing their business, and managing their brick-and-mortar location.

Marketing your drop-off store is another important consideration. You'll probably want to advertise in the local phone book and in local newspapers as well. Then there's the question of business insurance. You'll need to provide fire insurance for your building as well as liability insurance to cover your employees, your customers, and losses of merchandise that owners have consigned to you. Determining the value of the merchandise is difficult, especially if the items will be up for auction and you don't know the real value until a transaction is completed. Anecdotal evidence in the eBay Workshop on drop-off stores held in October 2004 suggests that you may need as much as \$1 million in liability coverage for your drop-off business.

## “I Am Selling More and More Machines Lately”

Once you find a location for your physical store, you have to comply with local regulations and possibly do some renovation if repairs or upgrades are needed. You need to buy fixtures such as shelves, tables, chairs, and a cash register. In other words, you incur all the expenses that you normally avoid when you set up a storefront on the Web. And you need to sell enough merchandise to cover your rent, your utility costs, and the salaries you pay to employees.

In order to make a drop-off store profitable, Navarro, Mayer, and other store owners have discovered that they have to alter their selling tactics. They can't focus on low-ticket items because it's so difficult to make a profit. If someone sells something on consignment for \$50, for instance, the seller takes a fee of perhaps \$10 to \$16. Out of that fee, the seller typically pays eBay's listing fees, which reduce the profit by a few dollars. If an employee spends one to two hours talking to the customer, creating the description, taking photographs, and packing the item up, the sale just isn't profitable for the drop-off store.

As a result, ExpressDrop and other drop-off stores shy away from selling anything on consignment that has less than a \$50 value. They focus on high-end jewelry and clothing. And when you scan the current auctions being held by ExpressDrop (User ID: [expressdropchicago](#)), you immediately see one advantage of having a drop-off store as opposed to selling out of your home: You tend to get furniture and large machinery to sell that is likely to fetch a good price. Recent completed auctions by ExpressDrop include:

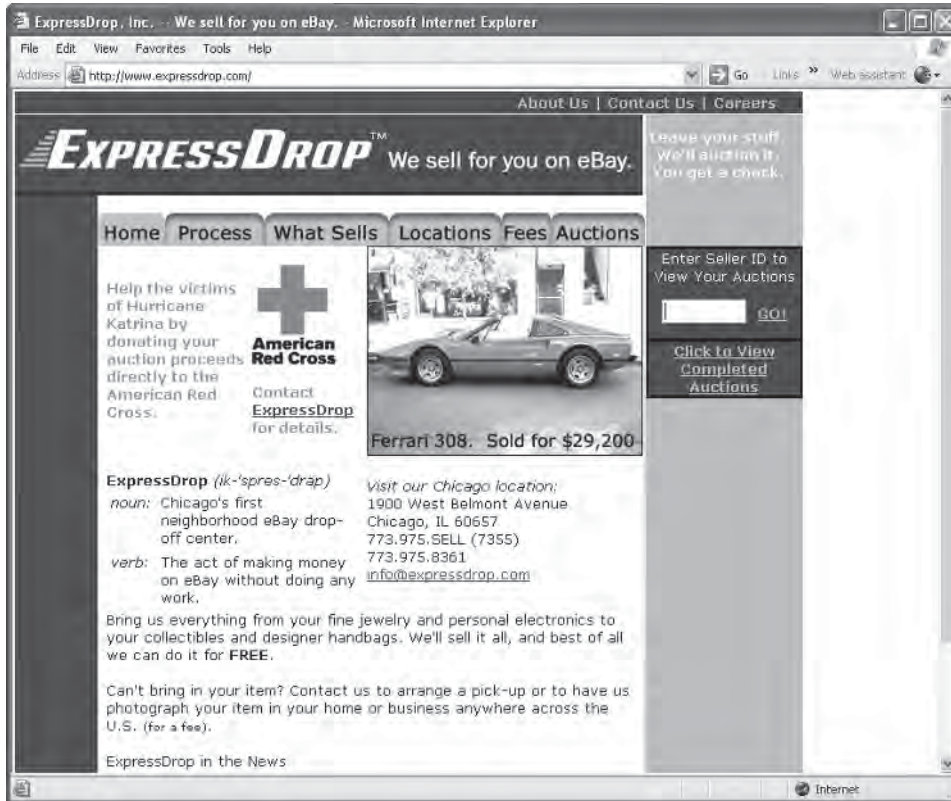
- An Inter tel Axxess Digital 18 phone system that sold for \$1,425
- A brand-new, sealed copy of Microsoft Visual Studio .NET (\$3,150)
- An antique hand-lever printing press (\$306)
- A new Barcelona Van Der Rohe-style leather chair (\$331.08)

They've also sold a Ferrari car for \$29,000 and an Acura NSX for \$33,000. The Ferrari is among the high-priced vehicles they advertise in an animated GIF image on the front page of the ExpressDrop web site shown in Figure 7-5.

Because Navarro and Mayer have a store, it's relatively easy for owners to find the parking lot and unload their merchandise. It's also less intimidating for buyers to pick up their vehicles in person when they're coming to a brick-and-mortar store rather than the owner's home.

"Having a storefront really gives you a public face," says Navarro. "When people walk into a brick-and-mortar store, they expect a professional interaction. If someone wants to sell with a Trading Assistant, they may have to go into that person's home and might not feel as safe."

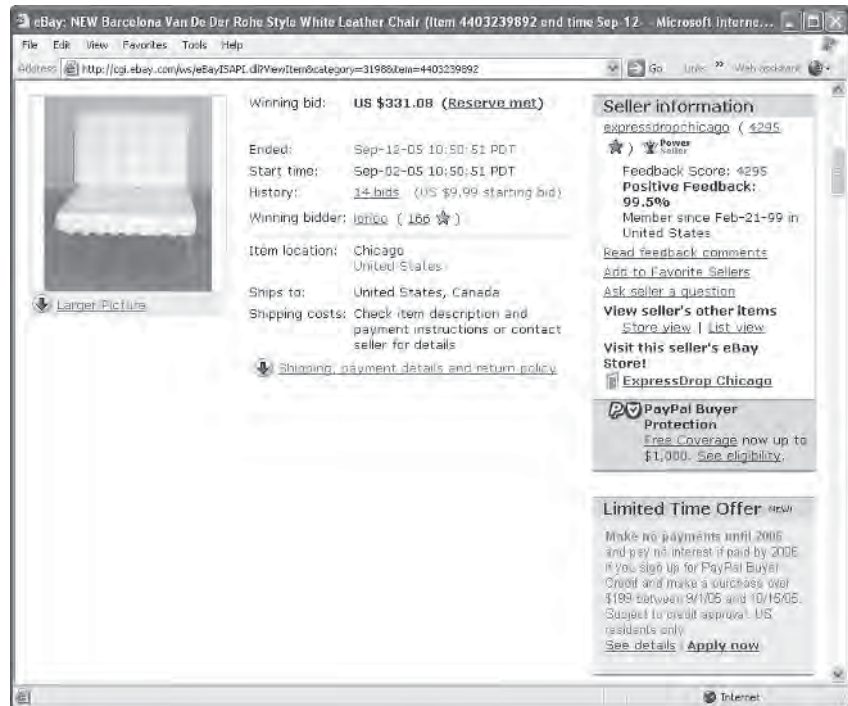
For some really big items like couches that must be picked up in person, the ExpressDrop women will place an ad in the Chicago version of the popular classified site Craigslist (<http://www.craigslist.org>). Or, they'll specify prominently in the auction description that buyers must pick up heavy items in person. "If we are asked to sell something that weighs more than 150 lbs, we will go to their house to take the photo for a charge," explains Ellen. "Otherwise, they need to bring us photos."



**FIGURE 7-5** Drop-off stores enable customers to bring heavy machinery and vehicles that can fetch high prices.

## \$\$\$ moneymaker

When you're selling high-priced items, it's great if someone can pay the entire price all at once. But you'll attract more bidders if you're able to offer financing. ExpressDrop sales listings contain an offer for financing in a "Limited Time Offer" box that you don't see very often (shown next). It's an option available automatically to sellers who accept PayPal payments and buyers who are U.S. citizens and PayPal members. You can choose a "buyer financing" option from the Payment and Shipping section of the Sell Your Item form. But the buyer financing option appears automatically if you offer something for more than \$199 and you already accept PayPal.



## “If One of Us Didn’t Get Yelled At, It Wouldn’t Be a Normal Day”

Dealing with customers face to face or over the phone is far different than the more distanced communications you conduct by e-mail or eBay’s message system. Drop-off sellers, like all sellers, run into non-paying bidders as well as buyers who try to cheat them by falsely claiming that an item was lost or damaged in transit. It probably seems like they run into more such problems because their sales volume is greater. But people who come to them in person can get upset if items that are special to them don’t sell for a particular price or if they don’t sell at all.

“This is sort of an intimate experience we’re having with the owners of the items we sell,” says Amy. “They may be handing over their family heirlooms to us. Some of the stuff they give us to sell has real emotional value to them.”

“If there ever was a day that one of us didn’t get yelled at, it wouldn’t be a normal day,” adds Ellen. “You just have to have thick skin and shrug it off. Coming from a retail background, we are used to the problems you can run into dealing with people directly. If you don’t come from a retail background, you learn pretty quickly that there are some ‘bad eggs’ out there.”



**note** *ExpressDrop charges a minimum commission of \$15.99 on each item it sells. They charge 32 percent of the first \$500, 25 percent of the next \$2500, and 10 percent of the remaining amount.*

Navarro and Mayer also teach classes on eBay selling, and they provide consulting services to others who are interested in starting drop-off stores. “People ask for advice all the time,” says Navarro. “After a while, it occurred to us that we ought to be charging for this. One seller who wanted to open a drop-off store drove here from Connecticut to meet with us.”

By teaching your consignment customers how to sell on eBay, you might think that you’re talking yourself out of future business because you’re showing your customers how to become eBay sellers in their own right. But if you show customers what you do when they drop off merchandise with you, chances are you don’t have to worry about them never returning in the future. The fact is that drop-off stores work because many individuals just don’t have the time or energy to sell on eBay; they are far more comfortable having someone like you do the work, even if you show them how to do it.

Many eBay PowerSellers teach classes at their local community colleges or give lectures on eBay at their local libraries. It’s a good way to supplement your eBay sales revenue without having to go through the expense of opening a brick-and-mortar store or the complications of working with consignment sellers.

### **“We Compare Our Business to a Dry Cleaner—People Choose the Place with the Best Service”**

Whether you are opening up a warehouse (see the profile of Lisa Vanesco and Ready Medical in Chapter 3), a retail storefront (like Melissa Sands, who is profiled in Chapter 4), or a drop-off store like Ellen Navarro and Amy Mayer, you have to be open to new challenges. It helps if you’re technically minded, and you can roll up your sleeves and do a lot of the computer work yourself. Navarro and Mayer relied on one of their partners to set up computer equipment for their store, including dual monitors for each workstation—an employee can work on one monitor, and the customer can see the same eBay sales information on the second monitor. The same partner created custom software for ExpressDrop; it connects eBay’s

Seller's Assistant software with their accounting system. Amy Mayer poses next to one of the dual-screen workstations in the image shown here.



According to Navarro and Mayer, the thing that sets ExpressDrop apart from other drop-off stores is their level of personal customer service. “A lot of these drop-off businesses fail because people forget how important the customer service aspect is. They think they know how to sell on eBay and might even have a PowerSeller background, so they want to open a drop-off store because there’s a relatively low barrier of entry. But when it comes to dealing with customers they fall short.”

To avoid burnout and to continue offering a high level of service, Navarro and Mayer avoided taking on too much at first. “We decided to grow only as fast as our business grew,” says Ellen. “We would buy things only if we could afford them. Instead of hiring employees to start with, we did it all ourselves in the beginning—just the two of us, helping customers, packing items. We had a lot of long, long days, working late into the night. Now we have three full-time employees, so it’s much easier.” One of those employees, Josh Browning, helps with the time-consuming steps of packing and managing inventory (see Figure 7-6).

When you open a brick-and-mortar business, you have new advertising opportunities. You create your own signage in front of your store. You can take out an ad in the Yellow Pages. Navarro and Mayer have kept advertising expenses to a minimum. They took out an ad in *Chicago* magazine when they started, and they staged a publicity photo that shows the two of them in an old cast-iron bathtub filled with packing peanuts (see Figure 7-7). They use this photo on their web site and on cards they hand out at the store. But they really benefited from an article in the *Chicago Tribune* that appeared shortly after they opened for business. Eighteen months later, they were still attracting customers from that single article.





**FIGURE 7-6** It's important to hire good employees who can offer a high level of customer service.



**FIGURE 7-7** Word of mouth and local media coverage helped get the word out about ExpressDrop.



## Try to Avoid Drop-Off Store Burnout: A Cautionary Tale

One of the lessons Amy Mayer and Ellen Navarro learned from their experience in retail sales was the importance of having a thick skin: of being able to shrug off complaints, questions, and demands from customers you have to deal with in person. Another was the importance of growing gradually and not taking on more than you can afford at any one time.

David Portugal used to be a retailer, too; he once managed a jewelry store. After he was laid off from his job in 2001, he decided to sell on eBay. He became a PowerSeller on eBay selling watches and other items. He grew so successful that he decided to open a brick-and-mortar store, Auctions by David. As David discovered, opening a storefront for eBay drop-off sales enabled him to sell a wider range of items, and it brought him new customers, but it also presented new challenges.

**Business name** Auctions by David

**Seller name** David Portugal

**Web site** <http://stores.ebay.com/Auctions-by-David>

**Sells** Wristwatches, antiques, household goods, consignment merchandise

David loved—and still loves—running his own business because it enables him to be with his family. As he explains, “I am home all day and can help with the kids whenever my wife needs me to.” He emphasizes that his is a “family-owned business,” and he includes photos of himself and his family with each of his auction descriptions to give them a more personal flavor (see Figure 7-8).

For more than a year, the drop-off store worked well. “One of the keys is location, location, location,” says David. “I spent all my spare money on rent, so I could locate my store at a major intersection.” Auctions by David is, in fact, located at the corner of Algonquin Road (State Route 62) and Pyott Road in Algonquin, Illinois. It’s a rural area, but one that gets a lot of traffic.

Portugal also invested in a banner ad—literally, a big sign that tells passersby where to find his store. “Fifty feet away from me there is a banner directing people to my drop-off store. I joke that I am doing banner advertising,” he says.

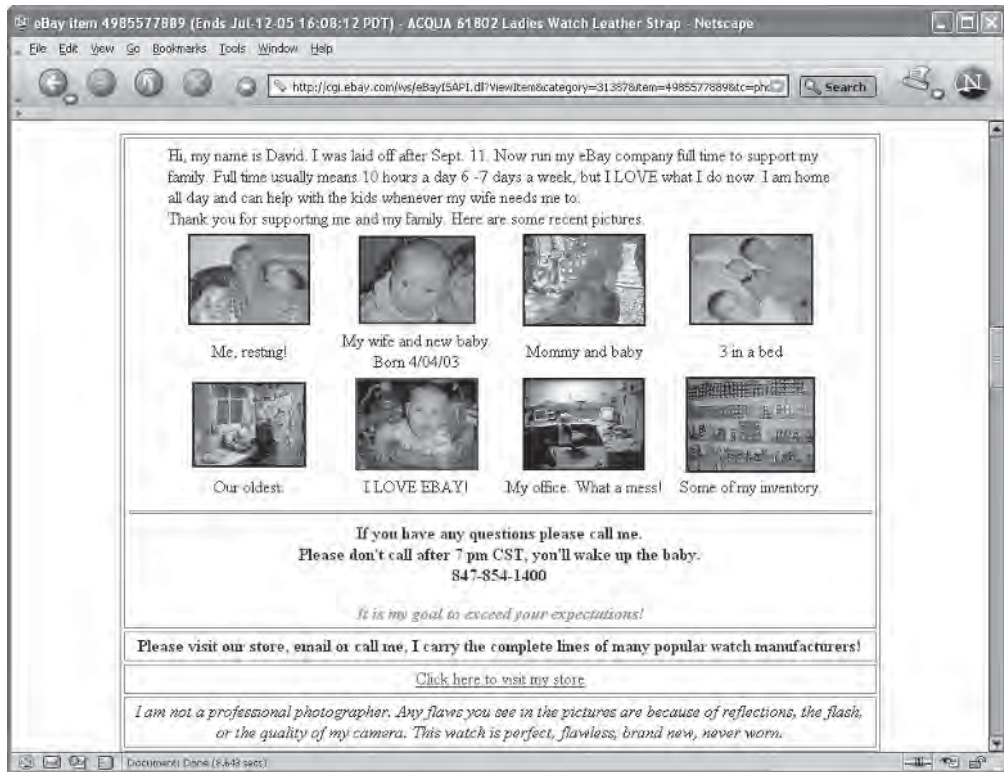
Having a drop-off location allowed him to sell items such as hot tubs, Harley-Davidson motorcycles, boats, and snowmobiles. In one case, however, trying to sell a machine opened up a whole new world for him. When the buyer complained that a sign-making device didn’t actually work, David had to accept it as a return. The owner claimed that the machine worked when he dropped it off, and refused to take it back. David tried to file a claim with the delivery company, but they wouldn’t pay, either. “Being a mechanical guy, I started to tinker with it, and I got it to work. Then I put lettering and graphics on my storefront windows. Next I did my car. Then people started asking me where I got my graphics and lettering done. I told them I did it myself, and they asked if I could do some for them. I did a few people’s cars and made a few banners, and I quickly realized this is a great way to make money.” David’s car, with his eBay drop-off business advertised on it, is shown here.



Tired of what he saw as insufficient profits for too much work from his eBay sales operations, and fed up with eBay customers returning items or demanding refunds for what he saw as trivial reasons, David shut down his store temporarily. At this writing, he was operating a sign-making business out of the same space.

“Let’s honestly look at an eBay drop-off store,” he explains. “People come in and you spend hours going through their stuff trying to research and find out what is going to sell and what isn’t. Then you spend 15 to 45 minutes writing the auction up, taking photos, and listing the sale. Then, you have to answer e-mails from potential bidders, edit the sale, and try to get the winner to pay you. Next, you have to make sure the payment isn’t fraudulent, or wait for the personal check to clear. Next, you have to pack up the item (this is harder than it sounds with all the different-shaped items and how fragile some items are). Then you have to hope the item isn’t damaged or lost in shipment. Ten percent of the time you have to fight with the winner because ‘the outside of the shipping box was damaged, the item is okay, but still you owe me a partial refund . . .,’ or ‘there is a small scratch which wasn’t shown in the pictures, I want a refund or I will leave you negative feedback . . .’ and on and on and on. Finally you have to write a check out to the person who dropped off the items. Of course, one or two or three weeks later you might see a chargeback by PayPal or your merchant account and then have to spend more time proving that you shipped the item, your customer received it, and everything is as it was supposed to be.”

David isn’t giving up on eBay, but he admits he is tired of it. And with the flexibility of a true entrepreneur, he’s used eBay to launch himself into a new career. “I will certainly start doing eBay again,” he says. “However, it won’t be for a while and I will only do items that are extremely profitable.”



**FIGURE 7-8** This successful businessperson took a risk and opened a brick-and-mortar drop-off store to supplement his eBay sales.

All of the hard work has good payoffs and moments of great joy and surprise. When asked about the most memorable thing they ever sold, for instance, both Amy and Ellen mention the tin truck with the logo of the Wrigley's company, a chewing gum manufacturer that has become a famous institution in Chicago.

"A man brought in a toy truck with the Wrigley's logo," explains Amy. "We couldn't find anything else like it on eBay. We had no idea whether or not it would sell. Today, because we have a \$50 minimum requirement, I wonder if we would have taken it in the first place. But because we had just opened, we decided to give it a try. The owner decided to pay a little extra for a reserve price. It ended up selling for \$5,400. The buyer drove here from Missouri to pick it up in person, and paid in cash! Now, every time we get a box of things someone has to sell, I always look through it carefully and think, 'What is the Wrigley truck in this box?'"

**Lessons Learned in This Chapter**

- When you build up your inventory, consider selling in more than one place on eBay. Sellers like David Hardin split up their merchandise into two or more User IDs.
- Don't let the older fixed-price eBay Store items crowd out or overshadow the newer items you have up for auction. At the very least, include a "New Arrivals" box in your eBay Store to highlight the latest items.
- Once you have become an experienced eBay seller, you can "sell" your knowledge by helping others sell, or providing instruction for would-be sellers.
- A brick-and-mortar store offers new challenges for sellers when it comes to licensing, rent, and employees. But it provides new opportunities to find business and to sell big items like vehicles.
- Make sure you pick a good location for your business and that you put the time and money into marketing to spread the word in your local area.
- Rather than starting up your own drop-off store from scratch, consider joining a franchise that can help you with startup costs and branding.
- If you sell for others, strongly consider putting a disclaimer in your sales descriptions absolving you of liability for problems related to merchandise you sold for someone else.

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# Chapter 8

## Provide Instant and Personalized Service

Everyone has to overcome obstacles of one sort or another in order to sell on eBay. For most of us, the obstacles are things like the time we have available, or the amount of merchandise we have to sell. For Marjie Smith, the challenges are more daunting than that. For most of her life, she was a vigorous, physically active person: She is a former Marine who served in Vietnam. She was working as a health care manager and was a single mother of two when she went into the hospital for what was supposed to be routine shoulder surgery. During the operation, there was an interruption to her central nervous system that caused the right side of her body to be paralyzed. She left the hospital a hemiplegic, confined to a wheelchair. Her former employer “put me out to pasture,” as she puts it. She was left at home, with virtually no options for employment in her rural community.

Marjie got her first computer in 1993, and soon after, she started a support group for disabled people. But she was having a hard time providing for her children on disability payments. A friend took her to some nearby stores, where she purchased some Beanie Babies for \$5. This was at the height of the Beanie Baby craze, and Marjie was able to resell those stuffed animals for \$100 on eBay. She realized that, on eBay, no one knew she was disabled. She kept on selling and never looked back.

I first met Marjie at a conference of PowerSellers. She was gliding around the meeting area in her motorized wheelchair. She never seemed to be alone, because everyone knew her well. It was clear she had dozens of friends in attendance. Not only that, but a television crew had its camera pointed on her; they were preparing a story on her and the group she had formed for disabled people who want to learn to sell on eBay, the Disabled Online Users Association (DOUA).

These days, everyone in the community of eBay PowerSellers, as well as many others, seems to know Marjie Smith. Since it was founded in 2003, the DOUA has helped 1,500 people get online and support themselves by selling on eBay. “Who knew there would be such a need for this?” says Marjie. The group gets them started by assigning them a mentor and providing them with their first five items to sell as well as loaning them a digital camera if needed. Margie is a PowerSeller in her own right, and she makes it a point to find time to help other budding eBay sellers even as she is busy packing and shipping her own merchandise in her home in Port Royal, South Carolina.

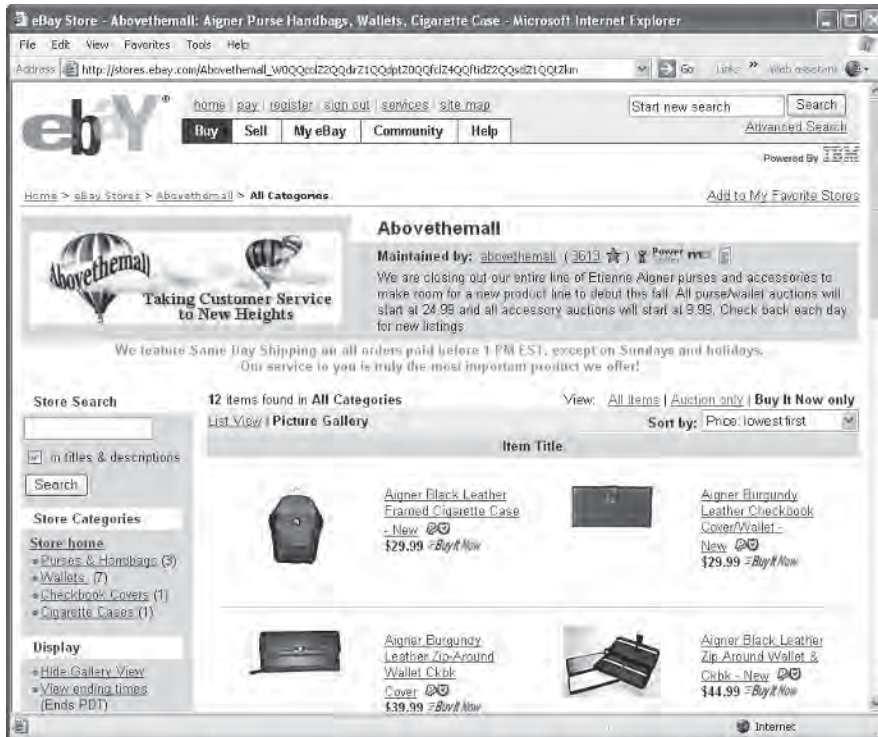
## **Where Customer Service Is the Most Important Product: Abovethemall**

Most eBay Store owners publish a logo and a brief description of their business and their merchandise at the top of their store’s home page. Marjie Smith does that, too. But she goes a step further and adds the statement



**Business name** Abovethemall  
**Seller name** Marjie Smith  
**Web site** http://stores.ebay.com/Abovethemall  
**Sells** Purses, handbags, wallets, other accessories

about customer service shown in Figure 8-1. Her eBay Store specializes in new and exclusive handbags and other accessories by Etienne Aigner. (The web designer who helped her create her online store eventually became her husband, by the way.)



