

1 Practice

Understand What It Takes to Be a PowerSeller

In This Practice

- ✓ Knowing the qualifications for PowerSeller status
- ✓ Deciphering DSRs
- ✓ Checking out PowerSeller levels
- ✓ Reaping the benefits

As buyers browse through the items on eBay, they're bound to notice that PowerSeller icon next to a seller's user ID. When buyers shop on eBay, this is the icon they want to see next to the seller's name. The icon gives sellers an air of trustworthiness and credibility; it makes the buyer comfortable to do business with this person. It's like the symbol on the front of a Mercedes or the crest on the hood of a Cadillac: There's a perception of quality. It's true, the eBay PowerSeller status is given only to those sellers who uphold the highest levels of professionalism on the site — and this enhanced reputation translates into more sales.

eBay refers to PowerSellers as “pillars of the community,” and they rank among the most successful sellers in terms of gross sales and customer satisfaction. Bottom line? They're smart businesspeople. PowerSellers have to maintain certain monthly levels of Gross Merchandise Sales (total dollar amount of eBay sales — GMS in eBayspeak), and they get there by providing good items for sale and excellent customer service.

It's not only that eBay respects PowerSellers — it also actually acknowledges them in a positive fashion. Customer-oriented sellers get benefits that other eBay sellers don't. You'll be able to save cold, hard cash for treating your customers right; read on.

In this practice, I outline the requirements for mounting the PowerSeller pedestal, warn you about mistakes that could knock you off the pedestal, and disclose the benefits of staying atop it.

Meeting PowerSeller Qualifications

Actually, becoming a PowerSeller isn't as difficult as most new sellers believe. The requirements are basic, and almost anyone who sells on the site on a regular basis can become a PowerSeller. eBay reviews eligibility for the program's applicants on a monthly basis, although gross sales are averaged on a *quarterly* basis (every three months). You'll receive an e-mail from eBay acknowledging your status once the master computer at eBay reviews your account and says you've made it.



To be sure you get the PowerSeller-eligibility e-mail, you must opt to receive advanced selling communications for PowerSellers by mail, e-mail, and telephone. You can find this opt-in setting in the Notification Preferences area of your My eBay page. See Practice 2 for more information on My eBay.

To become a PowerSeller on eBay, you must fulfill the following requirements:

- ✓ Be an active seller for at least 90 days
- ✓ Sell a minimum of two items on the site per month for the past three months
- ✓ Have a minimum of a 100 feedback rating
- ✓ Maintain a feedback percentage of at least 98 percent
- ✓ Keep a DSR (Detailed Seller Rating) of 4.5 or higher for the past 12 months in all four classification ratings (see the upcoming section, “DSRs and What They Mean to You”)
- ✓ Keep your eBay seller’s account current (read: pay your bill to eBay on time)
- ✓ Comply with all eBay listing policies
- ✓ Run your business by upholding eBay’s community values (see the sidebar “eBay community values,” later in this practice)
- ✓ Sell a minimum average of \$1,000 in gross merchandise sales (GMS) or 100 items a month on eBay.com, Half.com, eBay Express, or eBay Motors



PowerSeller Feedback scores and DSRs are calculated based on *total* feedback. This, in reality, provides a better picture of the seller; it reflects the fact that they’ve satisfied many repeat buyers. eBay works out PowerSeller Feedback by taking the total number of positive Feedback entries and dividing them by the total number of Feedback entries (both positive and negative).

DSRs and What They Mean to You

I’ve been bandying the term DSR around a lot already, and it may not seem familiar to you. These *Detailed Seller Ratings* (DSRs) are strong indicators of customer satisfaction.

Buyers can (aside from leaving a positive, neutral, or negative feedback) now leave an anonymous rating of your performance in four areas: item as described, communication, shipping time, and shipping and handling charges. You won’t see who left specific ratings.

