



## The eBay Auction Newsletter

Issue 2709 - September 30, 2008

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*Proudly published for over 4 years by Brian McGregor*

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## Welcome from Brian McGregor



Welcome to the latest edition of the eBay Auction Newsletter.

If you're a new subscriber, a particularly warm welcome to you.

After the lateness of my August Newsletter, hopefully we're back on track - calendar wise.

I think today, we can talk about an eBay record being set. I don't mean anything about how their business is performing. I'm talking about the time taken to reverse a policy!

In the August Newsletter, I mentioned that eBay was introducing a new design of eBay Pulse. This went live on 12th September.

I can only assume that the company introduced this change without getting any opinions from eBay members about what they thought of the new design.

In the forums it was instantly clear that eBay members hated the redesign. Not because it didn't look nice, but because the revised eBay Pulse lost some of the functionality of the old service.

On the 24th September, eBay announced that the previous style of eBay Pulse was being resurrected and that we users could select to use either the old or the new version, whichever we preferred. Is a 12 day turnaround a record?

I also mentioned the "Amazonification" of eBay - the fact that eBay's selling model is moving closer and closer to that which Amazon provides to its sellers. In fact, I've heard of many eBay sellers moving to selling on Amazon, either exclusively or in addition to their eBay channel.

I'm definitely going to review my copy of "[The eBay Seller's Guide to Amazon.com](http://www.amazon.com/gp/product/B000APR004)"! If you've not seen that ebook, you can read about it here: <http://tinyurl.com/5vxqlt>

Take care, and good luck in your eBay business.

Speak to your soon.



## 1. Thought for the Day

"If you focus on results, you will never change. If you focus on change, you will get results."

Jack Dixon

## 2. Did You Know This About eBay?

I know a USA based eBay guru who got an automated telephone call from eBay. It went along these line, "eBay would like to make you aware that it is making more new changes to make listing more affordable and instill buying confidence in eBay."

As we know, for the past two years eBay has rolled out a multitude of controversial changes that have made people who sell unique items, such as antiques dealers, furious. eBay has confused those that sell new stock, and sent a stampede of booksellers over to Amazon.com out of frustration at their items not showing up as they used to in eBay searches.

I realise that nothing stays the same, just look at the continuing fallout from the credit crunch! But those of us who sell online with eBay, are bombarded with changes we can barely keep up with.

To roll out such a number of changes is risky practice at best. To roll out so many critical changes is confusing, and indeed smacks of desperation. And there are more changes coming. It's like the proverbial snow ball rolling down the hill.

Here are some of the major changes and the potential consequences:

1. eBay has stripped out one of the core features, the dual feedback system. Apparently eBay's justification was that everyone else has only buyer feedback. Exactly! That's the whole point. The results are that many sellers are disgruntled and are looking for other platforms to sell on. As there are none as good as eBay, this isn't a big loss yet.
2. Last year eBay announced a fee decrease for sellers. Hooray! However, as they say in politics, "The devil is in the detail." In effect, they tried to sell a fee increase as a decrease. eBay members aren't stupid, and the result was a PR nightmare for eBay. There was indeed a decrease in listing fees, however eBay were taking more on the back end.
3. Then came Detailed Seller Rating (DSR). It seems that nobody, including eBay by it's own admission, can figure it out. The tool itself has had major crashes and has not been able to accomplish it's goal. The result is that most people say, "DDR? Huh?" Just when we thought we could get a handle on what had happened, eBay's leaders,

John Donahoe and Lorrie Norrington, announce that more changes are coming and we won't recognize eBay in a year from now! The result appears to be that more eBay sellers may be leaving the site, even though they still can't find a better platform to sell on. Some sellers are starting to build their own sites! They are taking what they've learned from eBay and using it to brand themselves. In the USA they're using sites like worthpoint.com, everyplaceisell.com and thevintagelist.com, to get advice on how to become independent sellers.

4. eBay announce that, in the near future, it will only accept electronic payments. They clearly view this as a win/win. And, for short sighted managers in eBay and their wholly owned PayPal subsidiary, it is. If they cared to consider the bigger picture, they would see that they've managed to tick off sellers AND buyers with this policy! Not only is there a blow back about having to cow-tow to PayPal, but there is potential for a disaster as sellers with a huge amount of listings have to scrape out other payment options that may be referenced in each description. While it's true that a seller can change payment options with a flick of the switch, they will have to delete manually any reference to those options if they are in anyway referred to in the item description. What about the poor sap that has 100-500 store listings they have to edit?

5. Then, they've announced yet other price changes. They've introduced a new fee structure with the aim of encouraging sellers to list more items with the fixed price format. There's also a new range of eBay Stores on eBay.co.uk, with new monthly fees and listing fees.

I still sell on eBay. I like to think that I will always maintain an eBay presence. I wish nothing but the best for the company. But I do sometimes wonder...