**FIGURE 8-1** PowerSellers know they can compete with bigger businesses by providing better service.

Marjie and her husband have added a mini-warehouse to their home where Marjie can work and access merchandise when she needs it. Her husband and son help with the photography, and they gather the items to be shipped every afternoon so Marjie can pack them up. Marjie is at her computer many hours a day, so she's able to answer e-mail questions instantly. If a payment is received by 3 P.M., she promises to ship the item that same day.

Someone at a large corporation once told me, "I don't understand how you people on the Internet can compete with 'real' stores." She was referring to traditional, brick-and-mortar retailers. She didn't "get it." PowerSellers like Marjie Smith do. They can do better precisely because they don't have the overhead of running a brick-and-mortar store or the burden of having to manage and pay employees. They can connect individually with customers and provide customer service that can go beyond what shoppers would receive in a "big box" store.

### **"Take the Good from the Good Sellers and Make It Your Own"**

You don't need to invent the wheel when you become a PowerSeller. Marjie Smith advises new sellers to learn by example. That's what she did herself. She studied the kinds of merchandise that sell well on eBay, and she learned how to sell individual items and set up a store by learning from successful sellers.

"Take all the good qualities from all the good sellers you see—those sellers who have high feedback and who are doing well—and make it your own," she says. "Imitation is the sincerest form of flattery. We stress customer service, for instance. See what you like yourself about the last transaction you had. What did you like about the way the seller handled the transaction? Try to do that yourself when you are the seller."



#### **warning**

*You may like the way a particular seller handles a sales description, but that doesn't mean you should copy his or her images. Buyers may recognize the copied images and lose trust in you. It also doesn't mean you should copy the sales description word for word, especially when the seller whose work you are lifting is providing personal opinions about an item that doesn't apply to you or your item.*

Let's follow Marjie's advice and see what we can learn about how she sells on eBay. First, you can take a look at her feedback in the Feedback Forum to see if there are any patterns that people appreciate. You read comments like the ones shown in Table 8-1:

Comment	Learning Point
“Super fast shipping. Excellent product & Great Seller. Many thanks.”	Shipping quickly is the single most important thing you can do to satisfy customers.
“What a great buy, thanks a bunch!!!”	You need to offer merchandise at lower prices than retail stores or other eBay sellers.
“Beautiful Aigner box – love it”	The box in which you ship makes a difference—try to pick clean ones, or ones that match the merchandise you are selling.
“Great communications, super fast service, excellent merchandise”	Keep in touch with buyers as frequently as you can. Tell them when payment has been received, and when the item has been shipped, to reassure them and let them know you care.
“Shipping & transaction fast! Safely packed . . . An asset to eBay.”	You can never pack too carefully . . . the more care you take in shipping, the more satisfied your customers will be.

**TABLE 8-1** Learning Points from a PowerSeller’s Feedback on eBay



**note** *It’s interesting to note that even Marjie, who is obviously a competent and caring seller, does not have a 100 percent feedback rating. (She does have a 99.9 percent positive rating, however!) Along with her 3,620 positive comments (at this writing), there are five negative ones. You can’t expect to please everyone, no matter how*

Next, let’s examine one of Marjie’s typical sale listings to see if there are any good PowerSeller practices you can glean. The following sections are learning points taken from the description shown in Figure 8-2.

Each of the points highlighted in this sales description will be examined in more detail in the sections that follow.

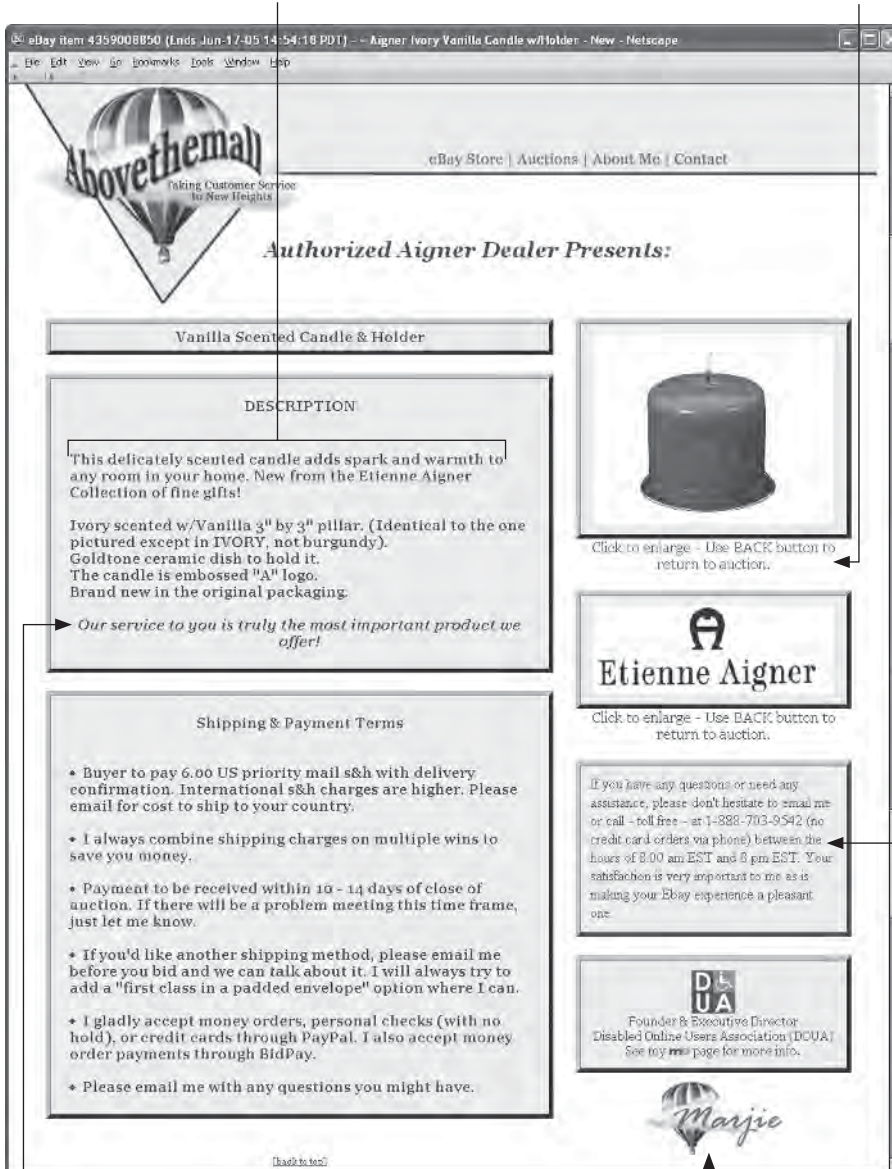
### “I Want People to Know That They’re Dealing with an Individual”

When you examine Marjie Smith’s descriptions in detail, you get a sense of professionalism and personal service. One way that’s conveyed visually is through the logos that adorn her eBay Store and her sales descriptions. There’s a logo for the store, Abovethemall. There’s another one that simply says “Marjie” that she adds to each of her descriptions, too (see Figure 8-3).

Why go through the effort and expense of hiring a designer to create logos for you or your store, if you have one? It’s all part of communicating effectively with your customers. “One of the things I do is make myself very accessible,” says Smith. “I want them to know that they’re dealing with an individual instead of a big store. I try to make them feel comfortable—that they’re dealing with Marjie who is above the mall.”

Remember to make your sales descriptions “sell” your items. Include as many positive details as you can.

Though they take extra effort, it’s important to include close-ups of your items.

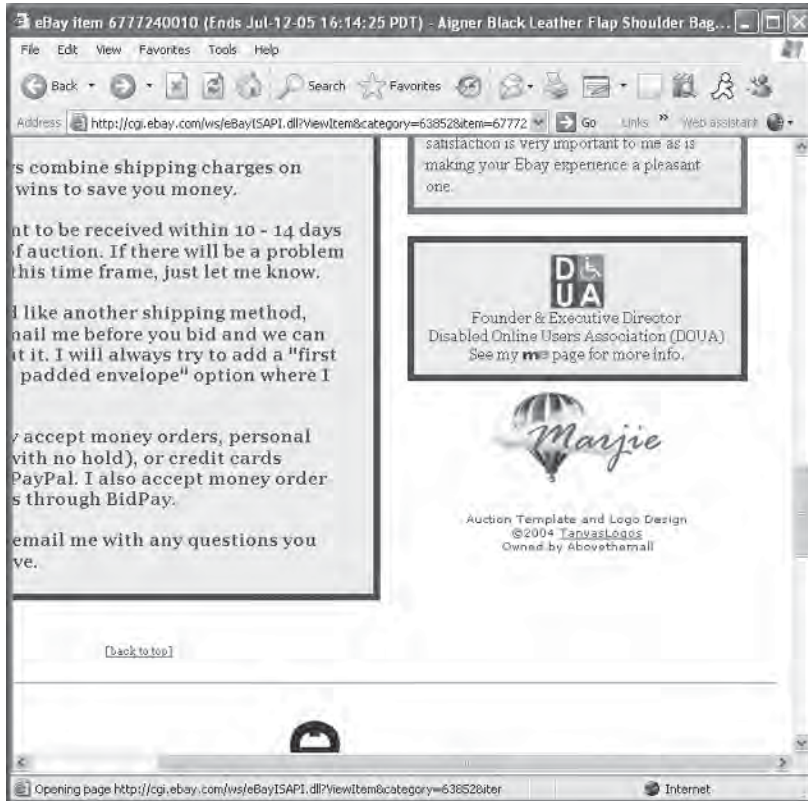


Marjie emphasizes customer service in her descriptions.

This seller has “branded” herself by creating her own logo.

Like many sellers, Marjie has a toll-free number and invites phone calls.

**FIGURE 8-2** This seller’s descriptions contain a number of best practices you can emulate.



**FIGURE 8-3** This seller uses logos to remind people that they're dealing with an individual who is also professional and worthy of trust.



**tip** Marketing experts call this practice branding: using graphics and slogans to build an identity and distinguish yourself from others in the marketplace. There are lots of sellers on eBay, and chances are someone else is already selling merchandise similar to yours. A logo might cost \$200 to \$500 to design, but you can use it for many years and make it part of your business cards and your stationery as well as your eBay sales descriptions. (Marjie got her logos from a graphic designer who is a friend of the Disabled Users Online Association.) You can find a professional graphic designer who will be only too happy to design a logo for you and your business on eLance Online (<http://www.elanceonline.com>).



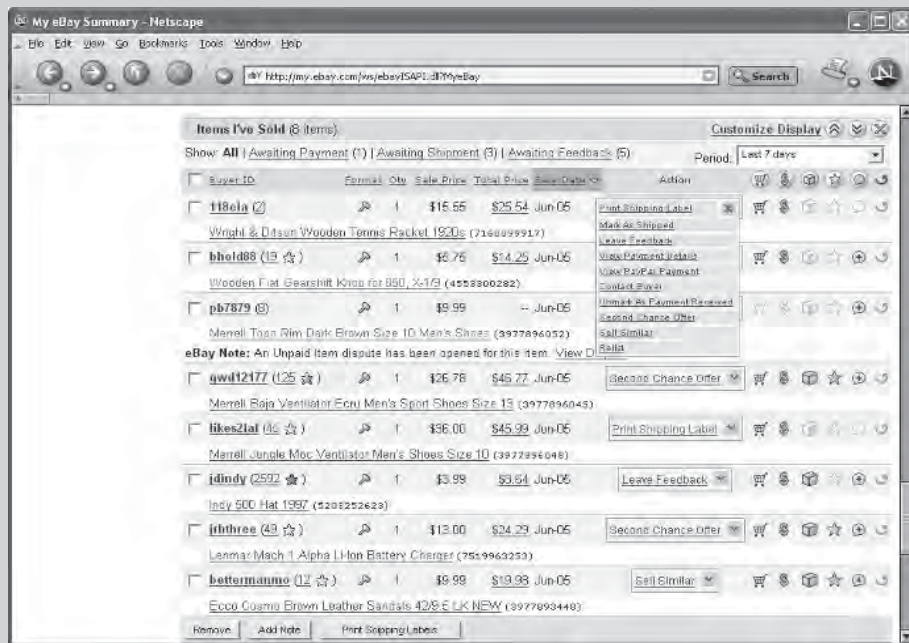
## “I Print All My Labels and Postage Right Here”

The more you streamline the shipping and packing process, the faster you can deliver merchandise to your customers. Printing shipping labels and postage online not only helps make your life easier (just think about all the time you spend waiting in line at the post office), but it makes your customers more satisfied, too.

Many PowerSellers I’ve talked to have signed up with mailing services like Endicia Internet Postage (<http://www.endicia.com>). Marjie Smith uses Endicia, as does another PowerSeller, Emily Sabako (User ID: tradmom). “All I have to do is print the postage on 8 by 11-inch paper, cut it out and use packing tape to adhere. It’s much cheaper than the label paper,” says Sabako. “I can also put my logo and a message on the postage, which I do. I also use the ‘Stealth Endicia’ option so the customer doesn’t see the postage amount.” Hiding the postage helps you avoid questions about how much you’re charging for shipping and handling.

Suppose that, like many sellers, your primary shipping method is USPS Priority Mail. Rather than paying \$9.95 or \$15.95 per month for one of Endicia’s plans, you can simply print out your own postage for free from your My eBay account. Follow these steps:

1. Connect to the My eBay page: click My eBay in the navigation bar that appears at the top of nearly every eBay page and sign in with your User ID and password if you are prompted to do so.
2. Scroll down to the Items I’ve Sold part of the page (mine is shown below). Click the drop-down arrow in the column labeled Action and choose Print Shipping Label.



3. Your browser jumps from eBay to the PayPal site. Sign in with your password on the PayPal – Print Shipping Label page (your PayPal username is already filled in) and click Continue.
4. A page with the heading U.S. Postal Service – Print Your Label appears. Fill out the form on this page (see below) by choosing the service (Priority Mail, Express Mail, Parcel Post, Media Mail, and so on), entering the weight of the package, specifying whether or not you want insurance, and whether or not you want to send the recipient an e-mail message. Then click Continue.

The screenshot shows a Netscape browser window titled "PayPal U.S. Postal Service Shipping Options". The address bar shows "https://www.paypal.com/us/cgi-bin/webscr?shipent-options". The form is titled "Shipment Options" and includes the following fields and options:

- Service Type:** Priority Mail® (dropdown menu) with a link "Choose a different shipper".
- Package Size:** Packages/Thick Envelope (dropdown menu) with a link "Learn More About Package Sizes".
- Notes:** To ship using Flat Rate Box or Flat Rate Envelope you must use USPS® provided flat rate packaging.
- Mailing Date:** 9/17/2005 (dropdown menu).
- Weight:** 2 lbs. 0 oz. (input fields).
- Label Printer:** Laser/Ink Jet Printer (dropdown menu) with a link "Edit Printer Settings".
- Delivery Confirmation:** FREE
- Label Processing Fee:** FREE
- Signature Confirmation:**  Yes (\$1.30 USD)  No. Note: Signature of receipt is available upon request for Express Mail®.
- Display Postage Value on Label:**
- Email message to Buyer (optional):** (text input field)
- USPS® Insurance:**  Yes  No. Link: "USPS® Insurance FAQ".



**note** *The form you fill out to create your label also points out that delivery confirmation is free—one of the advantages of printing out your own label and postage online.*

5. The U.S. Postal Service Shipping Confirmation page appears. Review the information displayed on this page and click Pay and Continue.
6. A page entitled U.S. Postal Service Shipping Label Completed appears. Another window with the heading Print Postage appears. Click Print Label.

*(continued)*



7. A dialog box appears asking you to confirm that the label printed correctly. Don't click OK as yet; the label hasn't been printed. After this dialog box appears, your computer's standard Print dialog box appears. Click OK to actually print the label.
8. When the label has been printed, click OK to close the confirmation dialog box and return to the U.S. Postal Service Shipping Confirmation page. You can now click your browser's Back button to return to eBay and print another label if you need to.

The key to printing your own postage, of course, is having an accurate postal scale. If you don't estimate your postage accurately—or if you underestimate it substantially—you run the risk of having one of your buyers be asked to pay for insufficient postage. eBay is the best place to get a postal scale; you can find one for less than \$20. Once you can accurately weigh your packages, you can print out the right postage and drop them off at the mail slot without having to wait in line—or leave them at the “back door” delivery area, as with my local post office.

### “It’s Hard to Sell Items If People Can’t See a Good Picture of Them”

I can (and do) include as many details as I can in my own descriptions and in the answers I provide to prospective bidders. I go through a lot of effort to include several views of an item, including close-ups taken with my digital camera's macro (close-up) feature. I am pleased when the effort pays off; as I was writing this chapter, I received the following comment from a buyer:

"There is nothing I like better than an eBay seller who takes the time (and expense) to give good pictures, like you did. That makes it so nice for the buyers. I'm sure it makes the items sell for more."

There's no substitute for photos. When buyers can't meet you face to face, they need to see things close up for themselves. In her own descriptions, Marjie provides at least two images of each item. One is a medium shot of the item that can be used at the top of the description and in the storefront photo (the small version of the image that appears at the front of her eBay Store). The other is a close-up that shows the item in greater detail. Close-ups are part of good customer service: by including them, you are providing your bidders with exactly what they want.



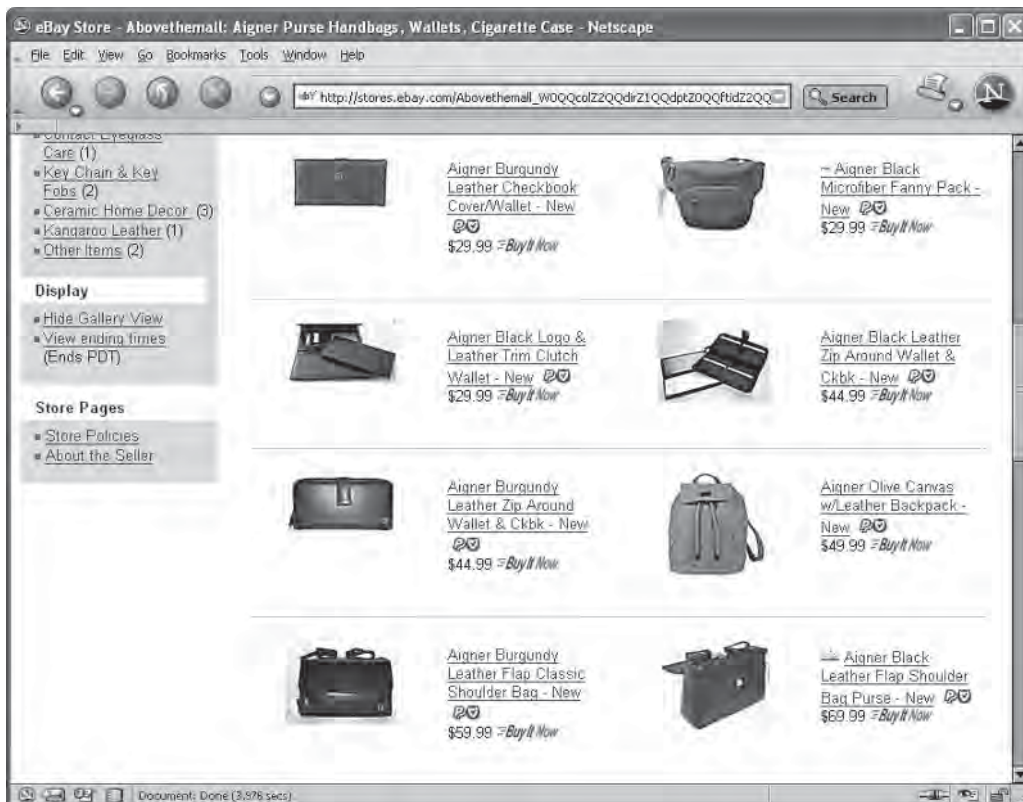
#### note

*The key to obtaining good, sharp close-ups of your merchandise is to use a good digital camera with a macro function. When you're shopping for cameras, be sure to ask the salesperson about this function, or look up a set of specifications that indicates how close the camera can focus when in macro mode. A rating of 1–2" would ensure well-focused close-ups.*

## Gallery Photos for 1¢? Open an eBay Store

You're probably familiar with Gallery photos—the small versions of photos that appear in eBay's Gallery area (the area you reach when you click Picture Gallery at the top of a page full of eBay sales listings). Gallery photos help entice bidders to click on your sales title and read your description. But at 35 cents each, they're pricey—especially if your profit margin on an item is only \$5 to \$10.

Marjie makes a point of including a small version of each item that appears on the front page of her eBay Store (see Figure 8-4). But when you include such an image in a store, they only cost one cent each. It's a huge incentive to open an eBay Store and sell at fixed price instead of focusing solely on auction sales.



**FIGURE 8-4** This seller includes thumbnails on each of her eBay Store listings for only a penny apiece.

### **Thumbnails for Free: “That’s Done Through HTML”**

There’s another inside tip about the thumbnail images included with Marjie’s listings. You might think they’re two separate photos. “It’s not two pictures,” explains Marjie. “It’s one picture. The sales template I use reduces the size of the bigger image and makes a thumbnail. When they click on the thumbnail, they view the larger image. That’s done through HTML.”

In other words, by adding the right HTML to your sales descriptions, you can display the same image in two different sizes. Consider the two images shown in Figure 8-5. Marjie displays a small version of the image in the description and in the store; when the user clicks on the image, a full-size version opens in its own window.

Here’s the HTML that produces the two images:

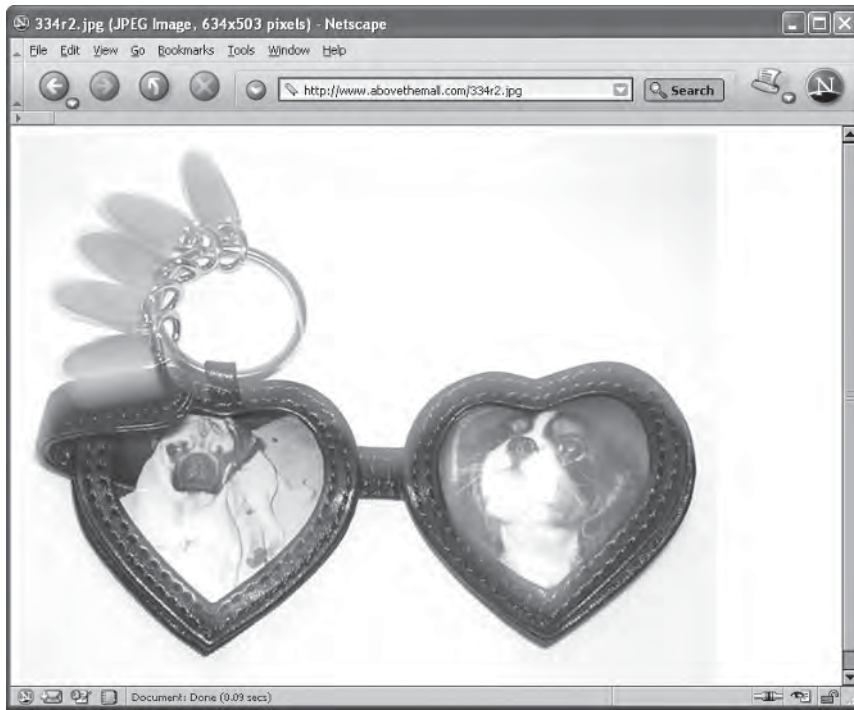
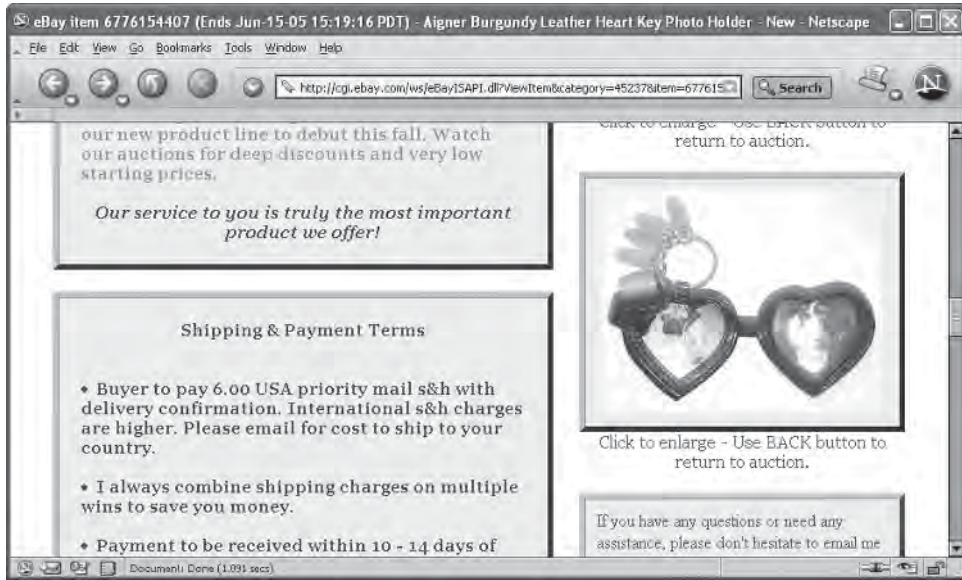
```
<a href="http://www.abovethemall.com/334r.jpg">  </A>
```

### **“You Have to Keep Your Operating Costs Down”: Use Gallery Photos Sparingly**

People who sell one-of-a-kind collectibles on eBay usually make a point of including a Gallery photo with their listing. Many sellers believe that a Gallery photo is a necessity because it helps an item stand out in a long list of search results or category listings. Having a photo next to the auction title makes a shopper more likely to click on the title and investigate what’s being offered.