Buyers can post these ratings when leaving regular feedback by clicking one to five stars (as in Figure 1-1). These stars do not impact your feedback score but are very important to your reputation on eBay.

Figure 1-1: Leaving Feedback now includes rating the seller in four areas.

As buyers leave DSRs with their Feedback, the ratings will show up on your Feedback profile in a chart. Figure 1-2 shows my current chart.



If a buyer (due to multiple transactions) leaves more than one set of detailed seller ratings, the average of that buyer’s ratings will be used when calculating the seller’s DSRs.

Detailed Seller Ratings (since May 2007) ?		
Criteria	Average rating	Number of ratings
Item as described	★★★★★	214
Communication	★★★★★	214
Shipping time	★★★★★	214
Shipping and handling charges	★★★★★	212

Figure 1-2: As you can see, some buyers don't realize that shipping is more expensive from LA to NY. Bah!

Avoiding DSR pitfalls

Buyers now need to take feedback in a serious manner and must allow for the realities of buying online. As a PowerSeller, perhaps you can help educate buyers through your e-mails or listing descriptions. And definitely pay special attention to your business practices related to the following DSR rating areas:

- ✓ **Item Description:** Sellers need to be more careful in describing an item exactly without using misleading text or phrases. Don't describe reconditioned or refurbished items as *new*. When customers see the word *new*, they expect *new*, not *like new*.
- ✓ **Communication:** Many sellers don't check e-mail over the weekend. If this is your practice, instruct your buyers to consider only regular business days when evaluating communication.
- ✓ **Shipping Time:** Buyers should rate sellers on the time it takes them to actually ship out the item, not the time it takes to receive it. Postmarks come in handy as proof to buyers that shipping was timely. Sellers shouldn't be held responsible for delays in shipping services, customs delays, or for the time required for a payment to clear.
- ✓ **Shipping and handling charges:** Buyers need to be aware that sellers have shipping expenses over and above the actual postage cost. Costs for packing materials and reasonable handling fees (to cover a seller's time and direct costs associated with shipping) need to be considered normal.

Getting discounts on Final Value fees

DSRs are important to more than your reputation. Aside from your PowerSeller status hinging on your continually maintaining a 4.5 average DSR rating, your pocketbook is impacted as well.

When you sell regularly on eBay, a big part of your expense is your Final Value fees. As a top-notch PowerSeller, you get a discount on that unavoidable expense, as follows:

- ✓ Sellers with an average DSR rating of 4.8 or more (based on the previous 30 days) receive a **15 percent Final Value Fee discount** on their monthly bill.
- ✓ If you have DSRs of 4.6 or more (based on the last 30 days) you get a **5 percent Final Value Fee discount**.

These discounts can amount to significant savings and should boost your desire to provide the very best of customer service possible.



Ramp up your communication with your buyers, as recommended in the previous section, "Avoiding DSR pitfalls." I firmly believe that this is the best way to keep your DSR ratings high.

Improving search visibility

A seller's visibility in eBay's search or browse feature is tied to customer satisfaction. eBay measures your customer satisfaction by combining your DSRs, Feedback score, and number of complaints (hopefully few) filed in these categories: SNAD (where an item is "significantly not as described") or INR (for "item not received").

eBay calls its tinkering with the search results (based on customer satisfaction indicators) *Best Match*, which is the default sort in a search. For Powersellers, this means the following:

- ✓ Item exposure in search increases for sellers having DSRs 4.6 and above, and at least 95 percent customer satisfaction in the last 30 days.
- ✓ Item exposure decreases for sellers with low customer satisfaction or shipping and handling DSRs.

Safeguarding Your Feedback Rating

You may notice that many sellers on the site with feedback ratings in the tens of thousands don't have the PowerSeller embellishment on their auctions. That's not because they're not good people, it's just that some of their transactions may have gone awry. (Just so you know, eBay does acknowledge these sellers internally, and refers to them as "Top Sellers.") In this case, buyers can check the seller's feedback and thoughtfully evaluate it before placing their bids or doing a Buy It Now (BIN) purchase.