As my USA based guru says, "I often get asked, who do you think will beat eBay?". And, he replies, "eBay is the only one that can beat eBay, and these days it looks like they're doing a pretty good job of it!"

### 3. Cashing in on Unwanted Stock With eBay

The new pricing for Buy It Now items, and the single fee for multiple listings, does provide an opportunity.

The move will probably open up eBay to bigger sellers who favour the security of low-fee fixed-price sales over the auction format.

Steve Perkins is co-owner of Birmingham based auction drop-off store Flog-it-on which sells peoples' unwanted possessions on eBay. Steve said he has seen an increase in the number of businesses coming through his doors enquiring about outsourcing the sale of dead stock or returns.

Flog-it-on is in discussions with several local companies, including a car parts business looking to get rid of dead stock and a catalogue company seeking to recoup costs on goods which have been returned by customers.

For the car parts company, traditionally they would return dead stock to the supplier, or if they miss the deadline to get it back, they would have to sell it as scrap or simply throw it away.

With regard to the catalogue company looking to sell on their returns, they would normally have to let these go to a stock clearance company.

But selling on eBay is another way of recouping costs. The companies have all the stock there at their site and the ability to ship it, and with the changes in listing prices they can now sell it on eBay.

"For a business," Steve continued, "It's about raising turnover without having a bigger front end. It's becoming feasible to use eBay, as the investment required is minimal."

The tighter economic environment is also a factor in driving businesses to boost income by finding new channels to move existing and old stock.

Steve believes eBay is trying to court big sellers, like HMV for example, to encourage them to come online and sell through them. The new pricing structure gives the ability to list hundreds of items very cheaply.

eBay estimate that the Buy It Now marketplace globally accounts for 43% of total sales value.

The listing fee changes come as eBay is facing a barrage of competition. These include straightforward web retailers like Amazon as well as "bricks and clicks" retailers like Argos and Tesco who combine high street stores with an online presence.

David Bradforth, editor of eBay Advisor magazine said: "The new pricing structure on eBay has much potential for small and large businesses. By moving the emphasis from upfront fees towards payment once the items have sold, eBay has addressed what was otherwise seen as a major problem for businesses. In other words, why take the risk to sell through eBay when it cost so much to list in the first place?"

Have you noticed that all this is moving in one direction?

Traditional eBay sellers may well have had their day.

## 4. eBay and the Credit Crunch

Here is an interesting article by Chris Dawson

Hardly a day goes by without a news story covering the credit crunch, but what difference will it make for sellers on eBay?

### Buyers

Buyers are likely to hold off purchases of luxury goods, but that doesn't mean they won't be spending. There will still be birthdays, anniversaries, and people will still move house, but more than ever buyers will be looking for great deals. Buyers can save money by shopping on eBay - buying second hand instead of new, shopping on eBay.com instead of eBay UK to take advantage of the weak dollar, buying last seasons model rather than the latest version. Buyers looking for bargains should be great news for eBay sellers.

### Stock Profiles

Sellers should take a look at their stock profiles and only order in goods that are needed. Save your money for products which you know will sell and if you have stock of slow moving items consider listing them at bargain prices. Money tied up in stock isn't working for you and even if you make a loss on stock which has sat on the shelf for a year you can reinvest in lines which will make a profit and sell faster allowing you to buy yet more stock. The faster you turn your stock into sales the harder you can make your money work.

### Credit Lines

Don't be surprised if your suppliers tighten up on credit limits and payment terms. They too will be looking at their financials and will want to collect debts as quickly as possible so that they can reinvest in new stock. Consider asking for a cash discount for advance payment even if you have 30 day credit terms.

### Banks

You'll find it harder to get loans and credit card companies may review credit limits. Banks may review overdraft limits so if you use these to fund your business make sure you can survive if your own credit is restricted. Cash flow and an available balance to meet debts on time is key.

## Bankruptcy

Sadly not all businesses will survive, but for those that do there are rich pickings to be had from bankrupt or liquidation stock. Look out for bargains and keep an eye on what's happening with competitors in your marketplace. As a seller of computer products I already have my eye out for Lehman Brothers to start selling off their London office IT infrastructure.

## Cut Costs

Now is a great time to assess the costs you incur in your business. What costs can be trimmed and do you have unnecessary luxuries that could be cut? Look at bulk buying essentials such as packaging material if it can save you money but at the same time don't over order on items you can do without. Economise where you can, for instance using a mono laser for printing invoices rather colour printers, that alone can save £100s on ink over the course of a year.

## Cut a deal

As businesses prepare to tighten their belts it's an excellent time to look for new suppliers. Negotiate your terms remembering that for a good deal both parties need to win. Suppliers will still have sales targets to meet so a large order with cash on delivery may net you extra discounts.

I firmly believe that recession is always a great time for small traders to make their mark. Larger companies with big overheads are less able to trim costs and switch product portfolios. Although tough trading times may be coming, if they prepare, eBay sellers should be well placed to take advantage.