But Marjie Smith doesn’t use Gallery photos in her regular auction listings. “A Gallery image costs 35 cents on auctions, but it’s only a penny when you conduct your sale through a storefront,” she points out. Not surprisingly, she sells almost exclusively through her eBay storefront, where the thumbnail versions of images cost only one cent. Thirty-four cents might not sound like a lot, but if you’re only making a few dollars profit on a sale and selling a hundred items, that adds up to \$34 worth of savings. “You have to keep your operating costs down, and my stuff is greatly reduced anyway. I don’t want to add to my bottom line.”

Marjie also points out that Gallery photos aren’t always necessary with her merchandise because shoppers are probably already familiar with it anyway. Her brand-new Etienne Aigner accessories are available elsewhere on the Internet, after all, and shoppers might well have done some shopping around and inspected the merchandise before they decide to buy from Marjie. In other words, for new merchandise that’s already well-known and produced in quantity, Gallery images might not always be necessary.



**FIGURE 8-5** This seller's descriptions manipulate item images so they appear in two sizes.

What's going on here? Here's a quick explanation:

1. The `a href=` part of the command points to the URL of the original image: `http://www.abovethemall.com/334r.jpg`. This and the closing command, `</a>`, make the image itself a clickable link. Click on the image shown on this page—a small version of the original—and the browser displays the full-size, original image.
2. The `img src=` part of the command identifies the image itself and causes it to be displayed on the page.
3. The `WIDTH` parameter causes the original image to be displayed on the current page in a smaller-than-normal size—in this case, 260 pixels.

To emulate this on your own page, just change the URLs to point to one of your own images. You might want to adjust the size of the small version to something other than 260 pixels; the actual size is up to you.

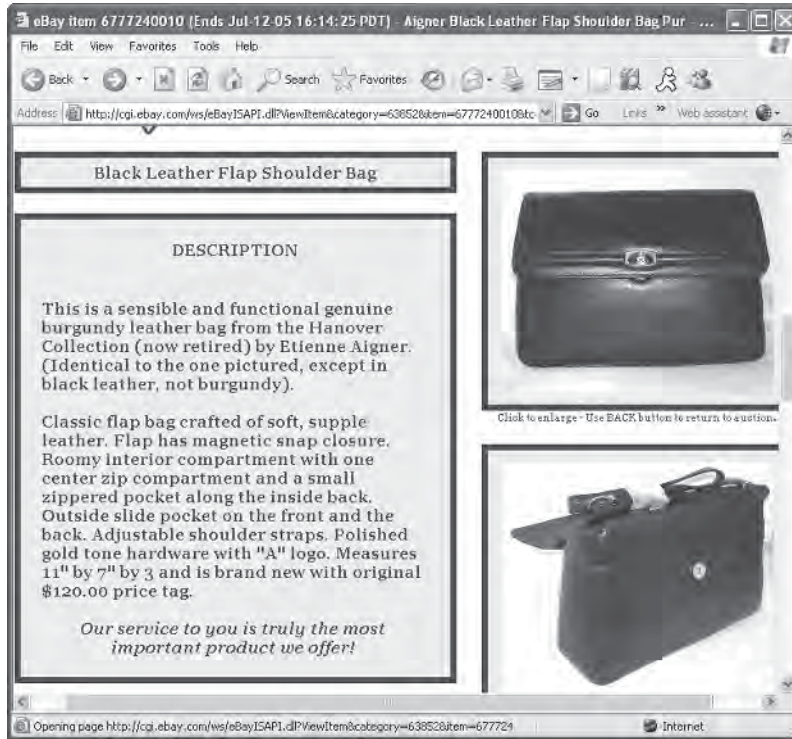
## Make Your Descriptions Do the Selling

Another thing you notice, when you examine Marjie Smith's sales descriptions in detail, is the way she describes her merchandise. Each description contains a few well-chosen adjectives that engage the reader's imagination and put the item in its best light. Do a few enthusiastic sales terms make a difference? As a writer, I would say yes. Marjie says:

"I don't know that it helps, but it certainly doesn't hurt. I am sure people don't go clicking the Buy It Now button on one of my sales because I say something is 'gorgeous' or 'awesome,' but it gives them something else to think about."

Consider the black bag shown in Figure 8-6. It's not flashy; it's not even terribly distinguished; but a few words like "sensible" and "functional" help it seem more attractive to the shopper.

The lesson for you: Do everything you can to be a salesperson for your merchandise. Take the time to look up your object on the Internet so you can find out more about it; the more details and descriptive terms you can gather, the more interested your customers will be. It can be terribly time-consuming to do such research, particularly when you have 10, 20, 50, or more sales descriptions to prepare at any one time. But take at least a little time out to research your items so they'll stand out from the increasingly crowded eBay marketplace.



**FIGURE 8-6** Make your descriptions sell your item and tell shoppers why they will enjoy it.

### **“I Want Buyers to Know My Name and Phone Number”**

Marjie, like many other full-time eBay businesspeople, includes a toll-free phone number that customers can call if they feel more comfortable hearing a human being’s voice over the phone rather than sending payment electronically with the push of a mouse button.

“I don’t get a lot of calls on the toll-free number,” Marjie says. “I have had maybe a dozen phone calls in the seven years I’ve been doing this. Every call has culminated in a sale. People derive a great deal of comfort



just knowing the number is there. If there are any problems, they can call me. That makes it easier for them to make a purchase through my store.”

### **“Don’t Forget Where You Came From”**

When prospective bidders e-mail you, it can sometimes be difficult to be patient with them. When you’re tired and stressed out from packing or uploading photos and you’ve been through a dozen e-mail questions already, your impulse might be to react with something negative: “Can’t that person read my description? Can’t he just figure it out?” Resist the temptation to get impatient and remember that the customer is your king or queen, Marjie advises. Also remember that even if someone has zero feedback, that’s not a reason to distrust them or discourage them from making a purchase.

“Never forget that you were once a buyer, and you were once a zero feedback seller,” she says. “Don’t forget where you came from. A lot of big sellers forget their roots. They forget that they were once new users, too. You read the discussion boards and see comments like ‘I have an idiot customer.’ A customer is never an idiot; in fact, that person is someone who is trusting you with their money. I try to be real friendly to people, I try to give good value, and I try to take care to answer questions fully.”

### **“Keep the Stress Away from Your Family”**

It can be difficult to separate your family life from your eBay sales activities—especially if your family members help with the packing and other steps involved. But Marjie advises the members of the DOUA who are learning to sell to make time for their family.

“I compete with a lot of other sellers in my product category, but people can’t really compete with me because I am always there. I literally sit at my computer from 8 in the morning until 8 at night. I take coffee and cigarette breaks, and I might have an appointment. But I’m pretty much here all the time. That’s part of the joy of working for yourself.”

She’s been careful to separate the eBay part of her house from the rest of the household. “I have a 26 by 26-foot office, with 42 linear feet of shelving, and three storage sheds. That’s just my office. I have a shipping station, a picture-taking station. None of my eBay spills over to the ‘house’ part of the house.

“In the evenings when my auctions close, my husband and son pile the things that have sold on the floor around me. The next afternoon I do all the packing and shipping. If you pay me by 3 P.M. in the afternoon, the order goes out the same day. I ship 6 days a week. I just have to get my packages ready. My post office has been picking up for me since the day I started



doing this. It's a small town, and I know my postmaster. One day I came into the post office in my wheelchair and I said, 'Obviously you can see I am not going to get my packages in here.' He said, 'Absolutely, we'll be able to help you.' They are very good to me. Sometimes you just have to ask."



**note** *You don't have to live in a small town to get a pickup from the U.S. Postal Service. You can call for a pickup or go online as long as you schedule it for the next business day or up to three months in advance. Just go to <http://www.usps.com>, click **Schedule a Pickup**, and follow the instructions on subsequent screens.*

Despite her efforts to separate work and home life, stress does occur. "The family can get sick of boxes and junk being everywhere. It can cause stress in the family. I pretty much shut down at night to prevent that from happening. It's fortunate that my office is in my home, but you still want to have dinner with your family. Don't check your e-mail during dinner. Take an hour or hour and a half for yourself, and then go back to work again. But make your own schedule, and stick to it. After 8 P.M., I shut down and don't work anymore."

## He's Got the Key to Finding Buyers in eBay Motors

In 1997, Ben Mandel purchased a company called Amazing Lock and Key Service in Charlotte, North Carolina. The company provided locks and keys for homes, businesses, and autos throughout the area; employees would travel the roads from one job to another in vans like the one shown in Figure 8-7.

**Business name** Amazing Keys

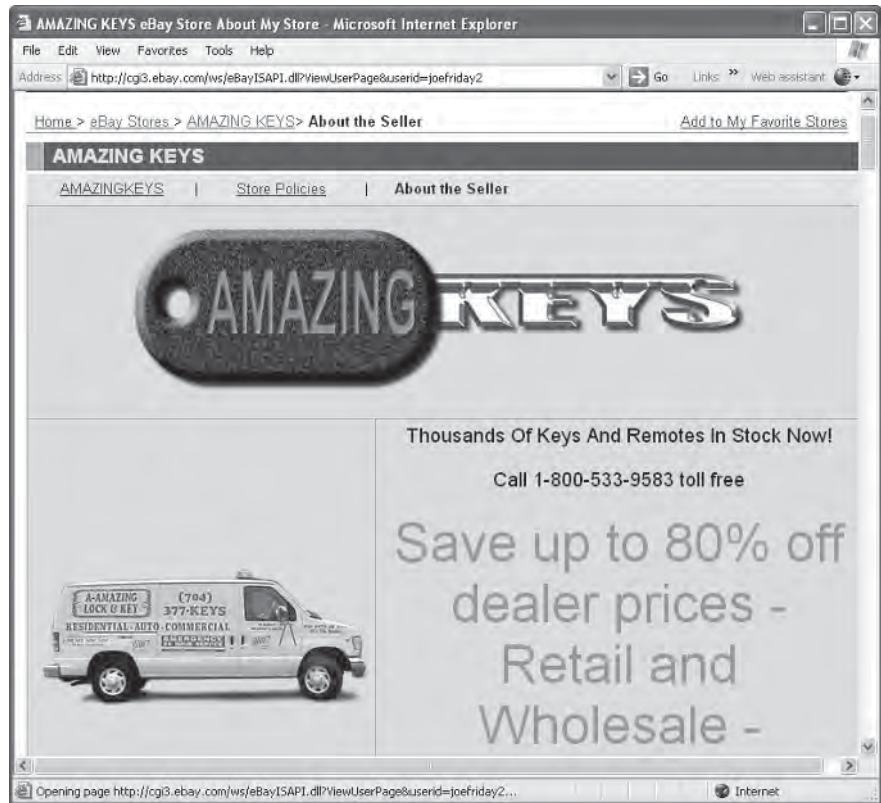
**Seller name** Ben Mandel

**Web site** <http://stores.ebay.com/AMAZING-KEYS>

**Sells** Keyless remotes and transponder keys, primarily for U.S. vehicles

### "eBay Took Us in a Direction We Didn't Plan to Go"

Ben Mandel's story shows that you can't always plan out what's going to happen on eBay: you have to listen to the marketplace, sell what customers want, and be prepared to go in a new and more profitable direction if the opportunity arises.



**FIGURE 8-7** This traditional locksmith found a new line of business thanks to eBay.

Around 1998, electronic keys started showing up on cars. These are keys with push buttons that enable owners to lock and unlock the car remotely, set off a “panic alarm,” or even start the car. That’s when Amazing Lock and Key Service began receiving requests for such keys—the company is frequently called upon to make replacement keys that are lost or stolen. “At the time, we didn’t have keyless remotes,” says Ben. “We had to refer those customers to the dealers.” As anyone with one of the high-tech keys knows, they usually cost more than \$100 to replace. “We got pretty tired of sending all those potential customers to the new car dealers,” he adds.

Mandel looked for the source of such keys and discovered that they come from five major manufacturers. He also discovered that he could

save owners of U.S. cars as much as 50 percent on them. He could sell a few keys to the customers in his local area who requested them—but he realized he could potentially reach thousands of buyers through eBay. He had already registered with the auction site in 1997, so naturally he began to sell them online.

“We didn’t realize what was going on when this all started,” he comments. “Originally, eBay was less than 10 percent of our business. But eBay took us in a direction we didn’t plan to go. We started realizing around 2002 that there was something going on here that could be expanded. So that’s what we have done. Today, eBay has become the major part of our business.”

### Key to Fast Shipping: “Location, Location, Location”

Customer service is essential to the success of Amazing Keys. Like many other sellers, they have a niche: They focus on a product that’s small and lightweight, and therefore easy to ship. They outdo the competition not only through their prices but through their fast shipping.

Mandel didn’t want to give away all of his secrets with regard to shipping. But he did let out one key factor in shipping quickly: location. “Where you live in the country is not important,” he says. “What is important is locating your business near a postal hub.” A postal hub is a place where the U.S. Postal Service gathers mail from a wide area and ships it around the country. Such hubs are naturally located near airports. That’s where Amazing Lock and Key Service is located.

“We also contracted out with a contract shipper,” Mandel adds. “All of our inventory is located at the shipper. We did that because we want to get folks on the West Coast their shipments quickly. Generally, we ship everything the same day. The order information goes right to the shipper, who gets it to the airport right away. We can have it in California the next day.

“We ship very quickly,” he adds with obvious pride. “Think about it: If you pay for an item today by 7 P.M. Eastern time, chances are pretty good that you’ll get it the next day.”



**tip**

*How do you know whether or not you live near a postal hub? If you live near a major airport, chances are you have a postal sorting facility nearby. I wasn’t able to find a simple list of postal hubs on the USPS web site. I did, however, find an interesting overview of the Postal Service and its organization at <http://www.nationmaster.com/encyclopedia/United-States-Postal-Service>.*

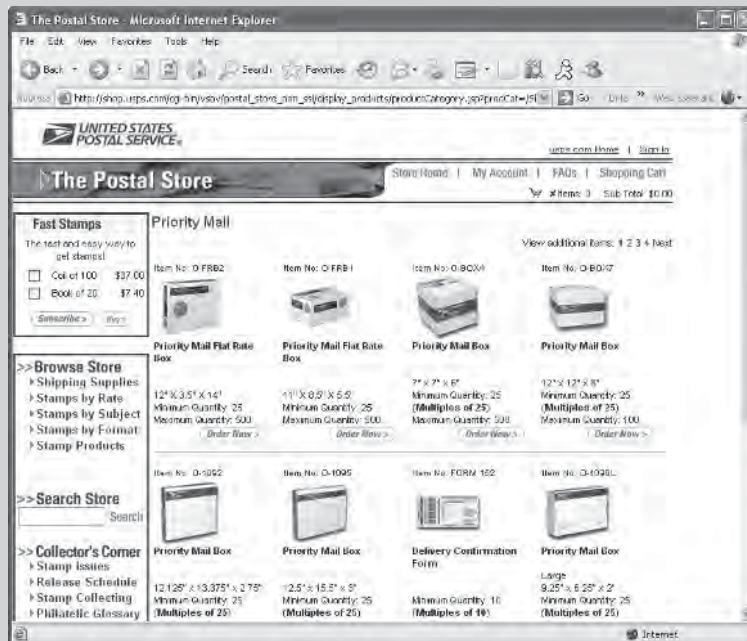
## “They Are Incredibly Surprised When Items Arrive So Quickly”

Ben Mandel has gone to great lengths to ensure that people receive what they have purchased from him as quickly as possible. That’s why he located his business near a major airport; that way, his shipper can get the packages out by airmail extra fast. Once though, he took matters into his own hands in order to surprise one buyer:

“People are incredibly surprised; they say, ‘I just ordered this yesterday and now it’s here.’ There was a guy who ordered a key from us, and he lived in Glendale, California. I was just heading out on the plane to North Hollywood, California. I thought, ‘What the hell,’ so I picked up the package myself. The order came in at 4 P.M. I got off the plane at 6 P.M. I got in the rental car and drove out to Glendale. I knocked on the door and said, ‘Hey, your key’s here.’ He was shocked. He just said, ‘You’ve got really fast shipping!’”

You don’t have to go to those lengths to serve your customers, of course, but getting merchandise out to them should be uppermost in your mind. Believe me, I know what it’s like to be up until midnight packing, or up early to run to the post office, because your sales ended at 9 P.M. and some of your high bidders paid you instantly with PayPal. But there’s no single thing you can do that will make them happier—not to mention being happier about leaving positive feedback for you. What can you do to ensure that your packages get out quickly? Here are some suggestions:

- *Order boxes well in advance.* If you ship Priority Mail, you get to order fresh new Priority Mail boxes directly from the post office for free (see below). But they can take 10 to 14 days to arrive, so order now. You can order a minimum of 25 boxes at once.



- *Preassemble your boxes.* If you have a free moment or two over the weekend and you are waiting for a group of sales to end on a Sunday night, tape together the boxes you have preordered. Such boxes arrive flat and you need to assemble them yourself. You'll save some packing time by having them ready to go beforehand.
- *Preprint your invoices.* It's a good idea to include an invoice in each package along with the merchandise itself. Print out the invoice as soon as you receive an instant PayPal payment, and have the invoices ready when you start to pack.

Even if you aren't able to hire a shipper or a packing service, you can get your merchandise out the door more quickly by doing a little advance planning.

### **Finding the Right Selling Tool: “It’s the Holy Grail”**

Lots of sellers make use of special selling tools. As the number of PowerSellers grows, service providers with software for managing and streamlining auction sales also proliferate. Plenty of sellers choose tools from Marketworks, Andale, Zoovy, SpareDollar, or other well-known names. Ben Mandel uses a sales tool, too, but there are two important differences with what he calls his “Holy Grail”:

- The vendor, Ethical Technologies, sought *him* out as someone who could use their tool, rather than the other way around.
- The whole operation of Ethical Technologies’ Sell-Through Tool is secret. Mandel says it’s been fabulously effective, but he can’t go much beyond that.

“The main story here is Ethical Technologies. That is absolutely the reason we have been able to expand the past year when many other businesses have been flat or decreasing. The software that has made all the difference is their Ethical Sell-Through Tool. It’s the Holy Grail.”

It’s difficult to find out much about the Sell-Through Tool on the Ethical Technologies web site (<http://www.ethicaltools.com/Tools/Info/EST>). At this writing, the software was only available on a limited basis to qualified sellers. “If you hit a certain sales level on eBay, they’ll call you,” says Mandel.

### **“It’s Harder to Start a New Business Now”**

During our interview, when asked to provide tips to individuals who hope to become PowerSellers on eBay, Ben Mandel was careful to strike a cautionary note. “I don’t want to encourage people to have unrealistic

expectations,” he said. “It’s much harder to start up a new business now than it was when we started.

“Try to find your own unique niche in the marketplace rather than simply copying someone else’s business outright,” he adds. “Don’t try to compete with someone who is already doing a good job at what they do. You can’t just flood the market and drop prices to nothing, and try to steal business from more established sellers. For someone to come out and do that now, it’s going to cost them a lot of money. It’s not sustainable for a lot of folks.”

Instead, find a steady source of merchandise and try to build your network of buyers slowly, he advises. “The important thing is to find a reliable source of supply and steady buyers,” he says.

## **Lessons Learned in This Chapter**

- Regard your customer service as a product that sets you apart from other eBay sellers—and try to give your customers the best “product” you can.
- Don’t try to do everything from scratch when you’re starting out. Follow the example of successful eBay sellers you admire and emulate their good qualities.
- Do everything you can to make shoppers feel comfortable, and remind them that they’re dealing with a human being.
- Save time and money by ordering your U.S. Post Office supplies online and printing your postage at home, too.
- Be sure to research your items so you can provide details and descriptive adjectives that will make them more attractive to bidders.
- Pay attention to the marketplace and switch direction if new products will be more profitable.
- Do everything you can to deliver your products as quickly as possible, whether it’s hiring a shipper or delivering the item yourself.

# Chapter 9

## Build a Good Reputation



Image is everything. Movie stars and politicians know it, and so do savvy businesspeople. David Yaskulka definitely falls into the latter group. In a conference of PowerSellers who were dressed in casual polo shirts and rumpled slacks, he stood out in a pink shirt with crisp white cuffs and a beautiful designer tie. He was, in fact, the embodiment of the image he has carefully cultivated for his eBay Platinum PowerSeller business, Blueberry Boutique. It's an image he promotes in public but leaves behind when he's with his family in their home on Blueberry Lane in Sturbridge, Massachusetts.

"I'm wearing shorts and a T-shirt right now," he said when we spoke on the phone later. "But I'm surrounded by the finest shirts and ties in the world. I can't help but wear them once in a while."

## Reach Number One in Your Field: David Yaskulka

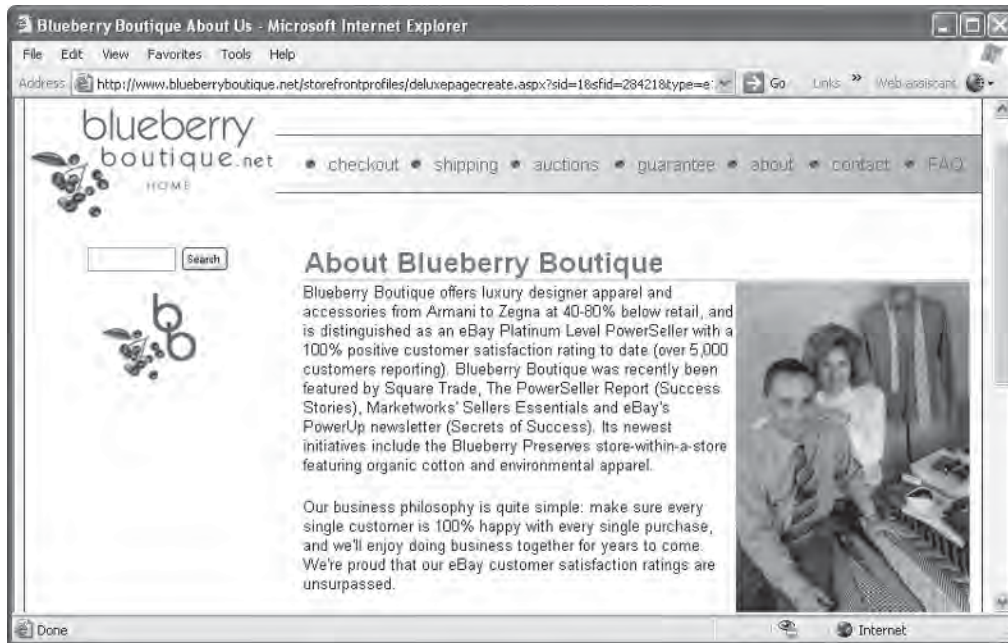
"I don't want to convey myself as a brilliant strategist," says Yaskulka.