I have to note it here: Oftentimes new buyers just don't take the time to read the seller's policies before they buy — and then, at the slightest dissatisfaction, give the seller a negative feedback entry. Not fair, but not uncommon. A typical example: When buyers don't read the seller's warnings about the risks of buying liquidation merchandise.



It's good to know, at this point, that if you run into a situation that results in your getting undeserved negative feedback, you can avail yourself of eBay's Mutual Feedback policy.

Minding eBay Policies

Complying with eBay's policies may seem a rather esoteric regulation, but there it is. You can't expect *not* to make a mistake now and then (okay, I've had a couple of oops-moment policy violations over the years — we're all human). I often get e-mails from sellers desperate because they've been called on a violation from eBay — they worry about how it will hurt them on the site. Will they be thrown off?



The PowerSeller arena gives us some hard and fast rules. The preeminent rule you must never break relates to *shill bidding* — bidding on your own listings. That's an unforgivable sin in the eBay world — and shill bidding has one other little problem: It's a violation of federal law.

At the level of PowerSeller (which is based on the volume of transactions per month), eBay allows a little room for error, as follows:

- ✓ **Bronze level:** 4 violations in a 60-day period.
- ✓ **Silver and Gold levels:** 5 violations in a 60-day period.
- ✓ **Platinum:** 6 violations in a 60-day period.
- ✓ **Titanium:** 7 violations in a 60-day period.

I say that allowing a little human leeway for some degree of violation is more than lenient. It's really quite fair. Aside from the absolutely-no-shill-bidding rule, potential violations generally come from certain substandard selling activities:

- ✓ **Charging buyers too much**, for example, by levying excessive shipping and handling charges or adding payment surcharges.
- ✓ **Misrepresenting yourself or your goods**, including misrepresenting your identity, using misleading titles or inaccurate listing categories, and getting false hits by keyword spamming.
- ✓ **Hindering the buying experience**, for example, with site or transaction interference, or by spamming customers, maintaining no item listings, putting the wrong links in your listings, and so on.
- ✓ **Accepted Payments.** Stick with the eBay standard, PayPal. If you don't accept payments through PayPal, you'll lose a large percentage of customers, and you won't be protected against the majority of buyer scams.
- ✓ **Choice Listings**, specifically, one item per listing. If an item comes in three different sizes, it requires three different listings. That's one of the reasons to have an eBay store — so you have a place to accommodate buyers who require different sizes.

In addition to violations of eBay's listing policies, other User Agreement violations crop up that don't relate to listing practices. (I explain all these violations and discuss the basics of eBay's policies — so you can stay on the straight and narrow path — in Practice 32.)

PowerSeller Tiers

Being a PowerSeller provides membership in an exclusive club, and there are five different levels of membership. Members of the different tiers must average a certain level of sales every month; reviews happen every three months.

Each PowerSeller tier gives the Seller more privileges from eBay. One of the most valuable benefits is that when an issue needs to be addressed with eBay, the PowerSellers can access priority customer-service support (see Table 1-1).



Another great benefit for PowerSellers is eBay's "Unpaid Item Protection Program." This gives PowerSellers additional protection against losses from nonpaying bidders. The standard rule is that after you file for an unpaid item, you receive a refund of your listing fees. As a PowerSeller, you can get your money back for any listing-feature fees (bold-face type, a gallery plus, and such) when the buyer doesn't pay for the item and you file an Unpaid Item claim.

What's the difference between these two PowerSellers?

Here are screenshots from two completed listings from two different eBay PowerSellers. Both sellers are successful on the site; both have good reputations. Which one do you think has to work harder to maintain PowerSeller status?