## 5. A Gift From Me to You

I came across a website which is offering 17 excellent Internet Business video training courses.

Currently, they aren't charging a single penny for membership.

You have to provide an email address to get access, but that's all you need to do.

[http://www.workwinners.com/videos\\_im/](http://www.workwinners.com/videos_im/)

## 6. News & Views

### Paul Newman and eBay?

You will know of the sad death of the actor Paul Newman.

I must admit, I knew very little of Paul Newman's private life except for his lengthy marriage to Joanne Woodward.

I was aware he had a line of food products, like salad dressings, but I never realised this was primarily developed to generate money for charitable causes.

In fact, Newman's Own has donated over £125 million to charitable organisations.

Particularly close to his heart was the "Hole in the Wall" camps. These are a global family of camps for children with life-threatening illnesses, which Paul started over 20 years ago.

You might wonder why I am mentioning Paul Newman in an eBay Newsletter? Well, he made it clear during his lifetime that nobody should attempt to buy or sell any Newman memorabilia on eBay.

I for one will be proud to abide by the request of a true philanthropist.

### Vote for Sale

A man in Elrose, Canada, man has hastily pulled his eBay listing after offering for five days to sell his vote in the federal election.

The seller, who identifies himself as John de Slegte, calls it a "sad day" when he's willing to sell his vote because of the unappealing choices. Liberal Leader Stephane Dion and NDP Leader Jack Layton are "out of touch" with the West and reality respectively, he writes in his eBay listing description. Conservative Leader Stephen Harper uses "tactics that make me ashamed to admit he is my prime minister."

de Slegte didn't return messages left for him through eBay and on his phone. An acquaintance in Elrose said he began getting nervous when he got messages asking about the listing and wondered if it was legal.

In fact, it's not legal. Under the Canada Elections Act, it's illegal to offer a bribe to influence an elector's vote. It's also illegal to accept a bribe. On conviction, a person is liable to pay a fine up to \$2,000, receive one year in jail or both.

Well, it must have seemed like a good idea at the time!

## Gas and Electric on eBay?

Here's an interesting idea. Bearing in mind the recent rises in energy prices, how much would you be willing to pay for a year's supply of gas?

Well, Ohio residents served by Columbia Gas or Dominion East Ohio can visit [www.mxenergy.com/eBay](http://www.mxenergy.com/eBay) to participate and outbid their neighbours for a chance to set their own price for a year's supply of gas.

MXenergy President and Chief Executive Officer, Jeffrey Mayer explains, "As homeowners struggle with a tightening economy and skyrocketing energy costs, MXenergy is offering a unique way for them to set their own price for natural gas."

If the final bid price exceeds MXenergy's current 12 month fixed rate, the excess will be donated to an Ohio charity. The offer is available only to bidders who live in the Columbia Gas of Ohio or Dominion East Markets.

Should be fun.

## Sorry - You've Just Missed It!

From the "You Knew It Was Going to Happen Sooner or Later" file comes what looks to be eBay's first Lamborghini Reventon. Located in California, this 73-mile, one-owner vehicle is said to be car number 3 of the ten in the U.S.

Like other Reventons, this small-volume model is essentially a Murcielago LP640 kitted out with angular jet-fighter carbon bodywork, a mildly reworked engine (+ 20 brake horsepower, for a total of 660), and a mess of new digital readouts inside. It might not be the fastest supercar on the road, but it looks impossibly sinister.

[Here's the auction.](#)

## eBay and Your Mobile Phone

If you have an iPhone, why not get the eBay iPhone App?

eBay has been working on all things mobile recently, and this week sees the release of a new version of the eBay Mobile site and the iPhone app for Europe.

eBay Mobile is the version of the site that you'll see when browsing on your phone or PDA. Although it's possible to log on to the full site, eBay mobile is optimised for low bandwidth and small screens. If you don't have an Internet enabled mobile you can view the site at <http://www.ebaymobile.co.uk/>

The eBay iPhone app ([iTunes required](#)) which went live this week in the EU, is currently the most downloaded free iPhone app in the UK.

Me? I use my mobile to make telephone calls. The rest is way beyond me!

## 7. Someone's Auctioning What???

Nothing surprises me when it comes to internet auctions. Amuse yourself with some of these beauties in our regular trawl through eBay's auctions.

Here are some auctions I've spotted as I trawled eBay recently:-

[Why Spain?](#)

[Or, you could get yourself a calendar!](#)

[I'm not sure, but I think this is for budding Fred Astaires & Ginger Rogers...](#)

[Enough to hang yourself?](#)

[This might be for you. But be quick, view it before 5th October..](#)

Disclaimer - I have no association with any of the sellers of the above items.



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The moral of the story?

If the newsletter sends you to a site that interests you, and you think you might want to refer to it later, make sure you store the site address in YOUR favorites.