"Once we got started, my wife Debbie and I did make some wise strategic decisions. But at the beginning all happened by accident."

The Yaskulkas (shown in Figure 9-1) started out like many aspiring eBay sellers. "My wife wanted to work part-time to be able to spend more time home with our twins, and finances were tight, so we were looking for some extra money," says David. "She said, 'Why don't we sell a few things on eBay?' We wondered what would be good to sell. We started out cleaning out our own closets, just like everyone does. Our biggest investment was when we went to one of the large warehouse stores and paid \$200 for a digital camera. We knew we could return it if we couldn't earn enough to pay for it. Happily, we never did have to return it."

Like other PowerSellers, David drew on his own interests, and moved from selling one-of-a-kind merchandise to finding items he could sell in quantity. "I happen to like getting a good bargain on ties. I saw someone selling 25 of them on eBay; we bought them. They did quite well, so we decided to make that our focus."

David wouldn't recommend shopping on eBay as a way of finding stock to resell on eBay, however; you're unlikely to find a bargain that way. "That's not a sustainable business strategy," he comments. "Finding a source for merchandise is one of the most challenging issues for an aspiring eBay seller. Three years ago if you wanted to be a luxury tie seller you would have a great start on eBay in this niche, and that's how we became number 1. Now there are 4,000 tie sellers, with probably only 10 percent who sell professionally. The trick is to find some niche where someone isn't selling professionally as yet."



**FIGURE 9-1** This husband and wife team had their first successes on eBay “by accident.”

**Business name** Blueberry Boutique

**Seller name** David and Debbie Yaskulka

**Web site** <http://stores.ebay.com/Blueberry-Boutique>

**Sells** Designer eyewear, luxury ties and shirts, jewelry

## “Reputation Is Everything”

When he started selling on eBay, David was chief marketing officer for a national nonprofit organization. But he drew inspiration from his father, who sold clothing in New Jersey at flea markets. “I learned how to do retail from my parents. My dad never haggled; a price was a price. If someone was not happy for whatever reason, he would give the person a refund. Accordingly, we very much emphasize taking care of customers. We recommend to other eBay sellers: Always put yourself in your customers’ shoes. We make it a point to never go to sleep at night if we have a dollar in our pocket from someone who was unhappy to give that dollar to us.”

Typically, if a Blueberry Boutique customer changes his or her mind or finds that something doesn't fit, the customer will be asked to pay to ship it back. "If there was a problem on our part, we would refund shipping, and issue a \$10 credit," says Yaskulka. "Reputation is everything. Our experience is that, oftentimes, the customers who are the most challenging are the ones who come away talking about the great deal they got at Blueberry."

### **"Reinforce Your Brand Every Chance You Get"**

Branding is the practice of conveying an identity through one's name, visual appearance, or other qualities. When it comes to eBay, a brand depends on your User ID, your eBay Store name, your logo, and the way you present the items you have to sell. "Reinforcing your brand on eBay is essential," says Yaskulka. "Get a great name, hire someone to create some great graphics, and reinforce your brand every chance you get."

As to the origins of the name Blueberry Boutique, David credits his wife Debbie. "My wife chose the name. We currently live on Blueberry Lane. We had a logo and our identity program designed through Marketworks, and later got help from ChannelAdvisor. The look and feel of everything you do is important and worth the money you spend on it. It's the color and font choice, listing template, web site, newsletter, e-mails, even your packing slips."

In case you're wondering, yes, David even spent some time designing his packing slips. "I did not spend so much time on real graphics details, such as what typeface to use. We relied on an expert to communicate that. I expressed what we needed to communicate to our customers, and what we needed our brand to say to them."

When it comes to the look and feel of his business, he thought of his typical customer, and what that person would respond to. "For us, in terms of look, it's Saks and Neiman Marcus: that's our customer. That will be very different for everybody. Your identity depends on your customer profile."

You can't tell it from Figure 9-2, but the dominant color of the web site is blue (think Blueberry). You can tell that the site is orderly and classy; the choice of typeface is clean and modern, and the border around the entire page acts like an orderly frame. It feels as though you've just walked into a high-class clothing store.

### **"We Are Good at Making Sure Our Customers Are Protected"**

Like other successful sellers, David Yaskulka puts his customers first at all times. He does everything he can to promote trust. "eBay can be a scary



**FIGURE 9-2** David Yaskulka urges would-be PowerSellers to make their business's graphic look match their customer profile.

place for buyers,” he comments. “We work with the third-party company BuySAFE to provide protection for our shoppers. That provides them with a Liberty Mutual insurance surety bond so that, if we disappear tomorrow, for whatever reason, by accident or illness, everyone who paid us will get his or her money back.”



**tip** *BuySAFE, the auction insurance company, provides insurance for buyers; sellers pay a fee to BuySAFE to provide such coverage for their customers, but the company says such protection results in more bids and higher purchase prices. “It goes back to reputation,” says Yaskulka. “We want to demonstrate to our customers we will do everything to take care of them.”*

## “Build Your Reputation as a Socially Responsible Business”

Before he started his eBay business, David Yaskulka helped for-profit and nonprofit organizations with their marketing efforts. He’s always been concerned with giving back and helping others. He still helps nonprofits conduct auctions on eBay (see Figure 9-3). Though it’s not the primary reason why a seller should consider donating to charity, such work can also bring more attention, more bids, and better business, too.

The screenshot shows the eBay store page for 'Blueberry Boutique'. The store is maintained by 'BLUEBERRY/DOUBLE' (5112 stars). The store description states: 'Blueberry Boutique is eBay's leading shirt and tie seller. We offer luxury designer accessories and apparel from Armani, Burberry, Ferré, Gucci, Versace and Zegna: ties, shirts, sunglasses, suits, belts, underwear, organic cottons and more, all at 40-80% discounts. We will always take care of you.'

The main banner reads 'Welcome to Blueberry Boutique' and features a candle with the text 'A Gift For All Seasons: Charity Auctions. Your Purchases Help the Disabled and the Earth'. Below the banner, there are links for 'Cuff Links', 'Cameos', 'Christmas Ties', 'Gucci Ties', 'Versace Ties', 'Sweaters', and 'Charity Auctions'.

The search results section shows 22 items found for 'environment' in all categories. The items are listed in a table:

Picture	Item Title	Price	Bids	Time Left
<input type="checkbox"/>	INDIGENOUS New Alpaca Wool T-Neck Sweater Natural S B1 CHARITY AUCTION, 10% Donated to Help the Environment!	\$35.18 \$39.95	58y/1hr	1d 14h 47m
<input type="checkbox"/>	INDIGENOUS New Alpaca Wool/Organic Cotton Sweater L B2 CHARITY AUCTION, 10% Donated to Help the Environment!	\$35.18 \$39.95	78y/1hr	2d 10h 22m
<input type="checkbox"/>	INDIGENOUS New Alpaca Wool/Organic Cotton Sweater M B2 CHARITY AUCTION, 10% Donated to Help the Environment!	\$35.18 \$39.95	78y/1hr	23h 11m

**FIGURE 9-3** This seller finds that charity auctions are socially responsible and make good business sense.

“I encourage sellers to build a reputation as a socially responsible business,” says David. “We do two things: We do volunteer to help charities. eBay’s nonprofit partner, MissionFish (shown in Figure 9-4), is part of the Points of Light Foundation. MissionFish and the eBay Giving Works program are great resources. They enable you to easily donate a percentage of your sales to a well-chosen charity, right through the Sell Your Item form. Even if you decide to donate only 10 percent of the final sale price, research has shown that sales benefiting a charity sell for considerably more than non-charity auctions. You gain access to new bidders, and in the auction space, that helps. Some people will bid because it’s for charity.”





**FIGURE 9-4** eBay sellers can perform “strategic philanthropy” through this site.

### “Strategic Philanthropy Can Help Grow Your Business”

When you’re contacting wholesalers and manufacturers and trying to convince them to sell to you even though you’re “only” an eBay business, David Yaskulka says you should consider playing the “charity” card. Sometimes, companies that wouldn’t deal with you otherwise will sell to you if you are going to hold charity auctions on eBay.

“If you do a good job with charity auctions, it very much helps change that channel conflict perception when a wholesaler thinks, ‘I don’t want to sell on eBay, my current customers will be unhappy.’ If you help them utilize this channel for charity auctions, first of all with 10 percent going to charity, they might find that they sell their products for more than they would otherwise. As a sourcing strategy, are there any charities that are of great passion to that particular supplier? Be sure to pick a charity that complements the company’s interest—that is in the same part of the country, for instance, or that is similar to the company in some way.

*(continued)*

“If you want to donate a portion of your auction sales—or any type of sales—to a nonprofit, first of all, that’s its own reward,” adds David. “You feel better about what you do. If done strategically, your donations can actually help grow your business in a pointed way. To be strategic, you need to think about what sort of nonprofit will resonate with your customers. Here’s an example. With the Professional eBay Sellers Alliance (PESA), where I serve as Marketing Chair, we wanted to choose a nonprofit partner for a charity auction. So first and foremost, we wanted a great charity that’s going to do good in the world. So what sort of partner would help grow the PESA brand? The most important thing PESA means is safety and integrity online. You buy from a PESA member and it’s going to be a safe shopping experience. We chose NetSmartz (<http://www.netsmartz.org>, shown here), which helps kids be safe online. It’s a great charity, but its message resonates with PESA members’ customers. That way, everybody wins.”





### **“Go on Discussion Boards and Really Help People”**

If there’s one thing I’ve noticed over the years, it’s the fact that, for the most part, the sellers who make the most money on eBay are also the ones who are the most generous with their time and knowledge. That doesn’t apply to all of eBay’s PowerSellers—many of whom guard their secrets jealously—but it applies to David Yaskulka.

“I recommend growing your online presence and reputation through online discussion groups and trade associations,” he says. “We are proud members of the Professional eBay Sellers Alliance (PESA); they are devoted to promoting honesty and fairness online, and helping their members foster responsibility and philanthropy.”

David recommends that sellers who want to build a positive reputation participate in discussion groups on eBay and other locations. “We have participated in groups at different times, giving tips and answering questions. If you go on a discussion board and you shamelessly promote, it won’t work very well. People won’t appreciate what you’re doing. But if you really go and help people and demonstrate your knowledge, people value that.”

### **“We Try to Have a Core Value for Our Company”**

You hear lots of eBay sellers talk about money, and fees, and profit margins, and automation. You don’t often hear them talk about values—core beliefs that are reflected in their operating style and in the way they communicate with the public. You only hear the most successful eBay businesses talk about such things.

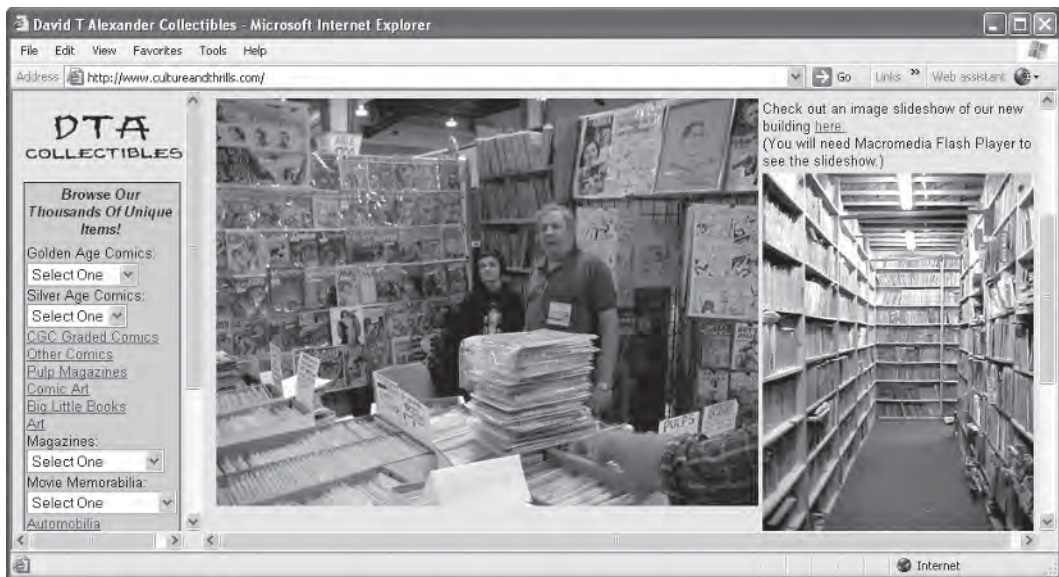
“In terms of reputation and branding our online presence, we have tried to have a core value for our company. We work from home, and we allow a number of employees to work from home as well, but to our customers we very much want their experience to look like and feel like buying from Neiman Marcus.”

In just two and a half years, David and Debbie Yaskulka have built up one of the most successful and highly respected businesses on eBay. But business is far from their ultimate goal.

“Human motivation is complex, and it’s hard for me to analyze it,” David says. “People who are in business tend to think solely about business success. But there are many case studies of businesses that have built their brand in large part through charitable donations. Cause-related marketing began with American Express’s charge against hunger. Great companies like Patagonia and the Body Shop have built their reputations by connecting their core values with charitable causes. There’s absolutely benefit to the donor. It’s all about what they want to tell their children about the work they do, and what they want to be remembering on their deathbed.”

## Building Good Feedback: David T. Alexander

When David Alexander discovered eBay, he had already been buying and selling comic books for 30 years, through comic book conventions such as the one shown in Figure 9-5. He was well-known in the field from his work on various price guides for comic books and other collectibles. He's also operated more than ten different brick-and-mortar comic book stores. His example serves as a reminder that, if you already know a field well and have a customer base, eBay gives you an effective way to grow and expand your existing sales efforts.



**FIGURE 9-5** If you have an existing stock of merchandise, it's relatively easy to make the move to selling on eBay.

**Business name** David T. Alexander Collectibles

**Seller name** David T. Alexander

**Web site** <http://stores.ebay.com/DAVID-T-ALEXANDER-COLLECTIBLES>

**Sells** Golden age comics, comic art, toys, collectibles

## “I Had a Lot of Customers Already from My Existing Business”

As David Alexander discovered, those who are experienced businesspeople in the offline, brick-and-mortar world have an advantage over brand-new eBay businesspeople—an advantage they should do their best to exploit.

“I have a perspective that’s different from someone who’s starting out fresh on eBay with their first business. When I started selling on eBay, I already had a lot of customers who knew me from my previous comic book sales. There are some people I have known and done business with for decades. They followed me naturally to my eBay Store, and they helped me build up my feedback initially.” David’s store contains his eye-catching logo (see Figure 9-6), and presents visitors with a prominent link to his web site, where he has more comics and other merchandise for sale.

The screenshot shows an eBay store page for 'DAVID T. ALEXANDER COLLECTIBLES'. The browser window title is 'eBay Store - DAVID T. ALEXANDER COLLECTIBLES: Golden Age Superhero Comics, Golden Age Western Co - Microsoft Internet Explorer'. The address bar shows 'http://stores.ebay.com/DAVID-T-ALEXANDER-COLLECTIBLES/'. The page content includes a header with the store name, a 'Maintained by' section with a feedback score of 8099, and a list of categories: 'Golden-Age comics, Silver-Age comics, original art, pulp magazines, magazines, movie memorabilia, sports memorabilia, and much more!'. A large banner reads 'DAVID T. ALEXANDER COLLECTIBLES BROWSE THOUSANDS OF UNIQUE ITEMS AT WWW.CULTUREANDTHRILLS.COM! NEW MATERIAL ADDED DAILY! CHECK BACK OFTEN!'. Below the banner, a search bar and 'Store Categories' are visible. The main content area shows '1043 items found in All Categories' and a list of items for sale:

Picture	Item Title	Price	Bids	Time Left
<input type="checkbox"/>	STAR WARS: RETURN OF THE JEDI #1-CGC NM+ 9.6	\$65.00		=Buy It Now
<input type="checkbox"/>	THE FLAME #1-CGC FNAVF 7.0 LOU FINE ART	\$1,491.73		=Buy It Now
<input type="checkbox"/>	HOWDY DOODY #4 - RARE 1950 PHOTO COVER - CGC 9.2 Nht.	\$395.00		=Buy It Now
<input type="checkbox"/>	ACTION COMICS #68-CGC 7.0 F-VF-SUPERMAN-1944-L@@K!!!!	\$624.99		=Buy It Now
<input type="checkbox"/>	BLUE BOLT V.2 #4-SKULL CVR-1941-CGC 7.0	\$425.00		=Buy It Now
<input type="checkbox"/>	DEFENDERS #1-CGC 6.5-HULK-RARE	\$145.00		=Buy It Now

**FIGURE 9-6** This established businessperson uses eBay to find new ways to sell to comic book collectors.



If you operate a brick-and-mortar business, or if you already have clients from sales at flea markets or trade shows, do whatever you can to encourage those customers to migrate with you to eBay. Send out an announcement by e-mail or snail mail, telling your customers that you're opening an eBay Store; offer them a discount on their first purchase there. Although many PowerSellers use eBay Stores as customer acquisition tools, that principle can work in reverse: you can take customers you've already acquired offline and drive them to your eBay Store, too.

### “People Buy from You Right Away If You Have High Feedback”

Not all PowerSellers on eBay have high feedback numbers above 10,000 or even 100,000. But their feedback rating is the most obvious thing that sets them apart from other sellers. When you pass some mysterious threshold (perhaps a feedback rating of 500 or 1,000), you inspire more trust in shoppers and you start receiving a higher number of bids. One of the most important parts of developing a good business reputation, then, is the need to simply build up as much positive feedback as you can by being responsive and giving good customer service.

“People tend to buy from you right away if you have a high feedback number,” says David Alexander. At the time we spoke, David had a combined feedback of 10,000 from his two User IDs, **dtacoll** and **topnotch13**. He plays up his feedback and his reputation in this statement, which appears on the home page of his web site (<http://www.cultureandthrills.com>):

Over 35 years in the hobby, over 100,000 mail orders processed. **eBay PowerSeller** with a feedback rating over 99% positive. Buy with confidence! We work hard to make sure our customers are satisfied!

“You hit a certain feedback number, and if you are around a 99 percent positive rating, people think there's no question about buying something from you. For one thing, if you have that kind of feedback, people think that if there is a problem, you are going to work it out with them. Whether you are selling on behalf of someone else or selling directly, people think that if the person has that kind of good feedback, you will work it out.”



**note** *While it's important to have a good feedback rating, it's also important to remember not to build up your feedback number solely for the sake of having one. Make it your goal to provide good service to as many people as possible, and your feedback number will grow accordingly.*

### Should You Remind Others to Leave Feedback?

So many steps are involved in an eBay sale that it takes some real effort to remember to leave feedback. Unless you provide outstanding service or solve a special problem encountered by one of your customers, you might not receive feedback from each one of your buyers after a transaction. If that happens, should you send a reminder e-mail urging someone to leave you feedback?

You need to be careful where such reminders are concerned. Some eBay users are offended if you remind them about leaving feedback—especially if your message says something along the lines of, “I’ll be glad to leave you feedback if you leave some for me first.” Most sellers know that it’s not advisable to leave feedback for someone until well after the transaction has ended—or until a buyer has left feedback for them first. Too many problems can occur as much as a week or two after an item has shipped. A buyer might decide to return the item because it doesn’t fit, or because he or she just isn’t satisfied with it in some way. The buyer might claim that the item was never received even though you have a delivery confirmation record to that effect. If you’ve already left positive feedback for that person as soon as the transaction has ended, you don’t have any “leverage” to encourage the buyer to follow through with his or her part of the transaction honestly.

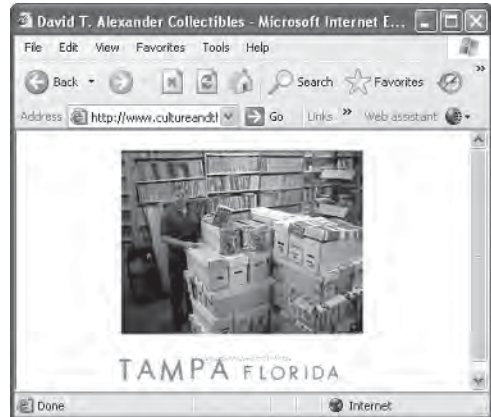
Personally, I’m not offended when someone asks me to leave feedback—unless they say you need to leave feedback for them first. But before you send out your own reminder message, keep in mind that you won’t get a feedback comment with every transaction you conduct. As David Alexander points out: “The feedback number you have doesn’t necessarily reflect the number of sales you have made because repeat customers don’t leave feedback for every sale. If you have 5,000 for instance, you have probably 10,000 to 15,000 sales. I have a huge amount of multiple buyers, and people never leave feedback anymore. People buy ten items at a time, and they only leave feedback once.”

### “I Can Walk a Hundred Yards to My Office”

Sellers who have an inventory that’s bigger than their living space can accommodate the need to find a warehouse or office. David Alexander just built a new facility that functions as receiving area, shipping dock, and warehouse. Not only that, but the location is extra convenient, too. “I just built a 5,000-sq. ft. warehouse near the airport in town. I just built on some property close to my house, so I can walk a hundred yards to get to work.”

The facility (some of which is shown in Figure 9-7) is big enough to hold all the paper-related items he sells. “We sell all kinds of comic books and movie posters and paper collectibles, sports publications, auto racing programs. Anything made of paper, pretty much, we sell it.”





**FIGURE 9-7** This seller's warehouse is close to the airport and to his home.

One advantage of selling paper merchandise is that it's easy to pack and ship. Another is the fact that it's easy for knowledgeable collectors to identify. "That's the important thing," says Alexander. "The Superman comic book series starts with No. 1, and the numbers go up from there. So if you announce on eBay that you're selling Superman No. 120, people know what you're talking about. But if you have an antique table, for instance, it's impossible for people to see it without providing lots of photos."

### **"When Something Doesn't Sell on eBay the Work is Lost"**

Like many PowerSellers, Alexander uses sales management software that automates many of the tasks involved in selling, such as feedback and relisting. "We use Marketworks; they have software that tracks your sale, telling you who has paid, what has shipped. We have an automatic feedback system: It automatically leaves positive feedback for them. When a person wins, they get an automatic e-mail response from us, that tells them where to leave a check.

"These types of automated systems are good but the really good thing is that when you put merchandise up for sale it stays online forever. When you put an item on eBay's site and it doesn't sell, the work is lost if you don't relist it right away. With Marketworks it is saved in a file where you can retrieve it so you can relist it after a few weeks' or months' time."



**tip** *Marketworks (<http://www.marketworks.com>) is one of the oldest auction service providers, and one that is particularly popular with eBay sellers. An account with Marketworks costs a minimum of \$29.95 per month. Marketworks also charges its customers 2 percent of each successful transaction that is completed using its software. This plan includes 100MB of storage space for auction photos.*

## “If One Person Leaves Me Negative Feedback, It Isn’t Going to Change My Percentage”

One nice thing about having a high feedback number is that the higher your overall feedback, the less impact a single negative or neutral comment has on your rating. “Once in a while it happens that someone never got a notification from PayPal or some sort of problem,” says David. “These people should really think carefully before they leave negative feedback. If someone leaves me a negative on my User ID that has a rating of 8,000, it isn’t going to change my percentage much. But if that person has only 12 feedbacks and I leave a negative feedback for him because he complained about nothing that was under my control, his feedback rating suddenly drops from 100 percent to 84 percent.”



**tip** *You might wonder why David Alexander split his business into two separate eBay User IDs. It was to make shopping easier for his customers. “We split off the two selling User IDs because when we launched 2,000 items people told me, ‘I can’t scroll through so many things on a single page.’ So I broke it into one User ID for movie posters and memorabilia, and another for comic books and related items. That way, people know if they want comics they go to one place, and they don’t have to look so much to find what they want.”*

## “Having a Good Reputation Sells”

Once you’ve developed a good reputation on eBay, all sorts of good things happen to you. Not only do you get more bids, but you get offers of merchandise to sell, too. “A lot of people say to me, ‘I see you’re selling this stuff on eBay. I want to sell you this estate.’ I have gotten a huge number of contacts from people who have seen my items for sale.”

Developing a good reputation isn’t the whole story, of course. You have to maintain your good standing on eBay. One way to do that is to have a returns policy. It’s difficult to have a customer return something that you’ve taken the trouble to describe, photograph, pack, and ship. But rather than getting angry and denying the return, you have to keep your long-term business goals in mind—not to mention the R word that’s been examined throughout this chapter.