Seller #1

Listing details: US \$1,136.00
MacBook Pro (15-inch) 2008 Apple

Product: Aug 21 07 22:00:01 PDT
Shipping costs: US \$48.00
US Postal Service® extra Mail® Service to Japan, Europe, Africa, Oceania, and Russia
Seller location: United States
Item location: Garland, Texas, United States
Returns: 45 Days
Warranty: 1 Year (12-66)

Meet the seller:
Seller: MacBookPro (1270) ★★★★★
Feedback: 95.2% Positive
Member since Dec 05 09 in United States
a. Read the seller's comments
b. Ask seller a question
c. Add to my watch list
d. View seller's other items

Buy safely:
1. Check the seller's reputation
Score: 1270 95.2% Positive
Read the seller's comments
2. Check how you're protected
PayPal® Up to \$2,000 in buyer protection. See details.

Listing and payment details: [Show](#)

Seller #2

Listing details: US \$0.99
MacBook Pro (15-inch) 2008 Apple

Product: Sep 13 07 10:00:01 PDT
Shipping costs: US \$2.95 (discount available)
Standard 1st class shipping service
Seller location: United States
Item location: United States
Returns: 45 Days
Warranty: 1 Year (12-66)

Meet the seller:
Seller: MacBookPro (1071) ★★★★★
Feedback: 95.1% Positive
Member since Dec 05 09 in United States
a. Read the seller's comments
b. Ask seller a question
c. Add to my watch list
d. View seller's other items
e. View seller's Store

Buy safely:
1. Check the seller's reputation
Score: 1071 95.1% Positive
Read the seller's comments
2. Check how you're protected
PayPal® Up to \$2,000 in buyer protection. See details.

Listing and payment details: [Show](#)

To maintain that small icon on the listing, Seller #1 would have to sell only one item per month! Seller #2 would have to put in a lot more sales effort to sell a minimum \$1,000 a month. Notice also that Seller #1 doesn't even have an eBay Store — no little-red-door icon next to the user ID. Oddly enough, it's often easier for a seller like #2 than it is for a seller like Seller #1. Sourcing and efficiency are the keys here; I cover merchandise sourcing in Practice 6.

TABLE 1-1: POWERSELLER LEVELS AND SUPPORT BENEFITS

Tier	Monthly Average GMS	E-mail Support	Toll-free Phone	Manager Support
Bronze	\$1,000 or 100 items sold per month	*	(not toll-free)	
Silver	\$3,000 or 300 items sold per month	*	*	
Gold	\$10,000 or 1,000 items sold per month	*	*	*
Platinum	\$25,000 or 2,500 items sold per month	*	*	*
Titanium	\$150,000 or 15,000 items sold per month	*	*	*

Other Program Benefits

In addition to receiving premium support, eBay PowerSellers have other benefits:

- ✔ **Access to the Reseller Marketplace:** A special eBay area, just for PowerSellers, the Reseller Marketplace opens up a large supply of merchandise that can be bought for resale on eBay.
- ✔ **Health care:** PowerSellers and their immediate families have the opportunity to purchase exclusive health insurance.
- ✔ **Approved use of PowerSeller logo:** eBay supplies PowerSellers with templates for business cards and stationery so they can print custom stationery and business cards that include the official PowerSeller logo.
- ✔ **Discounts:** eBay partners offer special service discounts to eBay PowerSellers.

Becoming an eBay PowerSeller is an important step to eBay professionalism. It's something worth aspiring to!

eBay community values

There's a clear set of eBay community values that are taken seriously by the eBay community and by eBay employees. These values were set out early on by the company's founder, Pierre Omidyar:

- ✔ We believe people are basically good.
- ✔ We believe everyone has something to contribute.
- ✔ We believe that an honest, open environment can bring out the best in people.
- ✔ We recognize and respect everyone as a unique individual.
- ✔ We encourage you to treat others the way that you want to be treated.

All eBay sellers are expected to uphold these tenets in all their dealings on the site.

Okay, no snickering from the peanut gallery. We all know that there are quite a few sellers who don't follow these precepts. But then, they're not PowerSellers, are they?