“I tell people their satisfaction is guaranteed,” says Alexander. “That means the item they purchased is returnable for any reason within ten days. That way, the person knows they can get it and examine it, and they can send it back if they don’t like it. Most people are going to receive the item in the mail and be happy with it, but if they know that returns are allowed,



that makes them more eager to deal with you. Some people advertise their merchandise as being ‘as is,’ with no refunds. This type of seller is going to have a harder time succeeding on eBay; chances are they are selling something they found at an estate sale, not someone who is going to be buying or selling for the long term.”

Such business strategies are conveyed to the other members of the business, who are also the members of David’s family. His wife Debbie helps prepare listings, and his son Tyler runs the computer and IT operations.



**tip** *Along with having a returns policy, David Alexander suggests that you keep your web site up to date. “A lot of people look at a web site that is the same month to month. But if they know that you have a live site that is updated constantly with new inventory, that gives more of a sense of urgency to the whole presentation, and it gives them more of a reason to return in the future to see what’s new.”*

## Lessons Learned in This Chapter

- Branding yourself or your business through colors, type, and a logo is an effective way to build a positive reputation on eBay.
- Do everything you can to inspire trust among your customers and protect them from trouble.
- Volunteering to help charities, or conducting auctions to benefit nonprofit causes, is a good thing to do, and it improves your business in many ways.
- Participating in discussion boards where you can answer questions and help other sellers is an effective way to build a good reputation.
- If you have an existing customer base and sources of merchandise, do everything you can to move your customers to your eBay Store or eBay auctions.
- Make an effort to build up and maintain a good feedback rating, which encourages bids and helps you develop a good reputation.
- Automated auction solutions not only automate feedback and other processes, but they make it easy to relist items that don’t sell the first time around, and give you storage space for your digital images.
- Having a liberal returns policy will result in more work for you, but will pay off in the long run by building trust in your customers.

# Chapter 10

## Acquire and Keep Your Customers

It started with a bin full of garbage.

Jeff McCullough, a printer in the town of Beech Grove, Indiana, was looking through his company's recycling bin, inspecting the colorful scraps of paper that were about to be tossed out. Such paper is always left over from the printing process: After a booklet or poster is printed, the paper is trimmed to the exact size, and the rest is thrown out—usually. Today, Jeff recalls standing by the bin thinking to himself: “I don't want to recycle this.”

At that time, in 1999, scrapbooking was all the rage. People all over the country were gathering in clubs, trading materials needed to assemble colorful, one-of-a-kind scrapbooks—including paper.

“When we print a brochure, we trim 5 or 6 inches off the edge. All that paper is left over. I had seen someone selling pre-scored cards on eBay. (Scoring is the process of creasing a piece of paper so it can be folded easily.) I started pulling this stuff out of the trash can and putting it into kits that we put up for sale for \$10 or \$12 each. People just bought it up like crazy. One month we sold \$30,000 worth of scrap paper. It was a perfect fit.”

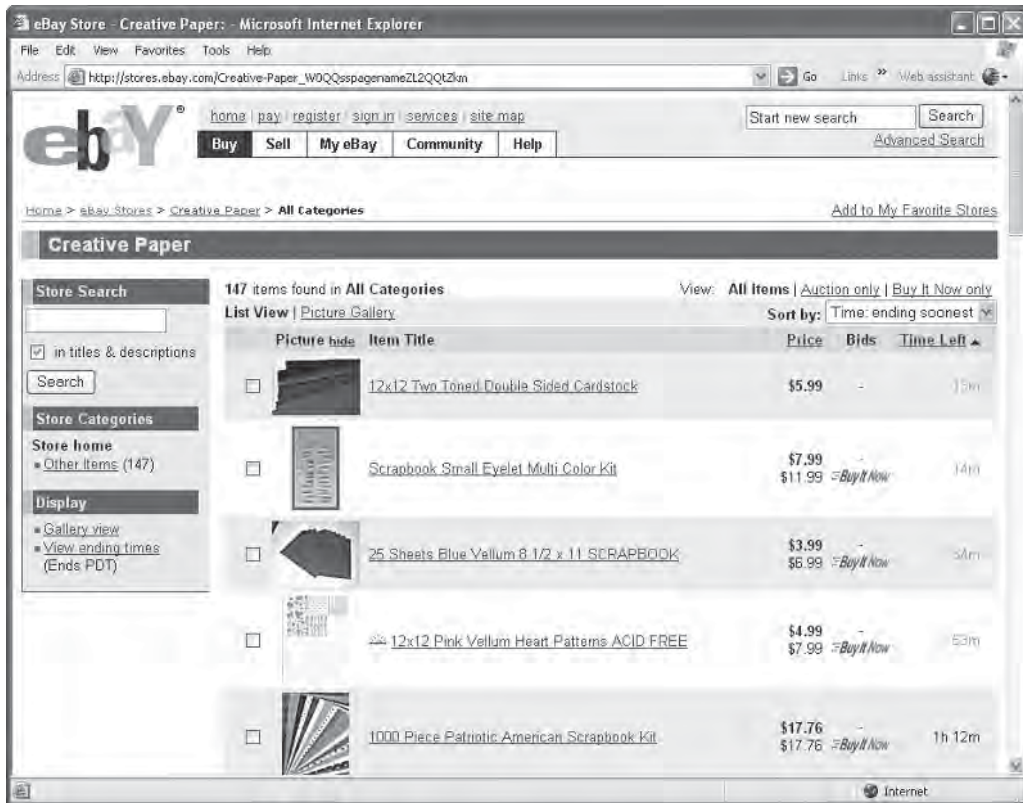
Now, the scrapbooking craze has slowed considerably. Having acquired a database of more than 20,000 customers through eBay, McCullough is trying to do the same thing for them that he did for recycled scrap paper: find new uses for that database of names in order to continue growing his business.

## **Using Your eBay Store to Acquire Customers: Creative Paper**

When times are hard and you can't sell your original product line as well as you did, you need to find new products and new ways to sell them. Business on eBay was great for Creative Paper for several years, especially in its eBay Store (see Figure 10-1). Things have changed for reasons that other eBay sellers know all too well. As one seller put it to me, “eBay has lots of sellers, but it needs to find more buyers.”

“When I first started pulling this paper out of the trash can, we were selling it for \$10 or \$12 a kit,” says Jeff. “For somebody who is scrapbooking, cutting squares is a challenge. I can cut a zillion of these at a time. We put them in plastic containers, and the paper might cost me less than a dollar. In 2001, we were getting \$75 for them. Even today, I might sell one a month, but I still get \$19.95, so those things are incredible in terms of profit margin.”

Business was great for quite a while. “We started in 2001, really going crazy in 2002 and 2003, tapering off in 2003. Now scrapbooking is maybe 10 percent of our total business. eBay has now been flooded with a lot of



**FIGURE 10-1** This seller uses an eBay Store to sell scrap paper he would otherwise recycle.

other sellers doing the same thing we do—selling scrapbooking kits and scrap paper. That is compounded with the fact that the market just is not as good as it used to be. If you combine the two, it's tough.”

But when you look at the big picture, things are much rosier: Less than six years before this was written, Creative Paper didn't exist at all. And he was throwing his scrap paper in the recycle bin. Jeff ran Suburban Paper and primarily serviced customers in his local area. He didn't know anything about mailing lists, databases of customers, packaging, or selling products directly to the public. Current monthly sales from scrapbooking materials are \$10,000. It was all made possible—and continues to be possible—thanks to eBay.

**Business name** Creative Paper

**Seller name** Jeff McCullough

**Web site** <http://stores.ebay.com/Creative-Paper>

**Sells** Journal books, wedding invitation kits, card stock, greeting cards, scrapbook materials

### **“The Whole Purpose of eBay Is to Get Customers”**

It should be obvious: People sell on eBay in order to find customers for their merchandise. What’s changed in recent years is the role eBay plays in the relationships businesses develop with those customers. In the early years, many companies saw no need to go beyond having an eBay Store. But now, with rising eBay fees and increased competition cutting their profit margins, an increasing number of businesses see eBay primarily as a “front end” tool. eBay gives them a way to make initial contact with customers, but their ultimate goal is to sell directly to those customers without eBay’s involvement. Creative Paper is one of those businesses.

“We don’t do much better than break even with eBay sales because we are selling such small items,” says McCullough. “When we started doing this, eBay was charging a dime per sale. Now they charge 30 cents to list an item, and more for Gallery photos and other extras. The whole deal costs 60 to 70 cents per listing now. In the beginning, four out of five auctions were selling. Now, if I list ten auctions, I am lucky if three of them sell. Now, we encourage customers to go to our web site to make purchases. The whole point of eBay is to get customers we can sell to later on.” The Creative Paper web site (<http://shop.store.yahoo.com/creativepapers/index.html>), which is hosted by Yahoo!, is shown in Figure 10-2.

### **“We Do a Blast E-Mail to 20,000 Customers”**

When you are just starting out, customers come and go. You barely notice their names and addresses as you write them on the package you’re about to take to the post office. But smart businesspeople know those names and addresses are like gold. They or their employees record the information in databases for later use. What kinds of things can you do with this business “treasure”? Some suggestions are presented in the following sections.

#### **Send E-Mail Announcements**

One thing Jeff McCullough does is send out regular e-mail communications to tell people about new promotions, seasonal specials, closeouts, and



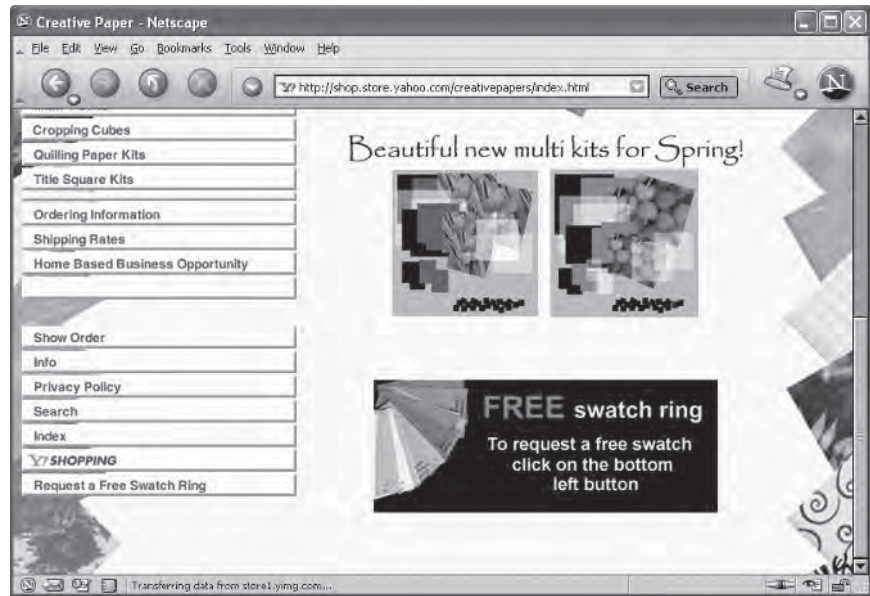
**FIGURE 10-2** This printer uses eBay to acquire customers and point them to his web site.

the like. Such messages enable Jeff to keep his company's name in their minds so that, when they are ready to place an order for more paper, they'll know exactly where to turn. It's also a way to develop a kind of "one-to-one relationship" that marketing professionals talk about in regard to e-commerce.

McCullough's mass e-mail "blast" is essential to his online business. "Right now my web site sales are about \$5,000 a month, and half of that business comes from the blast e-mail I send out once a month offering free shipping, two-for-one deals, whatever. Business always spikes after I do the blast e-mail."

### Include a Gift

Like many successful eBay sellers, Jeff includes something extra in each package he sends to a buyer. Along with the item they ordered, they get some additional paper on a ring (see Figure 10-3).



**FIGURE 10-3** Creative Paper sends this swatch ring to its customers to encourage future purchases.

“We throw a swatch ring in with all of our orders; it includes samples of our paper, hundreds of different patterns and shapes, and encourages customers to go to our web site to find out more.”

When a customer places an order on the Creative Paper web site—or when he or she is viewing a short explanation about how to order—he or she is given the option to sign up for the company’s free newsletter. What can a newsletter do to help you keep customers? Here’s what:

- **Builds credibility** A newsletter lets people know you’re on the ball and actively managing your business.
- **Reminds them about you** Web shoppers are fickle and will go anywhere they can find the best price—unless you develop a sense of loyalty.



- **Gives them new reasons to visit your site** Your newsletter can include descriptions of products your customers didn't buy and didn't know about originally. You introduce them to your entire product line; since they already know and trust you, they're more likely to purchase one of those new items than someone who's visiting you for the first time.

A newsletter like Creative Paper's requires a commitment on your part. You or one of your employees (or a freelance writer like me) will have to be assigned to provide copy for it. Like many other parts of your business, a newsletter requires work up front but brings benefits in the long run. But then, a newsletter is a twentieth-century communications tool. If you want to really be on the cutting edge, you can create a *blog* for your area of business. A blog is an online diary that you or staff need to update on a regular basis. The eBay business profiled later in this chapter, Dallas Golf, operates such a blog through the blog hosting service TypePad (see Figure 10-4).

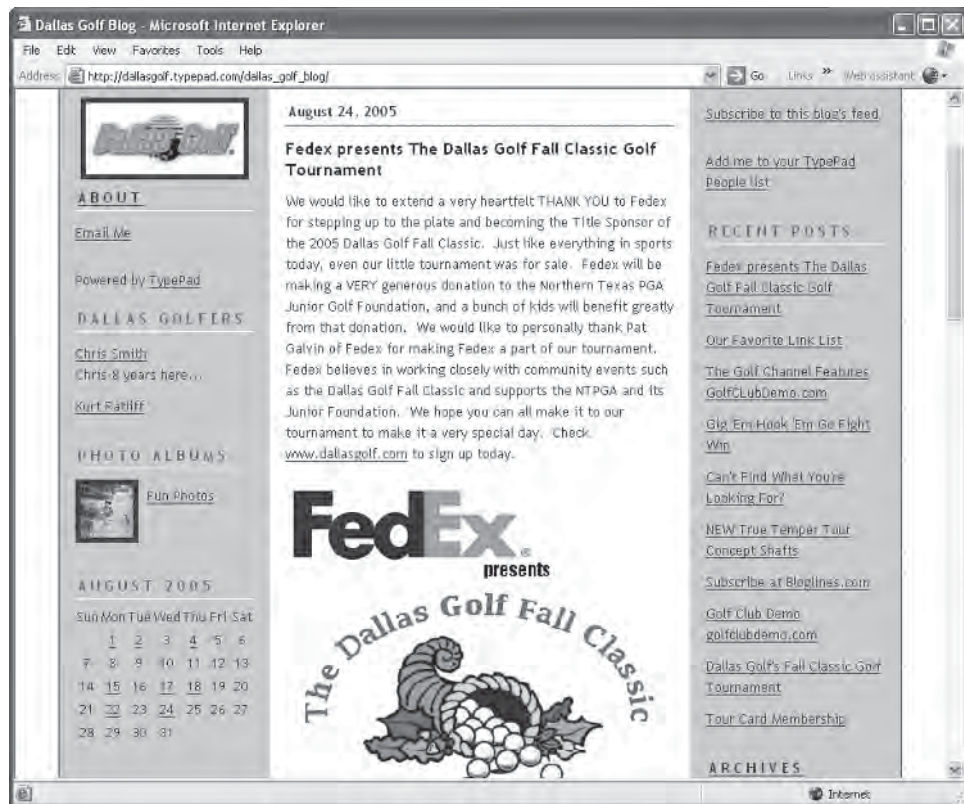
### **“We Do Give People the Option to Opt Out”**

Jeff McCullough is very conscious of what separates legitimate business communications from the dreaded “Unsolicited Commercial E-Mail,” otherwise known as “spam.” Whenever he sends an e-mail “blast” or a newsletter, he includes a note giving recipients the chance to “opt out” and not receive such messages in the future. The bottom line: Don't approach your valued customers unless they have chosen to receive such e-mails from you, or unless you have specifically asked them if they want to receive such notification from you in future.

“When someone buys a product from us, they do so through Andale, which provides us with a checkout system. The checkout system gives people the option to opt out of any future communications from us after the purchase is made. Some people do opt out, but most don't. It's surprising, considering all the spam that's out there on the Internet, but in a typical month we add 400 names to the list of 20,000, and we usually get 100 who opt out. Once they opt out, they don't get messages about our products anymore.”

### **“I Had a Lot of People Requesting Patriotic Stuff After 9/11”**

Creative Paper, like many successful businesses, takes advantage of holidays and special occasions that come up through the year in order to send out new mailings and announce seasonal products. Each major holiday that arrives is an opportunity for a new product.



**FIGURE 10-4** Rather than mailing out a newsletter, this seller publishes a blog online.

“I was not trying to take advantage of 9/11 but, in early 2002, I had a lot of people requesting materials with a patriotic theme,” says McCullough. “I would write the descriptions, some more detailed than others, and came up with a set of 1 ½-inch squares, using as many as 34 colors. We blast e-mailed an announcement to a list of about 3,000 to 4,000 people. Over the next couple of days, we were getting a hit every eight seconds on our web site, and we were selling one kit every eight minutes.”

Today, the Creative Paper web site promotes another set of paper that’s intended for a special purpose—a wedding. Sets of translucent vellum paper can be used for wedding announcements, invitations, and programs. Other sets of papers target scrapbookers who are interested in Victorian designs or papers with flowers or fruit printed on them.



You'll notice that Creative Paper's web site is hosted with Yahoo! Small Business. This popular hosting site gives you more exposure, gives you a shopping cart, and gives you user-friendly software you can use to set up a web site quickly.

## Upselling and Cross-Promoting: Dallas Golf

Dallas Golf started out small. In 1983, it was a single club repair shop located in Dallas, Texas. The company grew along with the recent popularity of the sport to which it is devoted. It became a consignment shop, a retail store, two retail stores, and finally, four retail stores. It was 1996, and the World Wide Web was the latest novelty. "Somebody said, 'We'd better have a web site,' so we jumped into the dot-com boom era," recalls company E-Commerce Manager Chris Smith, who is shown in Figure 10-5 along with some of his inventory. "Everybody was speculating and nobody was selling; we did that, too."



**FIGURE 10-5** Dallas Golf's E-Commerce Manager Chris Smith along with some of his company's inventory.

**Business name** Dallas Golf

**Seller name** Chris Smith

**Web site** <http://stores.ebay.com/Dallas-Golf>

**Sells** Golf clubs sets, individual clubs, gloves, golf balls, bags

By 1999, Dallas Golf's retail stores were booming, even though its web site was not. Customers eagerly bought up new products. "We had lots of used inventory piling up in our retail stores, and those stores were small, so we said, 'We need to do something with this.' My boss read an article about eBay. He tore the article out of the newspaper and said, 'Here, try this.' We put 10 things up for sale, then 100, then 250. Pretty soon, we had 20 employees assigned just to eBay, and that part of our business really took off."

### **"Golf Is Almost the Perfect eBay Product"**

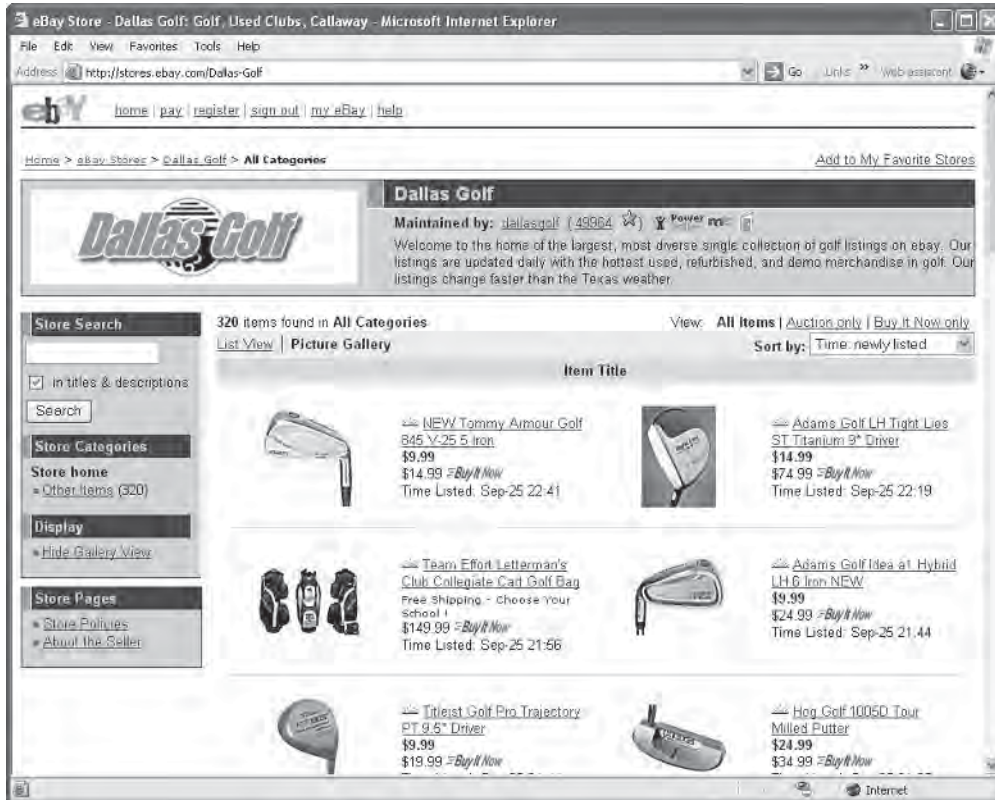
Today, Dallas Golf is a Titanium PowerSeller and one of eBay's biggest success stories. The store has only two retail locations now; it has actually closed some of its brick-and-mortar stores in order to concentrate its energy on Internet sales. "eBay has become a major part of our business," says Smith.

People who sell golf balls and golf equipment have always done well on the Internet and on eBay in particular. The qualities about the merchandise that make it such a success are ones that every budding eBay seller should look for:

- *Much of the equipment is small and easily transportable.* True, golf bags and golf clubs are heavy. But most items like tees, balls, gloves, shoes, hats, and other accessories are small and easy to pack and ship.
- *There are many different product lines, each with its own models.* Golf enthusiasts have a plethora of options when it comes to making purchases online. They can buy a complete set, an individual club, or they can mix and match. "Almost everything we sell is unique in some way, especially if it is used," says Smith.
- *Used equipment is still valuable.* Even though certain styles of golf clubs go out of style, according to Smith, they often come back in style a few years later. Golfers who are looking for quality equipment at bargain prices are eager to buy used equipment.

- *At certain times, it sells very quickly.* The warm weather months find golfers shopping and buying on eBay in droves. Smith often conducts relatively short three-day auctions because the turnover comes so fast. “If there was a twelve-hour auction format, I might use it in summer,” he jokes.

The Dallas Golf eBay Store shows just how many different types of merchandise are available (see Figure 10-6).



**FIGURE 10-6** Dallas Golf’s products have many brands and models that give shoppers additional options.

### “It’s Like Tapping Them on the Shoulder and Saying, ‘Would You Like to Buy Something Else?’”

When you create an eBay Store, you have to pay an additional monthly fee to eBay, and this is on top of the insertion fees and Final Value Fees

you already have to pay. But you get some additional advantages that other sellers don't enjoy:

- You pay only pennies for small Gallery photos, instead of the 35-cent fee charged to auction sellers.
- You get a place to promote your business and develop an identity through a name and logo.
- You get your fixed-price store sales included in keyword searches on Google and other search engines.
- You get the chance to do cross-promoting.

Cross-promoting is the practice of presenting shoppers with additional purchasing options even as they are browsing or preparing to make a purchase from you. In an eBay Store, this takes the form of the “See More Great Items From This Seller” box that is familiar to many eBay members (see Figure 10-7).

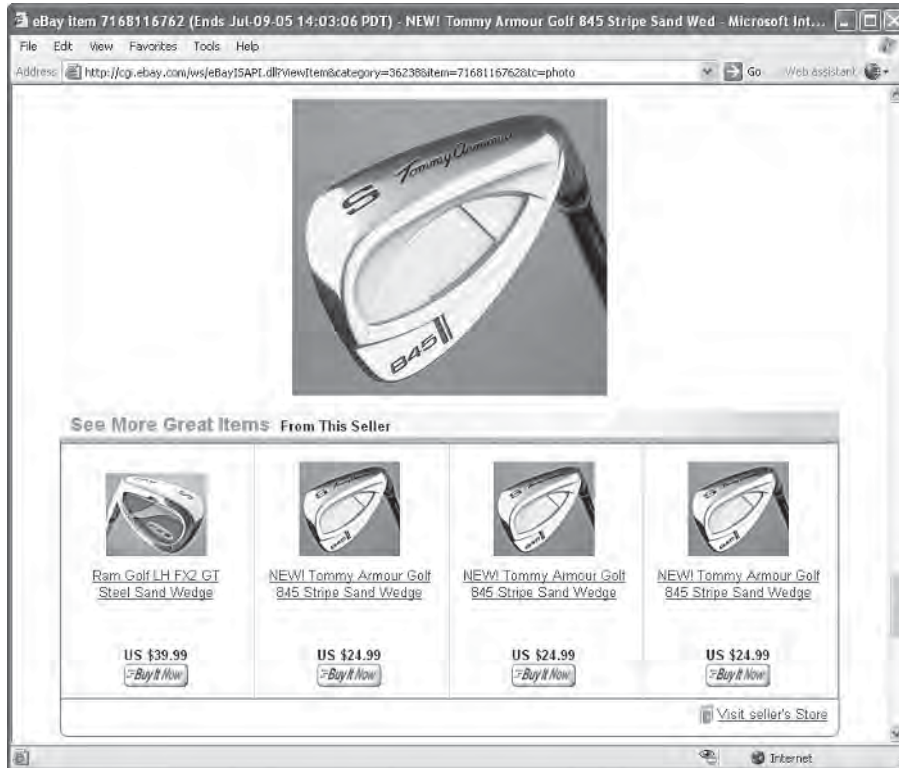
“We have an eBay Anchored Store, so we can include the See More Great Items feature on an unlimited number of listings,” says Smith. “We do this sort of cross-promotion in our item listings and on our web site at checkout as well. It's like tapping a customer on the shoulder and saying, ‘Would you like to buy something else?’”

“Cross-promotions and other tools for encouraging repeat business are essential,” he adds. “At least 25 percent of our transactions include multiple item purchases; 25 percent of our business is repeat business. On eBay, you're always into the new customer—that's what eBay does, just the way the marketplace works. Everyone is new, basically. We get a lot of repeat business within the same transaction. Sometimes people will buy up to 20 different items. We get wholesale buyers who buy in large quantity from us, and they will sell in their retail store or at the local flea market.”



Chris Smith urges readers to take steps to sell all the inventory they have and cross-promote whenever possible. They can even make suggestions to customers over the phone at checkout time, as described later in this chapter (see the section “Be a Salesperson: Tell People What They Really Need on the Phone”). “That's where people miss the boat; they list their two items and don't try to move all their inventory. With us, because we have multiple item purchases 25 percent of the time, we don't have to ship another box to the same customer.”





**FIGURE 10-7** Dallas Golf cross-promotes other “Great Items” in each of its eBay descriptions.

### “We’re Sourcing Through Our Competitors”

Chris Smith’s big priority is moving inventory. He wants to put as much stock on eBay as rapidly as he can, rather than letting it sit around the showroom or warehouse. Dallas Golf has its wholesale suppliers, like any other eBay business. But even their own wholesalers can’t keep up with demand, especially in the busy spring and summer months. Smith scratched his head, wondering where he could come up with new (or used) golf equipment to sell. Two sources came to him:

- Dallas Golf’s competitors
- Customers who want to replace used equipment with new equipment



Sourcing through your competitors? It sounds improbable, but Dallas Golf manages to do it.

“We go to our competition and say: ‘You sell new products, we have a database of the values of trade-in merchandise. Here are those values; call us once a week with your used inventory and sell it to us for the price we have in the database.’ Once we have the used merchandise, we can mark it up for a profit and sell it directly to customers on eBay.”

Smith says he understands the problem with eBay’s rising fees, but golf is insulated from the fee increases to an extent because of the high turnover. “They eat out of your profit, but it’s better than having merchandise in your warehouse waiting for someone to come to your web site,” he comments.

### **“If We Can Get Customers to Trade in Their Old Clubs on eBay, We Can Sell Them on eBay”**

What about that other, highly unusual source for merchandise that was mentioned in the preceding section? Can you get people to trade in their used equipment on eBay, so you can turn around and resell it on eBay? Dallas Golf is one of the first merchants to do so through a pilot program being conducted with eBay’s approval. In each of the Dallas Golf listings, you see the form shown in Figure 10-8, which invites customers to calculate the value of their old golf clubs. Once they find out how much Dallas Golf will pay for those old clubs, they’ll be more likely to purchase brand-new clubs from Dallas Golf, or so the theory goes.

“We are trying out ways to get more merchandise to sell. If we can get these people to trade in their old merchandise, we can sell it faster; we can sell it on eBay for more than they can list it for themselves. Since a good deal of our merchandise comes from our competitors’ buyers, we are giving those buyers the same technology, only in modular form.”

Dallas Golf was, in fact, the first company to be allowed to use the trade-in feature on eBay; any other listings prior to December of 2004 that asked buyers for trade-ins were ended. “We came up with a technology that met eBay’s requirements to allow someone to solicit,” Smith says. “We advertise in the listing, we use a flash calculator to tell the bidder that, if they win, their golf club is worth  $X$  amount. If you win, you can use your club as this much credit toward your purchase. That way, buyers can tell their significant other they didn’t spend so much on their new equipment because they got money for their old equipment.”

In the six months it used the trade-in feature, Dallas Golf saw a 30 percent increase in bids, page views, and selling price, he adds.

The screenshot shows a web browser window displaying an eBay auction page for a Dallas Golf club. The main heading reads: "Win this auction and trade in your used golf clubs to Dallas Golf for cash or credit on your next Dallas Golf purchase on eBay!". Below this, a list of five steps guides the user through the trade-in process. The central focus is a "Trade-In CALCULATOR by INFOPIA" form. The form asks "How much are your Trade-ins worth?" and includes dropdown menus for "Club Type", "Manufacturer", "Model", "Model Specifics", and "Shaft Type". To the right of these fields, the "Our Offer:" section shows "Cash \$ 0.00" and "Credit \$ 0.00". Below the form is a table for "Trade-In Items" with columns for "Cash" and "Credit\*", and a "Remove" button. A "Total Offer:" section at the bottom right shows "Total Cash: \$ 0.00" and "Total Credit: \$ 0.00". A small disclaimer at the bottom explains a 15% bonus credit offer.

**FIGURE 10-8** Dallas Golf's database of trade-in values was incorporated into this form by Infopia.

## “We Do a Daily E-Mail That Highlights Auctions That Are About to Close”

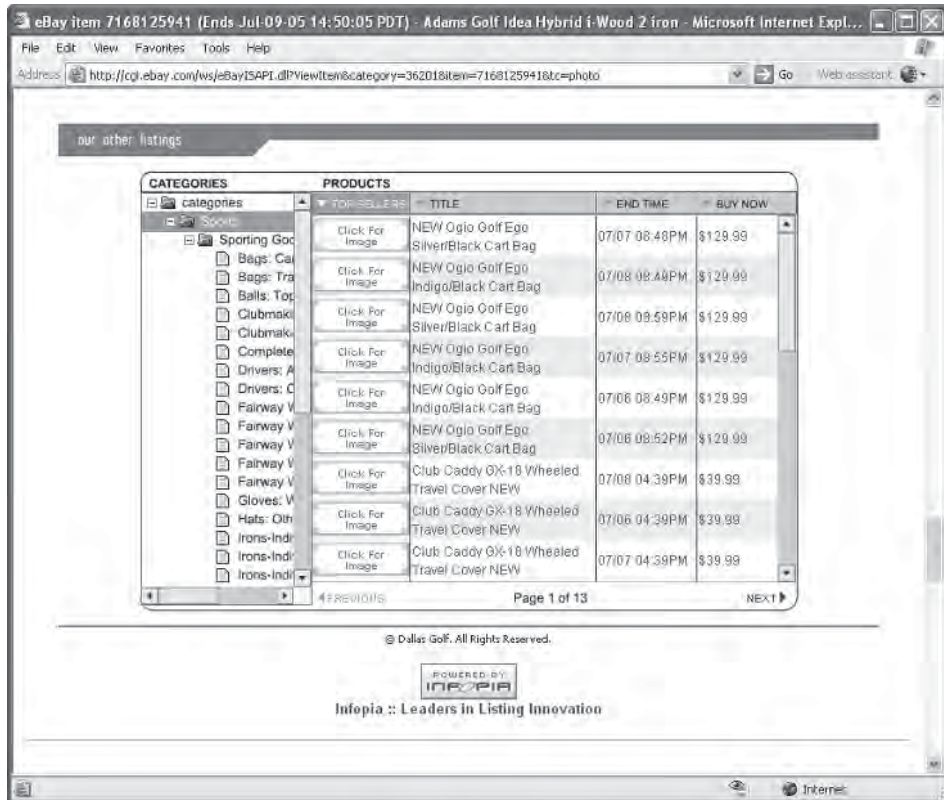
Lots of eBay businesses (like the other business profiled in this chapter, Creative Paper) send e-mail messages to their customer database, informing customers about new promotions. Dallas Golf takes this concept a step further and tells shoppers about eBay auctions that are about to end *that same day*.

“We don’t send out a newsletter, but rather, a ‘featured products’ list that contains one-shot-opportunity type buys. We might get a limited run like 50 putters or 10 woods. Golf is an ultra-competitive category on eBay, so to stay ahead of the competition, we do a daily e-mail that highlights auctions

that are about to close. ‘You want to take advantage of the poor performance of this sale . . .’ we might say. ‘This item is currently selling for 99 cents, no reserve. Auction closes at 8 P.M.’ When I send the e-mail out at noon, I might have a \$100 driver about to sell for \$6. I can guarantee you that, when the sale ends, it will sell for more than \$6.”

### “We’re Always Trying to Say, ‘If You Don’t Like This, Here, Look at This’”

Dallas Golf’s sales descriptions are long compared to those of other sellers. Along with the Trade-In utility and the See More Great Items box, they have another feature: they provide shoppers with a table that lets them see the entire inventory that’s for sale by Dallas Golf on eBay (see Figure 10-9).



**FIGURE 10-9** Dallas Golf uses sophisticated programming to present its entire inventory in the body of a sales description.

“We’re always trying to say, ‘If you don’t like this, look here, look at this,’” Smith comments. “We generally display only the items that are live on eBay; that list is expandable by category. It’s a short list, but you can click folders to display a menu and submenu.”



**tip** *You don’t need to turn to expensive programming to tell your customers about other items you have for sale. You can take the low-tech approach and type a note at the bottom of your description, saying “See my other auctions for similar items, other models of the same item,” or something similar.*

## “Be a Salesperson: Tell People What They Really Need on the Phone”

Dallas Golf uses many of the tried-and-true promotional tools that have built customer loyalty in the past: They have seasonal promotions and closeouts. They aren’t afraid to sell used merchandise. “We sell a lot of used equipment because the trade-in model works for us. More recently, we are into the ‘liquidation’ model, where we sell equipment that is at the end of its product life. It might be that the item ‘died’ five years ago, when the manufacturer stopped making it, and we’re bringing it back. In golf, the technology only cycles around, like clothes. A particular type of club might be regarded like a bad idea now, but three years later, it might be seen as a good idea again.” eBay is the ideal place for such liquidations, he says.

Dallas Golf also includes its toll-free phone number on every listing. This allows Smith and his employees to perform some old-fashioned salesmanship. “When customers do call, sometimes golf is one of those things, where you buy something, you want it to perform just the way you want. People say to me on the phone, ‘I’m a 25 handicap, only played six rounds, would this driver work for me?’ I say, try this thing, and by the way, you might think of buying this thing, too. Don’t be afraid to be a salesperson and tell people what they really need on the phone.”

## Lessons Learned in This Chapter

- Recycled and “repurposed” manufacturing materials can be packaged and sold on eBay to specialty buyers who have shown an interest in them.
- Many businesses regard eBay as a customer acquisition tool as much as a sales tool; they find customers through eBay and try to court their business through marketing strategies.

## 212 Secrets of the eBay Millionaires

- E-mail announcements and extra items placed in the packages you ship can encourage buyers to revisit your eBay Store or your web site to make more purchases from you.
- Be careful when you approach customers with marketing information so you aren't accused of sending "spam" e-mail; give recipients the chance to opt out of future communications, or get their permission beforehand.
- Take advantage of holidays and other special events to create products that can attract new customers.
- Products like golf-related equipment sell well on eBay because they have many different brands and models and users are frequently interested in trading up to the newest varieties.
- If you open an eBay Store, take advantage of the See More Great Items box as a way of cross-promoting your merchandise for sale.

# Chapter 11

## Automate to Ramp Up Sales

“I have always been a sort of an entrepreneur,” says Kevin Harmon. “In college, at the University of Illinois at Champaign-Urbana, I had a T-shirt business. That’s how I paid for college. I had a coupon business for a while. I have owned several types of entities—some worked, and some didn’t.”

eBay definitely seems to be working for Harmon. Since he first bought a purse as a Christmas present for his wife on eBay in 2002, he has managed to build up, in less than three years, a feedback rating of more than 58,000. To build up that many sales and positive feedbacks that quickly, he has managed to sell an average of 52 items *every day*. At any time, he has as many as 381,000 items for sale in his eBay Store. How did he ramp up so quickly, and how does he keep his sales level constant? He passes on some of his tips and best practices in the sections that follow.

**Business name** Inflatable Madness LLC

**Seller name** Kevin Harmon

**Web site** <http://stores.ebay.com/Inflatable-Madness-LLC>

**Sells** DVDs, CDs, Xbox games, PS2 games, Gamecube games, tools

## Doing eBay Bigger, Better, Faster: Kevin Harmon

“I got started on eBay because I didn’t want to pay full price for an expensive purse for my wife for Christmas 2002,” Harmon recalls. “I joined up, and I found a really nice purse for two-thirds the price it would cost in a store. I thought ‘Huh, that’s interesting. Maybe there’s something to eBay.’ So I sold some things out of my closet, to see how the e-mails work and how My eBay works.”

So far, the story is probably one you are familiar with. You start out selling your own possessions, and you move on by finding merchandise to sell in bulk. What’s special about Kevin Harmon’s story? One thing is that he decided to sell something that’s in high demand. Another is that he wasn’t reluctant to find as many items as he possibly could.

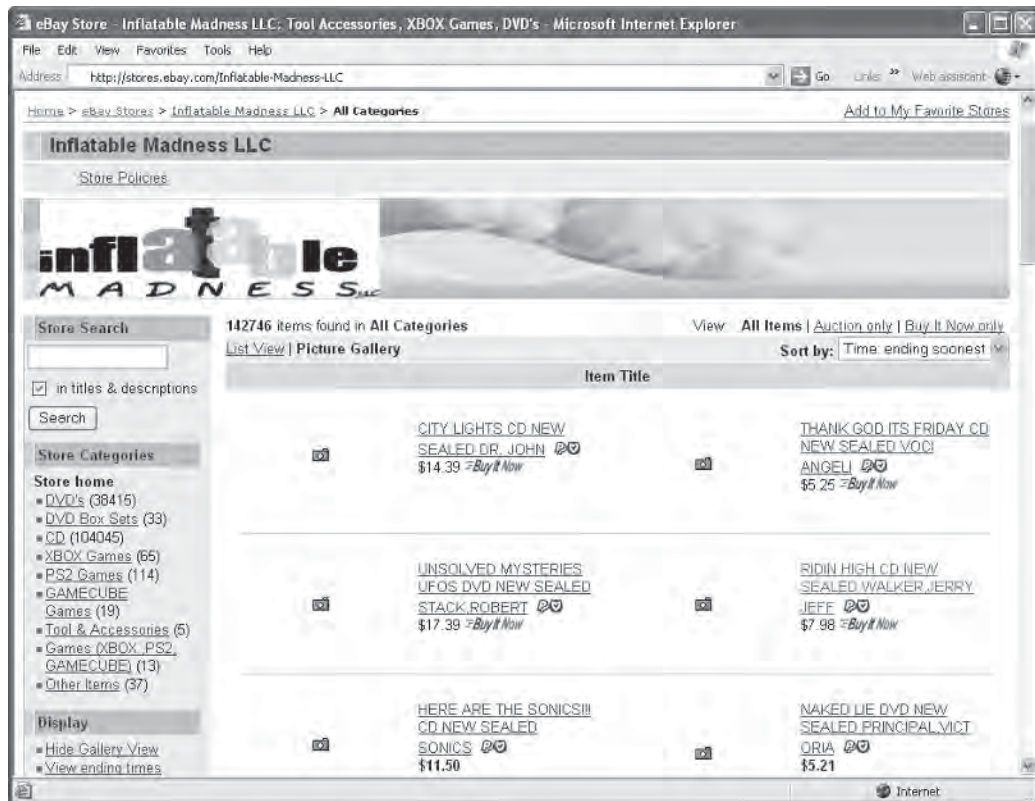
### “You Need a Solid Breadth of Product to Sell Well on eBay”

“Once I got the hang of selling, I looked for things I knew well enough that I could resell them. I am a movie buff, so I decided to try to find DVD and VHS movies. I went to local flea markets, buying stuff I thought I could resell—DVDs, wacky stuff. That got me off the ground. There are 15 flea



markets within 15 miles of Charlotte, North Carolina, so that kept me going for a while. But I needed to find larger suppliers and variety. That's the problem with eBay: It's two miles wide and two inches deep. You need a solid breadth of product to sell well on eBay. There are at least 45,000 DVDs and 200,000 CDs, so I knew there were lots to sell, if I could find them. I started a big search and scoured the Internet to find suppliers."

Another secret to Kevin's success: the realization that people don't like to click on link after link on eBay when they're shopping. They want to find a single store that has thousands of different items for sale rather than going through thousands of stores, each with a handful of items. As you can see from his eBay Store—which has the easy-to-remember name Inflatable Madness LLC—he carries as many as 38,000 DVDs and around 100,000 CDs (see Figure 11-1).



**FIGURE 11-1** This seller focuses on breadth of inventory in a few popular categories.

### **“Our Model: Virtual Inventory We Don’t Own Until It’s Sold, and National Distributors”**

When you ramp up and start putting thousands (or tens of thousands, or even hundreds of thousands) of items for sale on eBay, the question naturally arises: Where are you going to store all this stuff? If you don’t ask the question, your spouse or your children surely will. There are two different solutions to this problem, and Kevin Harmon uses both of them.

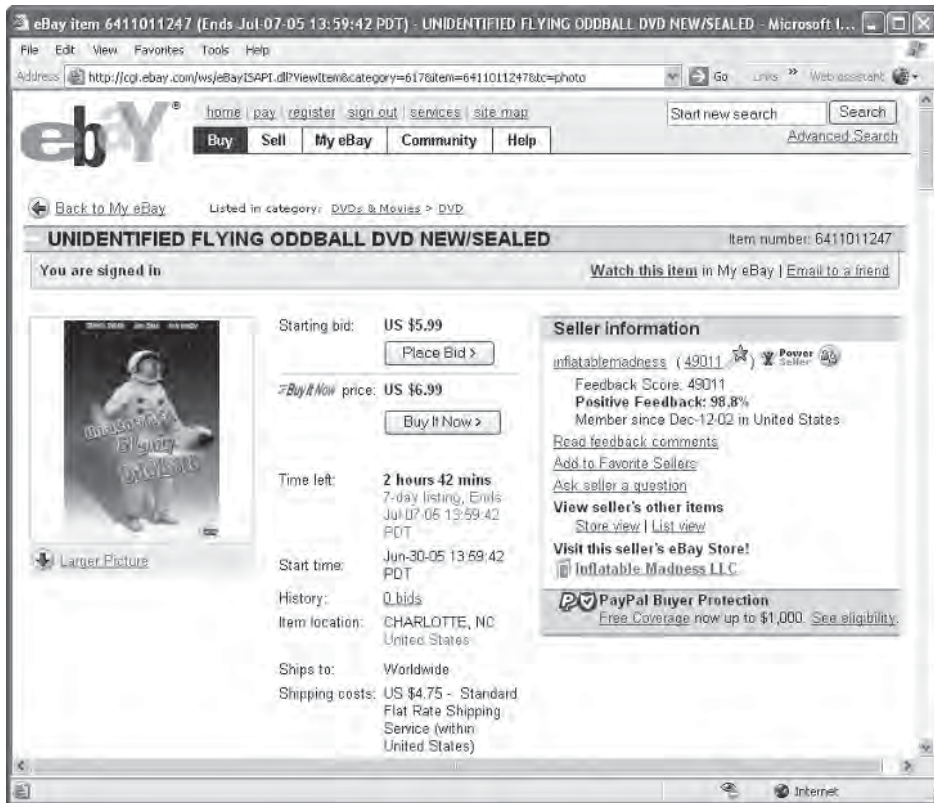
“I started my office in my house. I had one bookshelf that held 200 DVDs, and I remember at that time, I was freaking out with how many DVDs I had. (Now I have 200,000.) When I ran out of space, I moved to an 800-sq. ft. office. Then, I moved to the office next door and took over both spaces. Now we’re in a 2,000-sq. ft. warehouse, and we’re moving to a new space.”

The key to such growth is having lots of merchandise to sell, and that, of course, depends on finding the right suppliers. “Through our distributors we can offer as many as 300,000 items,” says Harmon. “There’s a whole lot we could offer; it’s just a matter of finding what sells on eBay.”

Finding what sells requires research in eBay’s completed auctions, which Harmon conducts on a regular basis. It’s also a matter of pricing lower than the competition. In the case of CDs and DVDs, Harmon knows he’s competing with the many brick-and-mortar stores that sell movies and music. He realizes that the only reasons someone would make a purchase on eBay are price and selection: He has to offer items at a lower price than the competition, and he has to offer unusual, even strange items that people can’t find easily, such as the movie shown in Figure 11-2.

“Ninety percent of our items are more expensive than a brick-and-mortar store. Someone could indeed buy a DVD for \$16 in a physical, retail store and they would pay \$21 through me if you include shipping. I’m taking advantage of the laziness of the world. The average big-box store like Best Buy has 2,000 titles. We have 200,000 titles including many unique, rare movies. You have limited movie selections in the local store, so you go online. My business works because I found a lot of products to buy—the right type of products. eBay is a site where you have to sell at competitive wholesale pricing, and then you just offer everything under the sun.”

The Inflatable Madness LLC business model doesn’t require Harmon to store every one of the items he sells in his warehouse, however. Like many eBay PowerSellers, he uses drop-shippers: suppliers who sell merchandise and hold on to it for the owner; when a purchase is made, they pack and ship it as part of their services. The eBay seller never actually sees them. “Our business model is twofold—virtual inventory we don’t own until it’s sold, then national distributors.”



**FIGURE 11-2** If you sell unusual selections at a low price, you can compete with brick-and-mortar stores.



**tip** When you browse through the Inflatable Madness store listings, you'll notice that Kevin doesn't use Gallery photos. When you list 100,000 items at a time, even the few cents that a Gallery photo costs adds up. In many cases, stock photos are available so the Inflatable Madness staff doesn't always have to capture their own digital images. Besides, the CDs and DVDs that he sells aren't unique; the shopper only needs to know the artist and title, and can click on the auction title in order to view more photos in the item

## “We Are Plugged in Directly to eBay with Our Own Software”

“You just don't find enough time to do everything yourself before you need some help,” says Harmon. “I have certainly committed the sin of trying to

do everything myself. I can't do that anymore. We have two full-timers and several part-timers wandering around our warehouse at any one time."

His wife Linda and their two children might also be found helping with packing and shipping. "Finding time for your family is the hardest part of running your own business. People talk about how wonderful it is, doing what you really like what you do, but keep in mind that you are going to spend a lot of time doing it. I work 70 hours a week; I love it, I involve my family too. My wife has started her own business on the side, and she will occasionally help with shipping or whatever she can do to bring our family together. My four-year-old is all over this place. We use a third-party company that gets mail every day. They do all our shipping. We pack it up and put labels on it, they insert it into the post office system."

Most big-time eBay PowerSellers use some kind of selling tools to expedite the management of their sales. Many start with eBay's own Selling Manager or Turbo Lister. The most successful sellers move beyond software that is available "off the shelf." They hire a programmer who creates software that is customized for their own business. David Hardin (see Chapter 7) uses custom software in his various shoe stores on eBay. So does ExpressDrop (also profiled in Chapter 7). And so does Kevin Harmon.

"At first, I was using eBay's tools—we still use Turbo Lister, in fact. As we grew, I moved to my own software; we developed software that can launch and manage auctions (see Figure 11-3). We are plugged in directly to eBay at this point. Our applications send data to eBay behind the scenes. To grow to a modest level, and bigger, off-the-shelf tools work up to a certain point."



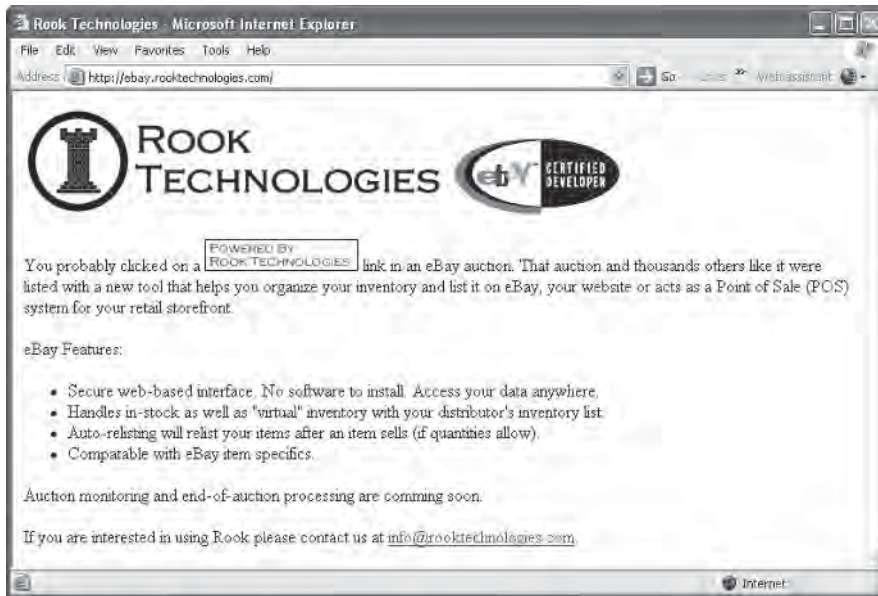
**tip**

*As you can see from Figure 11-3, Inflatable Madness's development arm, Rook Technologies, is a Certified Provider with eBay: a company that has been licensed to use its application programming interface (API), so its own software can connect with eBay's databases directly. You can find more about the Certified Provider program at <http://developer.ebay.com/certifiedprovider>.*

## **"I Never Buy Anything Unless I Research It First on eBay"**

Looking ahead, Kevin Harmon strikes a cautious note. He indicates that in the future, he isn't going to expand his business as quickly as he did over the past few years.

"I would advise new sellers to not even bother to start an eBay business if you can't find things to sell on eBay. Sourcing the product is the most important thing you can do on eBay. If you can find something that is rare and unique, there are so many things out there that you can sell. You have a big personal advantage: Before you buy on eBay, research it. I never buy



**FIGURE 11-3** This high-volume seller developed his own software to manage his eBay sales.

## “Choose Your Operational Partner Carefully”

Unless you have the resources to hire a programmer and develop your own sales software, chances are you're going to choose a company to serve as your operational partner. Such a company can do more than provide you with software to keep track of sales. Some partners can even help you find sources for your merchandise or market your eBay business by writing about it on their own web site.

“We think it's important to choose your operational partners carefully,” says David Yaskulka of Blueberry Boutique, a PowerSeller profiled in Chapter 9. “For example, we launched a partnership with ChannelAdvisor (<http://www.channeladvisor.com>) to provide their auction management software. They are a real strategic partner.

“There's another, underutilized resource,” adds Yaskulka. “Many sellers would do well to partner with a full-service auction company. People who want to sell on eBay might not be better off inventing the wheel but could find someone who has packaged a whole business for them. A company like Auction Safari (see Chapter 6) will help with training, marketing, cross-marketing, shipping. They would take a percentage of sales, and each seller has to do the math. For some sellers, that sort of partnership would help you get products you need.”

anything unless I research it first on eBay. I still find new suppliers today. It's a consistent, constant search on my end, because DVDs are a massively popular product. eBay provides you with a unique opportunity to find out what something sells for, nationwide. So always do your research."

Like many of eBay's most active sellers, eBay's own price increases have forced Harmon to look beyond eBay to sell merchandise. "eBay's price increases for eBay Stores hurt tremendously. Now it costs us more to do the same thing. For someone like myself who has 130,000 items in store, when they take dead aim at you, you have to say, 'OK, eBay is a large portion of the business, but it can no longer be the only portion of the business.' A lot of the larger sellers are launching web sites, and we are launching a web site, too."

### **"Everyone Gets Burned Trying to Find New Suppliers"**

If finding suppliers is the key to doing business on eBay, how does one find a reputable source of merchandise? "That's very difficult," Harmon admits. "You have to do a lot of testing. There are a lot of dos and don'ts for finding a new contact. If they want payment up front or wire transfer up front, I would suggest not going with them.

"Believe it or not, a lot of suppliers are already selling on eBay," he adds. "I can look up their feedback on eBay. It's very tough, everyone gets burned trying to get new suppliers. If you can't get them on the phone, that's not a good thing. If you can't see images of their products online, that's not good, either. You have to be very careful that you are getting a legitimate product. Buy 10 things to try them out, or ask them for some samples first. That way, if you get burned, you're not out a lot of money."



**note** *It's interesting to note that, even though Harmon has a lot of competition in the CD/DVD category on eBay, he is on friendly terms with some of his competitors. "In my category one of the biggest sellers is Glacier Bay DVD. Randy from Glacier Bay and I talk almost every day. We're very friendly competitors." It's not unusual to be able to communicate with competitors in your category on eBay. You can find them in eBay's Category-Specific Chat Rooms, for instance (<http://pages.ebay.com/community/chat/index.html>). You might also meet them at gatherings like eBay Live. Don't shy away from such meetings; it's always useful to compare notes and share ideas about what sells and what doesn't in your chosen area.*

## **Managing Sales with Special Software: Jon Stein**

The dog house is a good place to be on eBay, especially if you're in Jake's Dog House. Jake is the yellow Labrador retriever who was owned by Jon Stein and his family. Jon named his business after Jake back in 1995. Today,



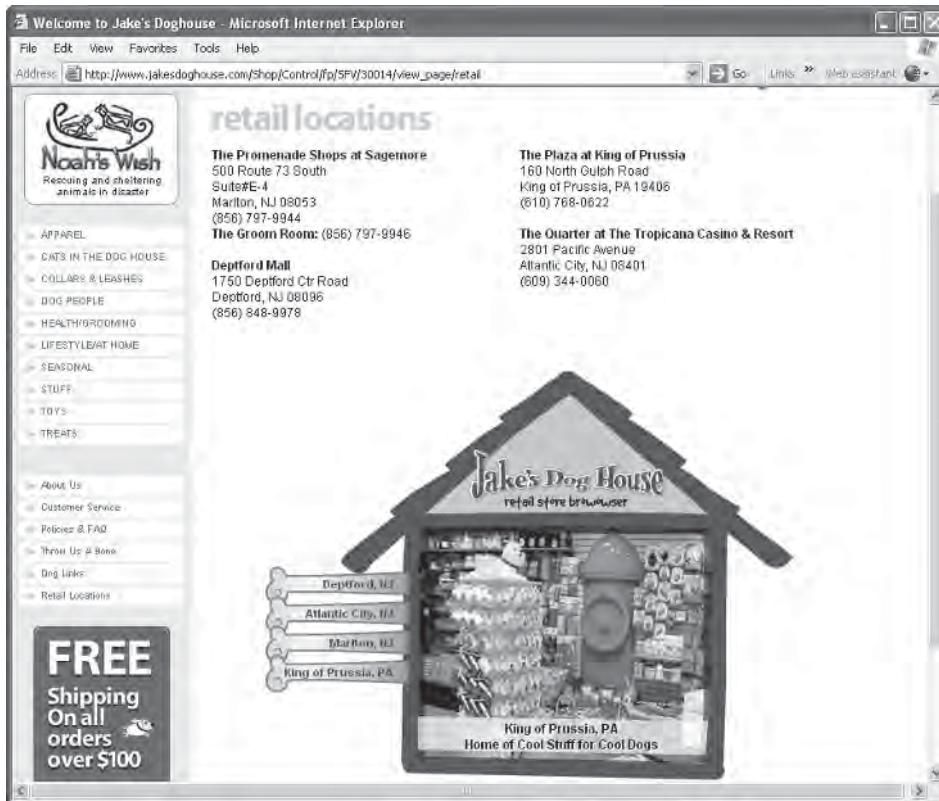
**Business name** Jake's Dog House

**Seller name** Jon Stein

**Web site** <http://stores.ebay.com/Jakes-Dog-House>

**Sells** Dog apparel, toys, collars, leashes, and other accessories

Stein owns five brick-and-mortar Jake's Dog House pet stores in New Jersey and Pennsylvania (the interior of one store is shown in Figure 11-4). Stein also operates a full-featured e-commerce web site and is a Platinum PowerSeller with his eBay Store.



**FIGURE 11-4** This eBay business has both a brick-and-mortar and web presence, and is continually growing thanks in part to special software.



### “Start with Something You Really Love”

Jake’s Dog House, which sells treats, collars, and toys for dogs as well as accessories for dog lovers, began in 1995 as the brainchild of Jon and Jeane Stein. They started with a single cart in a shopping mall and a mail order catalog. In 1996 the business expanded to include the Web with the creation of their web site (<http://www.jakesdoghouse.com>). Jon, the CEO, considers the online business to be the “sixth store in the chain” and also believes that this is an area with “significant and exponential growth potential.” The company motto over the years has been “Great Stores, Great Products, and Great People,” and Jon points out that “it is mission critical for the e-commerce business to carry the same solid branding and upscale image as the stores.”

Jake’s Dog House went on eBay in the summer of 2003. Jon says, “We just woke up one day and decided that we would list a few items.” Initially, Stein was skeptical, but the sales on eBay exceeded his expectations. The company quickly scaled up their listings to several hundred per week. Within three months, Jake’s Dog House (User ID: **jakesdoghouse**) had become a PowerSeller on eBay.

When it comes to starting out, Stein advises that sellers “understand what it is that they are selling. If you sell dog accessories, you should be passionate about dogs, you should sell something you really know and love.”

But Stein’s focus is and always has been the desire to grow his business exponentially. Only a year or so after starting out on eBay, he began looking for the “perfect e-commerce software solution.”



**tip**

*Stein advises sellers to focus on merchandise that has been licensed, such as items that bear the logos of NFL sports teams, which always sell well on eBay.*

### Choose the Right Solution Carefully

“We are always looking for ways to improve our business,” says Stein. This comment might seem surprising when you consider that, besides his many sales venues, he has about 60 employees. And he lists as many as a thousand items on eBay each week. But Stein is always looking for ways to grow and operate more efficiently, and he credits a particular auction service provider with his success.

One of Jon’s biggest tips on growing a business, especially as the e-commerce field matures, is to find the right management software. After shopping around with several software vendors, Jon chose Infopia. The

company's Marketplace Manager package manages listings both on eBay and another rival auction site, Overstock.com (<http://www.overstock.com>). When we spoke, he was planning to double the Jake's Dog House online business revenue compared to the previous year.

"We just felt Infopia was the best technology out there. This type of solution is not for everybody, but we felt it was right for us. An auction management package is not a one-size-fits-all solution. There are a lot of different providers. I advise sellers to go out and talk to as many providers as they can, and try them on for size. It's not a one-size-fits-all thing. Someone selling at the volume we have is different than seller B working at a different volume. A service provider should be able to give you a demo version of their product so you can try it out for a period of time.

"In the case of Infopia, we didn't really try the Marketplace Manager software out per se, but we went through an extensive evaluation. We did hands-on demos to make sure it would fit our needs," Stein adds.



**tip** *Jon also advises sellers to ask a service provider for the names of customers they can interview. Chances are these customers will speak glowingly of the software you're trying out. But you can still ask them how responsive the company is, and how many service calls they've had to make, so you can gauge what your own experience with the company might be.*

## **"Time and Time Again, We Look for New Eyeballs and New Customers"**

One way to expand a business that has already achieved a certain amount of success on eBay is to develop its web site. Many of the sellers profiled in preceding chapters encourage the shoppers they acquire from eBay to make subsequent purchases from their web sites. They devote considerable effort to making their web sites customer-friendly and able to conduct e-commerce.

The Jake's Dog House site (<http://www.jakesdoghouse.com>) is no exception. One thing you notice the moment you view the home page (shown in Figure 11-5) is the slogan: "Cool Stuff for Cool Dogs."

The site's appearance is due, in part, to Infopia's Marketplace Manager software. "Infopia redid our web site, and we have very strict and certain requirements as to how we want to present ourselves. The site looks

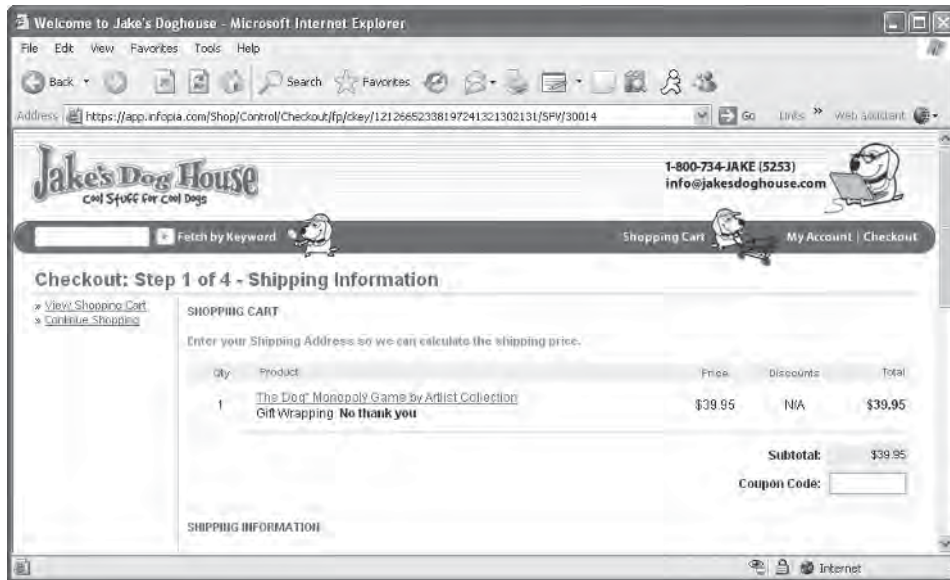


**FIGURE 11-5** You help brand your business by coming up with an advertising-type slogan for it.

awesome and is performing well.” Infopia provides the company with its own shopping cart and checkout system (see Figure 11-6).

The Jake’s Dog House web site includes a number of other features that you can’t duplicate in an eBay Store. When you decide to create your own web site you should consider including them as well:

- **Multiple search options** When you set up an eBay Store, you can let your customers search your merchandise by keyword. When you create a web site, if you have a programmer to help you, you can set up multiple types of searches. Jake’s Dog House lets shoppers search for merchandise by breed of dog and by the brand of the merchandise as well.



**FIGURE 11-6** Sellers like Jon Stein want shoppers to shop on their web sites and use their own checkout system to avoid eBay fees.

- **Extensive customer service information** eBay Stores do include sections such as About the Seller and Seller Policies. But with a web site, you are able to separate your customer service information into multiple pages. Jake's Dog House has separate pages entitled About Us, Customer Service, Policies & FAQ, and Throw Us a Bone, which includes contact information.
- **Links to other web sites** The more useful information you include on your web site, the more return visits you'll have. Jake's Dog House includes a page full of links (see Figure 11-7) to eBay and PayPal, as well as animal hospitals and animal welfare associations.

Although the web site is operating well, Stein realized he needed to integrate all of his sales—the ones made in his retail stores as well as those online. “We needed more automation, between our integration software, our point-of-sale software, and our online management.” He doesn't want to have inventory mixups occur—for instance, if he sells one item twice in two of his stores, forcing one customer to wait while new stock is ordered. Marketplace Manager coordinates sales information and inventory data for all of his storefronts so each one is working with the same information.



**FIGURE 11-7** A web site can contain extensive links to related web sites you endorse or know personally.



**note** *One thing you won't find on the Jake's Dog House web site is a link to eBay. But Stein is quick to point out, "eBay is a cost-effective marketplace, and we are always driving business to our eBay listings and our eBay Store." Conversely, customers who visit the Jake's Dog House eBay Store will find a prominent link to the web site, so they can find out more about the business or make subsequent purchases if they are interested.*

### **"I Think the Best Is Yet to Come"**

As e-commerce becomes an everyday way of shopping, it's important to manage growth, but not to forget the core task of any eBay sellers: customer satisfaction.

### “Hire Someone Who Has Already Gone Where You Want to Go”

When your business is off and running and you want to take it to a new level, where do you turn? “For some companies that want to sell on eBay, it is worth hiring an expert consultant who has already gone where you want to go, and who can help you to get there,” says David Yaskulka of Blueberry Boutique. Not surprisingly, Yaskulka acts as a consultant for other eBay sellers himself.

“The beauty of eBay is you can test your concept and put toes in water,” says Yaskulka. “Sophisticated branding is very important in our niche, but we didn’t have a professional design for eight months after we started selling on eBay.”

Not only that, but you can—and should—start out with only a small investment. “In fact, I don’t recommend a lot of investment,” says Yaskulka. “I recommend capping your investment at a couple of hundred bucks and trying it out to see if you have the potential for success. At a certain stage it often makes sense to say, ‘I’ve got something here, I want to grow it in the best possible way.’ Hiring an expert can help you do that.”



**tip**

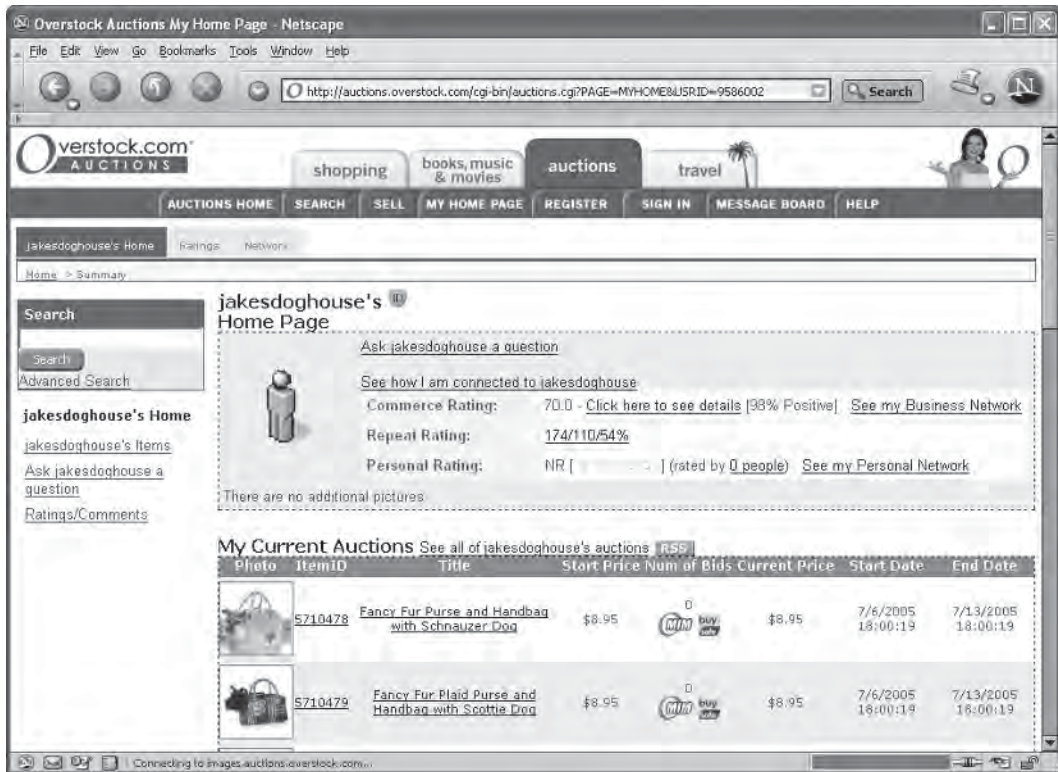
You can find out more about David’s consulting services at <http://stores.ebay.com/Blueberry-Boutique/Blueberry-Consulting.html>.

“There really aren’t that many secrets to running a business on eBay (other than revealing who our suppliers are); our goal is always 100 percent customer satisfaction,” says Jon Stein. “We have a very liberal return policy. Our main criteria is, we will accept returned items if they are in a new or resellable condition. It can’t be half of a package of dog cookies that has already been opened, for instance. I would also provide not just a phone number but 9 to 5 customer service Monday through Friday, at a minimum.”

Jake’s Dog House continues to try new ways to find customers. While eBay is the biggest marketplace on the Web and the biggest auction seller online, other outlets exist. Jake’s is, in fact, expanding to open storefronts with Overstock.com (<http://www.overstock.com>) and Amazon.com’s Marketplace. Overstock doesn’t have as many members as eBay, but it charges lower fees than eBay, and a growing number of sellers are attracted to such alternatives. Figure 11-8 shows the Jake’s Dog House home page on Overstock.

“I think the best is yet to come,” concludes Jon Stein. “We are just starting to see inroads made with sites like Overstock. Quite honestly, our web site is our most mature sales venue, and eBay is second, but other sites are worth looking at as well.”





**FIGURE 11-8** Once you are established on eBay, consider expanding to other auction sites.

## Lessons Learned in This Chapter

- Even if you sell in a popular category like DVDs and VHS movies, you can be competitive if you find a supplier who can provide you with items that are unusual and hard to find in retail stores, and that come in wide variety.
- Many sellers use drop-shippers to build up their sales volume: Such companies sell you merchandise but don't ship it to you. When someone buys the merchandise from you, the drop-shipper sends it out, so you never have to deal with the inventory.
- If you have a programmer on staff or can find one who is an eBay Certified Solution Provider, you can create custom solutions that automatically list your items and manage sales for you.



- Don't purchase merchandise from a wholesale supplier unless you research it first on eBay to see if there's a demand for it, and what the market will bear.
- When you sell something you love and that personally interests you, it's easier to devote the time and effort needed to complete transactions and develop web sites and other sales channels.
- An auction service provider can help you ramp up your sales substantially. But choose your provider carefully: ask for references and try out a demo version to make sure the software does what you want.
- Once you are established on eBay, consider developing your own web site so you can deal directly with customers.
- eBay sales can also be supplemented by other outlets like **Overstock.com** and **Amazon.com**.

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# **Appendix A**

## Web Resources for PowerSellers

One of the things that makes PowerSellers successful is the fact that they don't try to do everything on their own. In order to sell at volume and make a profit, they know they need help. Sometimes, help comes in the form of software they use to keep track of what's been sold and what steps in a transaction need to be completed. Sometimes, they hire employees. But just as often, they know where to turn on the Internet. The following set of resources has been compiled from talking to PowerSellers featured in this and other books; these resources include web sites and other tools that can help any eBay member sell smarter and more efficiently, no matter what level they're at.

### Resources on eBay

The logical place to start, when it comes to finding out how to be a PowerSeller, is eBay itself. The following pages on eBay's voluminous web site will give you some good starting points.

#### eBay Keywords

**<http://buy.ebay.com> and <https://ebay.admarketplace.net>**

There are two different eBay Keywords pages, and each brings a different benefit to sellers. The first page (**<http://buy.ebay.com>**) gives you an alphabetical list of terms that members have searched for recently on eBay. If you include the same keywords in your descriptions, the chances of having your sales turn up in search results goes up. The other URL (**<https://ebay.admarketplace.net>**) takes you to the eBay Keywords program, which lets you place bids on keywords; if you place the high bid and someone searches for your chosen word, an ad you create will appear at the top of the eBay search results. The ad can lead to your eBay Store.

#### PowerSeller Information

**<http://pages.ebay.com/services/buyandsell/powerseller/>**

You'll find criteria for earning the PowerSeller designation, as well as benefits for being admitted to the program. You'll also find back issues of the eBay PowerSeller's newsletter. The back issues only go up to June 2002, but they still contain tips and articles that are relevant to anyone who wants to obtain the coveted PowerSeller designation.

#### “What's Hot” Lists

**<http://pages.ebay.com/sellercentral/whatshot.html>**

eBay's Seller Central area (**<http://pages.ebay.com/sellercentral/>**) provides general information on best practices and news for eBay sellers.

Within this area, you'll find the What's Hot lists, which are of special interest to anyone who's looking to find merchandise to sell on the auction site. The Hot Items by Category hot lists are detailed reports on what's been selling best on eBay recently, arranged by category.

## **Software Tools**

PowerSellers are independent by nature. The act of starting up a business on eBay is one they usually try to handle by themselves as much as possible. After a short time of juggling feedback, packing, and creating listings, they realize a software tool will help them work more efficiently and free up more time for the things that matter, such as customer service and sourcing merchandise. There are lots of companies that function as auction service providers; the following are a few examples used by some of the PowerSellers interviewed for this book.

### **Andale**

**<http://www.andale.com>**

Andale provides a variety of tools for listing sales and researching items to sell. One of the best is the Price Finder (\$3.95 per month), which provides you with far more detailed sales reports than eBay's own Completed Items search. The basic version of the auction counters Andale provides is free. For hosting 3MB of images you'll only pay \$3 per month.

### **buySAFE**

**<http://www.buysafe.com>**

buySAFE isn't a software tool for managing auctions, but it does provide auction sellers with a service. buySAFE's service is a "seal of approval." buySAFE places the seal on the auction sales descriptions of sellers who meet the right qualifications for customer service—and who pay a 1 percent fee to buySAFE for each completed transaction. In return, according to buySAFE, you get more bids for what you sell as well as higher sale prices.

### **Ethical Technologies**

**<http://www.ethicaltools.com>**

Scott Samuel, who founded Honesty.com and invented the auction counters that are now used by Andale, founded Ethical Technologies, which offers a wide variety of sophisticated relisting tools, thank-you-for-bidding utilities, and software that you can't find anywhere else.

## **Infopia**

**<http://www.infopia.com>**

Several of the PowerSellers profiled in this book use Infopia's software to create web sites and list sales on the Web and on eBay. If you sell products that can be customized, such as golf clubs, you can use Infopia's Configurator to enable your shoppers to enter their specifications right in your sales descriptions.

## **Marketworks**

**<http://www.marketworks.com>**

One of the oldest and best-known auction service providers, Marketworks has tools that can help you find more buyers for your products. The company can help you sign up for pay-per-click programs that get your eBay Store listings better placement on search engines such as Google. If you want to outsource the work involved in listing items on eBay, Marketworks can create listings and complete transactions for you, too.

## **SpareDollar**

**<http://www.sparedollar.com>**

I've only met one PowerSeller who has used SpareDollar, and that fact surprises me. SpareDollar is one of the lowest-priced auction service providers around. For a mere \$4.95 per month, a SpareDollar account gives you the ability to post thousands of auction images, create formatted sales listings, track visitors to your auction, and streamline correspondence with your buyers.

## **Vendio**

**<http://www.vendio.com>**

Vendio, a popular service used by many eBay PowerSellers, primarily advertises itself as a web hosting service rather than an auction service. Nonetheless, its image hosting plans and "slide show" feature, which shows multiple items for sale, are perfect for eBay sellers. Plans start at \$3.95 per month; a more full-featured plan is also available for \$6.95 a month.

## **Zoovy**

**<http://www.zoovy.com>**

At least one of the sellers profiled in this book chose Zoovy after shopping around with many other service providers. Zoovy's Auction Seller product helps you schedule and relist your sales, automatically process eBay order checkout, print labels and invoices, and many other functions.

## Tools for Finding and Selling Merchandise

The primary challenge for many (if not most) PowerSellers is not selling and providing customer service. They're naturally good at that. The problem is finding a steady and reliable supply of merchandise to sell at a reasonable price and that is not already being sold cut-rate by many other sellers. There's no single magic solution for sourcing merchandise on eBay, but the resources listed in this section will get you started.

### Alibaba

<http://www.alibaba.com>

Alibaba is a Chinese-based business-to-business marketplace. Wholesalers from China and other locations place listings on the site for merchandise they want to sell; buyers around the world contact them and strike up deals. It's an intriguing idea, one that cuts across many cultural and economic barriers. (The site is so intriguing that it was recently purchased by Yahoo!.) Normally, it's difficult to find wholesale suppliers located in the Far East; you have to work with brokers or others who are familiar with the ins and outs of this particular marketplace. Alibaba opens the marketplace to you directly.



#### note

*I was intrigued by some listings on the site and attempted to contact one or two wholesalers by clicking the "Send a Message" button on the site; I did not receive a response, however.*

### Association of Independent Information Professionals

<http://www.aiip.org>

When you're looking for merchandise to sell, you can benefit greatly from hiring a professional, especially if you've never been through the process before. An Information Broker will charge you an hourly fee to prepare a detailed report on almost any subject, including researching wholesale sellers.

### "How to Find Wholesalers" Workshop

<http://forums.ebay.com/db2/thread.jspa?threadID=410484269>

This eBay workshop, held in March 2005, provided some excellent tips on how to approach wholesalers and convince them that you should be a reseller.



## **Multistate Tax Commission**

**<http://www.mtc.gov/TXPYRSVS/actualpage.htm>**

In order to resell items you buy wholesale, you'll need a Tax ID number. Having a Tax ID, in fact, is one of the things that wholesalers are sure to ask you for when you contact them. The Multistate Tax Commission provides a set of links to the tax forms web pages in many states.

## **Groups and Forums**

Networking is one of the best ways to get inspired, find support, be encouraged, and get problems solved on eBay. PowerSellers, like all eBay members, turn to online discussion forums when they need to boost their enthusiasm or simply commiserate with other entrepreneurs who are facing the same challenges. Here are a few places where PowerSellers can find help and support.

### **eBay Sales Reports Discussion Board**

**<http://forums.ebay.com/db1/forum.jspa?forumID=4024>**

This board is for eBay members who want to learn from, and share best practices with, other community members about eBay data products available to help sellers track and analyze their sales over time. If you have problems or complaints about the way eBay tracks your sales, this is the place to compare notes with your fellow sellers.

### **Professional eBay Sellers Alliance (PESA)**

**<http://www.gopesa.org>**

Many PowerSellers would love to be admitted to this group. PESA currently represents more than 700 high-volume eBay sellers who are responsible for \$1 billion in sales. As a result, eBay really listens to this group. When they complain or make suggestions, things happen. Members have to meet two of the following criteria: \$25,000 in gross sales, \$1,500 per month in eBay fees, 500 feedbacks in the past 30 days, or 500 listings in the past 30 days.

### **Seller Central Discussion Board**

**<http://forums.ebay.com/db2/forum.jspa?forumID=143>**

This board helps eBay members to learn all the latest selling tips, tools, and resources to maximize sales and build a thriving eBay business. eBay sellers, with the support of eBay staff, share their experiences, their feedback, and their most effective, time-tested strategies for success!

## **Tools for Tracking Income and Expenses**

Conducting online auctions requires solid record keeping. Here are some powerful, yet user-friendly, accounting programs that can help you keep track of your expenses and earnings. The web sites associated with these products often include links to related sites where you can perform financial operations online, such as basic record keeping or payroll.

### **Microsoft Money 2005 Web Site**

**<http://www.microsoft.com/money>**

One of the distinguishing features of Microsoft Money is its level of integration with the Internet. You can get suggestions regarding online resources, such as to check whether your bank is online and then set up online banking. You can learn how to control your auction finances through the Money Academy and Money Wise web sites. You can also try a demo version of Microsoft Money 2005 Deluxe or Small Business. (A new version, Microsoft Money for the Pocket PC, is now available for mobile users.) Current users of Microsoft Money will find a set of Frequently Asked Questions, an offer for a free year of online data backups, and links to financial institutions that support Microsoft Money bill payments.

### **MYOB Web Site**

**<http://www.myob.com/us/products>**

You can purchase the MYOB accounting software from this site. You can also order a trial version of MYOB AccountEdge, FirstEdge, or Premier Accounting. MYOB accounting software comes in versions for Macintosh and Windows. Links to the MYOB eBusiness Gateway enable you to establish yourself as an American Express credit card merchant or automatically bill your customers.

### **Peachtree Office Accounting**

**<http://www.peachtree.com>**

Peachtree Accounting and Peachtree Complete Accounting allow you to work seamlessly with Microsoft Office products such as Excel and Word. Peachtree Premium Accounting is available for auction sellers with advanced accounting needs. A new product, Peachtree First Accounting, is designed for businesspeople who are converting a personal financial system to a business system. The Peachtree Software site is distinguished from its competitors' sites by providing easy-to-find business services built around its software. Services include payroll and tax filing, bill payment, banking, and web site building. Peachtree Office Accounting and Peachtree Complete Accounting are available for Windows users only.

## **Quicken 2006**

**<http://www.quicken.com>**

Quicken 2006 for Windows isn't a single product but rather a family of accounting software packages, each with a different purpose. For example, you can order Quicken Premier Home and Business 2006, which enables you to manage both your personal finances and auction accounting. With this software, you can create business forms that will impress your buyers with a logo based on your domain or web site name, reports and graphs that track your monthly expenses and earnings, and business plans. Quicken Deluxe 2006 for Macintosh is available for Mac users with OS 9 or later.

## **QuickBooks**

**<http://quickbooks.intuit.com>**

The QuickBooks products, like the Quicken products, are produced by Intuit, Inc. Whereas Quicken emphasizes personal finance—and includes features that you can use to manage your personal as well as auction accounts—QuickBooks is more of a straight business product. The software comes in four versions: Basic, Pro, Premier, and QuickBooks Online Edition. Another difference between Quicken and QuickBooks is that you can order a trial CD of QuickBooks Basic from the Intuit web site or try out QuickBooks for the Web, which lets you or your auction assistants access your books from any location that's connected to the Web. Current users of QuickBooks can find plenty of support on this site, including user discussion forums and ways to contact QuickBooks Professional Advisors.

## **Other Places to Sell Your Merchandise**

Being an eBay millionaire doesn't mean you have to sell solely on eBay. Some experienced eBay sellers supplement their sales on this well-traveled auction site with sales on other sites. Having multiple sales channels gives you a way to reach as many potential customers as possible. And some sites let you reach a niche audience of devoted collectors. Here are a few suggestions for sites that can help you expand your sales operation even further than eBay can take you.

### **Craigslist**

**<http://www.craigslist.org>**

Craigslist is fast becoming a national phenomenon, and it's a must-visit site if you have anything you want to sell locally. It's a popular community-based posting board with categories for personals, jobs, events, and services.

There are no images, very little spam, and no fees for posting sales listings; in addition, categories are updated on a regular basis, so listings are bound to be fresh.

## **iOffer**

**<http://www.ioffer.com>**

iOffer is a good marketplace to turn to if you have items that don't sell on eBay. iOffer isn't an auction marketplace, exactly: it's based on negotiation between buyers and sellers. Sellers can put items up for sale either at a suggested price or simply invite prospective buyers to make an offer without starting the negotiation at any price. In either case, buyers can make an offer to sellers, who can either accept the offer or make a counteroffer; bargaining continues until the item is sold. iOffer includes an innovative software program called Mr. Grabber that brings feedback as well as unsold sales listings to their site from eBay.

## **Yahoo! Auctions**

**<http://auctions.yahoo.com>**

Yahoo! allows you to browse its auction categories in order to identify auction web sites or search for a particular item available at a current auction site. There is no cost to sell, bid on, or purchase an item.

## **Yahoo! Classifieds**

**<http://classifieds.yahoo.com>**

Yahoo! allows you to place ads that prospective buyers can browse by region or by category. It's a good option if you have something big and heavy to sell that needs to be picked up by a local buyer rather than shipped. Most sales categories are free; some—like household pets—carry a listing fee.

# **E-Commerce Hosting Services**

If you decide to start up a web site to supplement your sales on eBay, you'll probably need a hosting service. The hosts listed in this section are affordable and popular; they have plenty of features for both beginning and experienced sellers.

## **AOL Hometown**

**<http://hometown.aol.com>**

You can use this site, which is America Online's (AOL's) hosting service, without being a member of AOL. It's an ideal venue for beginners; you are

presented with 100 web page templates to help jump-start your design. You can use a web-based page creation tool to start creating your site. Another plus: you end up with a site with 12MB of storage space for free.

### **Bigstep.com**

**<http://go.bigstep.com>**

Bigstep is a typical web hosting service for small businesses. First, you can sign up to host your online store for a free 30-day trial period. Then, you can choose one of two hosting packages that cost \$29.95 or \$49.95 per month. The \$29.95 per month option lets you sell 20 catalog items in an online catalog; the more expensive Bigstep Pro allows you to maintain a much larger sales catalog. The advantage of using a service like Bigstep is that you get help obtaining a domain name, maintaining a backup copy of your site for security purposes, and marketing your business.

### **Microsoft Small Business**

**<http://www.microsoft.com/smallbusiness/products/online/wh/detail.aspx>**

Sometimes, it pays to partner with a big name for your web host. When you sign up for an account with Microsoft Small Business, you have to pay a little more per month for hosting, but you get a payment system that includes a shopping cart and checkout buttons. If you use Microsoft FrontPage to create your web site, consider using Microsoft Small Business to host your online business. You also get to use the FrontPage Server Extensions, which is a set of server software that enables you to do one-step publishing as well as set up online forms.

# **Appendix B**

## Becoming an eBay Millionaire: The Twelve-Step Program

The bulk of this book's contents focuses on stories and tips provided by eBay PowerSellers. I made a conscious effort to minimize the amount of direct instructional text. You don't see many how-to sections or step-by-step instructions. In this appendix, however, I'd like to turn that around. I summarize, below, practical tips and techniques for becoming a more effective and productive eBay seller. The tips are taken from the interviews presented in this book, from talking to sellers for other books I've written, and—last but not least—from my own experience.

## **Step 1: Find Something You Love—and Sell It**

No matter whether you're a PowerSeller or casual eBay seller, you're going to spend a lot of time working on your sales. You're going to go out and hunt for merchandise to sell; you're going to spend hours researching what you have, photographing it, writing descriptions, answering questions, packing, shipping . . . you will be much better off, and your time will go faster, if you are buying and selling something that you know and love.

Sellers like the ones profiled in this book succeed because they have a positive attitude. They find something they love to sell, and they put all their energies into selling it. They don't let a week or two of slow sales get them down. The first step is to start thinking like a committed, successful eBay seller; before too long, you'll be one yourself.

## **Step 2: Set Out to Build a Business Rather than a Hobby**

Practically everyone I've interviewed over the years, including the sellers described in these pages, started out on eBay as a part-time, haphazard activity. How did they get from cleaning out their closets and putting half a dozen household items up for sale to selling hundreds of items every month?

Nathan Sanel, the seller described in Chapter 2 who operates National PowerSports Distributors, provides a good example. His statement "I set out from the beginning to build a business" says it all. He had a plan; he developed a business ethic; he conveyed his ethic to his employees; he opened a brick-and-mortar store to complement his eBay Store. He did everything he could to promote trust in his customers—even though he's not going to get a huge amount of repeat business because he sells motorcycles and other high-priced vehicles. When people do come back to upgrade their jet-ski or motorcycle, they'll want to return to his store rather than someone else's.



### Step 3: Do the Research Up Front

People who are beginning to sell on eBay tend to ask a single predictable question: What's the best thing to sell on eBay? Every PowerSeller asked that question at one time or another. The difference between PowerSellers and the Rest of Us is simple: The PowerSellers spend the time and energy needed to answer that question for themselves. Don't sit back and expect to get the answer from another seller or from a book. The answer to the best-thing-to-sell question is different for every individual. And it's different from one time of year to the next.

Consider Drew Friedman of White Mountain Trading Company, who is profiled in Chapter 3. Drew told me that when he was starting out, he spent a good deal of time researching the best thing to sell. "I spent weeks scouring the Internet, looking at every market and dozens of B2B web sites," he explained. Think about how much time is involved if you spend every day for two to three weeks looking for wholesale suppliers, checking eBay's completed auctions to see what fetches consistently high prices, and thinking about what you would like to sell yourself.

In the end, Drew picked something that interested him personally: fountain pens. Even when he had settled on one line of pens, he didn't rest there. He looked around even more until he found the high-end handcrafted pens he sells now.

Drew was so helpful to me and so generous with advice that I confess I couldn't resist asking him about where to find wholesale suppliers myself. His response? "What do I sell on eBay?" Nearly every seller or want-to-be seller asks the same thing. The answer I always give is to sell those things which are of interest to you and that you are, or could be, an expert in. It certainly makes the process of dealing with customers easier when you are intimately familiar with the products you sell." A less polite but just as accurate response might go like this: "I did the work and figured out what was best for *me* to sell; now you follow my example and do the same for yourself."

### Step 4: Develop a Steady Supply of Merchandise

One thing that sets PowerSellers apart from the Rest of Us is the fact that they deal in volume. They always have a supply of merchandise waiting to go online. They don't have any gaps between the time someone purchases everything they have available and the next batch of items for sale.

Almost all PowerSellers have a source of wholesale merchandise to sell on eBay. In many—but not all—cases, they don't have to go out shopping for that merchandise. They order it from their supplier, and it arrives in quantity. This is the sort of merchandise that is all the same: a batch of

Christmas ornaments or collectors' plates or figurines, for instance. They visit trade shows, make connections, and order batches of goods that they know will sell on eBay because they've taken the time to research similar items that have been sold there.

But other sellers do deal in one-of-a-kind collectibles. They just don't spend all of their time scouring flea markets and garage sales for those collectibles. They advertise their services as estate sale liquidators, and people come to them with large quantities of heirlooms and antiques to sell. Whether you like to sell new or used stuff, the point is that you need to find a regular supply of it, and you have to keep finding it on a regular basis. And don't be afraid to expand your product line and try new things: ideally, you'll have merchandise to sell at back-to-school time as well as the end-of-the-year holiday season.

## **Step 5: Know Who Your Customers Are and What They Want**

This may be as simple as saying something along these lines: My customers are like me. They like to buy designer clothing at a deep discount. They want to look good, but they don't want to pay full price for anything. They love the feeling of getting a bargain. They love quality. They like the feeling of prestige they get from wearing high-end clothing made by a well-known company.

If you know something about your customers and their backgrounds, you'll write better descriptions, and you'll sell more effectively. Try to engage your customers in a virtual "conversation," perhaps after a transaction has been completed (and they're filled with goodwill toward you). Ask if they collect what you sell, or what they plan to do with what you sold them. Even better, ask if there are other, similar items they're looking for and if you can alert them by e-mail when you find those objects.

## **Step 6: Don't Be Afraid to Grow**

eBay millionaires are different than you and me. Yes, they have more money. But they *spend* more money in order to get more money. They aren't afraid to buy merchandise in bulk, even if it's uncertain how they're going to sell it. They order hundreds of Priority Mail boxes at a time, even if they don't have hundreds of items immediately ready to ship. They buy new product lines they've never sold before. When something doesn't sell, they don't despair; they put it up for sale on their eBay Store for a few cents and leave it up for sale indefinitely.

The point is that you need, as one e-commerce merchant told me, “to plan for success.” It’s well and good to put ten items online each week when you’re starting out, but you’ll never have a chance of selling more merchandise if you don’t put as much as you can online in the first place. Think like a successful merchant, and invest a few dollars in your eBay business up front. You’ll at least be giving yourself a chance to succeed.

## **Step 7: Find People—or Software—to Help You**

People who are self-employed are, by nature, the do-it-yourself type. I’m one of those types myself. The problem is that do-it-yourselfers have a tendency to try to take on too much. They think that the more they take on, the more they have to do themselves. It doesn’t naturally occur to them to look around for assistance, whether it comes in the form of a human being or a computer application.

The fact is that very few PowerSellers do everything themselves. In almost all cases, they have a friend or relative, or one or more employees, to help them. Pam Thien and her family (see Chapter 2) use Infopia to run Shiana.com. Even Alan Warshauer, a true do-it-yourselfer described in Chapter 4, turned to an auction management service called Zoovy to help automate feedback and other tasks. In order to put more sales online and make more money, you need help. Look around to your immediate family or your immediate circle of friends and see who’s available. Hire a high school student to help you with packing and shipping one or two days a week. The point is to stop thinking you have to do everything on your own, and to turn your one-person activity into a business with employees who are there to keep things moving along smoothly.

## **Step 8: Act Like a Salesperson**

One of the most interesting things I ever did as a seller on eBay was to try my own personalized brand of “upselling.” Once, someone bought a pair of shoes that didn’t fit. He asked to return them, and I quickly consented. I looked in my inventory and found another, different pair of shoes that I thought he might like and that were in the size he wanted—and that were more expensive than the ones he was returning. Rather than having to return his money, I suggested a trade; I sent photos of the shoes I had available. I felt odd doing this because I was selling on my own rather than through eBay: For the first time I was doing direct person-to-person sales. When he accepted, I felt terrific. I was a real salesperson.

eBay millionaires do this sort of thing all the time. They cross-sell (they promote other product they have for sale even as someone is viewing another item for sale). They upsell—after a purchase is made, they say, “Would you like something more?” and offer similar, complementary items for sale. Remember that you’re not just an eBay seller, you’re a real salesperson. You can approach your customers directly, after they make purchases from you, through a special mailing that you send out to announce new products or special sales. Cultivate your customers and induce them to return to you so they can purchase more. Loyal customers are the best resources you have as an e-commerce merchant.

## **Step 9: Market Yourself and Your Business**

One aspect of being a “real” salesperson is the care with which you market your online business. There are thousands and thousands of eBay Stores and web sites. Chances are yours is not going to stand out from the crowd unless you do some advertising. When my brother first started an audio restoration business through a web site, he got a few visitors to begin with. But he didn’t get any inquiries until he paid a few hundred dollars to a service that would submit his site to the major search engines and indexes to the Internet.

You should do the same: Value your business enough to make an investment in it. I know how hard it is to cut into your hard-earned profits and “gamble” money on advertising that may or may not pay off. But if you do nothing, your chances of success are low. If you at least purchase a few keywords with eBay or Google, you give yourself a fighting chance to get noticed and, by extension, get more customers.

## **Step 10: Sell in More than One Venue**

Of the 28 PowerSellers interviewed in this book, I can only think of two or three who sell solely through eBay auction sales or an eBay Store. The vast majority have a web site, a brick-and-mortar store, or other auction venues that they use to reach the public in addition to eBay. Once you get a solid foundation on eBay—in other words, once you have found a niche and come up with a system for making sales consistently—you can and should branch out to other venues.

At the very least, you should create your own web site, which gives people a way to find out more about you. If you want to really make a splash, do any or all of the following:

- Create an eBay About Me page.
- Link your About Me page to your web site.

- Use your web site to point to your eBay Store.
- Sell on Overstock.com or on Yahoo!Auctions as well as on eBay.
- Create a “feed” of your online catalog or eBay Store contents and send it to Google’s shopping service Froogle so it can be indexed on that popular shopping site.
- Purchase keywords on eBay and Google that will help people find your store more easily.

That way you’ll get your merchandise and yourself before as many “eyeballs” as possible, and you can use your various sales venues to promote one another, too.

## **Step 11: Make Your Customer Your King or Queen**

The requirements for becoming a PowerSeller do depend, in part, on your gross monthly income. But that’s not all. You have to maintain a consistently high feedback rating as well. After you’ve been selling for a while, you realize that not everyone is going to leave feedback for you. Some buyers just can’t be bothered. They’ll only leave feedback if you “wow” them in some way. This is where customer service comes in. To provide customer service that helps you build up your feedback, you need to consider doing things like this:

- **Accepting returns happily** This is a very difficult prospect, but if you cheerfully tell someone to send you your item back (at their expense) and then quickly give them a refund, you’ll make them very happy—and they might just come back to you in the future for another purchase.
- **Giving refunds when you don’t have to** On occasion, I’ve refunded people some of their shipping charges when, say, I charged them \$9.99 for shipping and the postage only ended up costing \$5.45. Just giving them back a dollar or two through PayPal impresses them.
- **Shipping quickly** When you have a bunch of sales end on a Sunday, you need to do everything you can to get the “instant purchases” (the items for which buyers have paid instantly through PayPal) out the door on Monday or Tuesday. Receiving packages just a few days after the purchase was made will certainly “wow” your buyers into leaving positive feedback.

- **Shipping carefully** If you overpack—use several different kinds of packing material, or pack fragile items in a box-within-a-box—you'll impress your customer with your care.

It's not easy to maintain this level of customer service (unless, as described elsewhere in this appendix, you have people to help you do the work). Regard your customer as your king or your queen, and put them first, and the service will come naturally to you.

## Step 12: Be Prepared for Really Hard Work

Nobody ever said selling on eBay was easy. I don't think I've ever said that. If I did, I take it back. I remember talking to the PowerSellers I met at a convention in Atlanta and thinking that many of them looked really *tired*. When you've been selling for a while, even on a small scale, you begin to know why. You have to make yourself stay up late to pack boxes so you can ship them out in the morning. You have to sometimes force yourself to run to the post office before it closes so you can get some of your purchases out the door in a reasonable amount of time. You compulsively check your auctions to see if any inquiries or Buy It Now purchases have been made. You're continually leaving feedback, answering e-mail, and trying to keep track of who has paid you and who has not.

Why do you do it? You keep the big picture in mind. If you're not yet a PowerSeller, you want to start earning at least \$1,000 a month in gross sales so you can gain that distinction. Once you have the PowerSeller icon, you want to hold on to it. Once you've held on to it for a while, you want to try to support yourself and your family and provide a steady income. Keeping the big picture in mind and reminding yourself of how well you're doing will make that hard work easier. Just keep reminding yourself how things were before you were selling successfully on eBay, and you'll find carrying those boxes out to the car less of a burden than you would otherwise.

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