

# Chapter 1

## Launching Your Business on eBay

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### *In This Chapter*

- ▶ Getting serious about your business
  - ▶ Making decisions about what to sell
  - ▶ Having what it takes to make a living online
  - ▶ Running your business efficiently
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**S**o you've decided to step up to the plate and start that eBay business. You should first decide how much time you have to devote. I suggest that you don't quit your day job (yet). Instead, start expanding your sales in baby steps. You can sell part-time and still be a business — and have a nice chunk of extra income. A large portion of sellers, even eBay PowerSellers (those who gross more than \$1,000 a month in sales), work on eBay only part-time.

eBay sellers come from all walks of life. A good number of stay-at-home moms are selling on eBay. And so many retirees find eBay a great place to supplement their income that I wouldn't be surprised if AARP creates a special eBay arm. If you're pulled out of your normal work routine and faced with a new lifestyle, you can easily make the transition to selling on eBay.

In this chapter, I talk about planning just how much time you'll be able to devote to your eBay business — and how to budget that time. I also talk about figuring out what to sell. Your eBay business won't grow overnight, but with dedication and persistence, you may just form your own online empire.



I recently received an e-mail from someone who read my book *eBay For Dummies*, and with a head full of enthusiasm, listed more than 100 items for sale. Unfortunately, she failed miserably — so much so that she immediately gave up on the idea of making money on eBay. I know you may get excited to start, but use baby steps. Even with all the advice in this book, you may make mistakes. Baby steps are the way to long-term success.

## *Getting Down to Bidness (Er, Business)*

Before launching any business, including an eBay business, you need to set your priorities. And to be successful at that business, you must apply some clear level of discipline.

I won't bore you with the now-legendary story of how Pierre Omidyar started eBay to help fulfill his girlfriend's Pez dispenser habit, blah, blah, blah. I *will* tell you that he started AuctionWeb.com (the original eBay Web site) with a laptop, a regular Internet service provider (ISP), and an old school desk. He and his buddy Jeff Skoll (a Stanford MBA) ran AuctionWeb 24 hours a day, 7 days a week, all by themselves. When I began using the service, I had a lot of questions — and I always got prompt, friendly answers to my e-mails. When the site started attracting more traffic, Pierre's ISP began to complain about all the traffic and raised his monthly fees. To cover the higher costs, Pierre and Jeff began charging 25 cents to list an auction. Pierre was so busy running the site that the envelopes full of checks began to pile up — he didn't even have time to open the mail.

When Pierre incorporated eBay AuctionWeb in 1997 with his partner Jeff, they were each drawing a salary of \$25,000. Their first office consisted of one room, and they had one part-time employee to handle the payments. They started small and grew. Now eBay is a respected, worldwide corporation, employing thousands of people and trading on the NASDAQ Exchange.

### *Budgeting your time: eBay as a part-time moneymaker*

A part-time eBay business can be very profitable. One thing I stress in this book, however, is that the more time and energy you spend on your eBay business, the more money you can make. That said, let's examine the lowest possible level of time you should devote to your business.

Maybe you enjoy finding miscellaneous items to sell on eBay. You can find these items randomly in your day-to-day life. So let's suppose that you could spend at least a few hours (maybe two to three) a day on eBay. Now you must include the time it takes to write up your auctions. If you're selling only one type of item, allow about ten minutes to write your auction, photograph the item (or scan it), and upload it to eBay or a photo-hosting site.

The amount of time required to perform these tasks varies from person to person, and will improve according to your level of expertise. Regardless, every task in your eBay auction business takes time — and you must budget for that time. See the sidebar "Some handy eBay timesaving tips" for pointers.



## Some handy eBay timesaving tips

Crunched for time? The following are some eBay features you're sure to find handy:

- ✓ **HTML templates:** In Chapter 11, I give you some basic HTML templates for attractive auctions (and show you how to find more). These HTML templates cut your auction design time to a few minutes. Most experienced eBay sellers use preset templates to speed up the task of listing auctions, and this should be your goal.
- ✓ **The Turbo Lister program (free):** When you want to list a bunch of auctions at once, I recommend using the eBay Turbo Lister program. I estimate that Turbo Lister enables you to put together and upload 10 auctions in just 15 minutes. In Chapter 9, I run down the details on how to use this very cool tool.
- ✓ **The Selling Manager (free) and Selling Manager Pro (free with Premium or Anchor Stores or \$15.99 per month) programs:** These eBay subscription programs can help you speed up the nuts and bolts of an ongoing eBay business when you're selling
- many items a week (more on the Selling Manager program in Chapter 9).
- ✓ **Relisting (or Sell Similar) feature:** When you sell the same item time after time, you can use Turbo Lister (it archives your listings so you can repeat them) or the handy eBay relisting or Sell Similar feature. When your listing ends on eBay, links pop up offering to relist your listing or to Sell Similar. If you want to sell a different item with a similar HTML format to the one that just ended, simply select the Sell Similar option, and cut and paste the new title and description into the Sell Your Item page of your new listing. Use the Relist feature *only* when an item hasn't sold the first time, so it will qualify for a listing fee credit when it sells. Use Sell Similar to relist the same item after it fails to sell a second time.
- ✓ **Auction management software:** See the "Software you can use" section in this chapter and also see Chapter 9, where I detail various programs to integrate into your eBay business.

Okay, even if you can take great photos and write brilliant descriptions, cashmere sweaters won't sell for as much in the heat of summer as they do in winter. Doing your research can take up a good deal of time when you're selling a varied group of items. Only you can decide how much time you can afford to spend researching going rates for items on eBay.

You also have to consider how much time it takes to shop for your merchandise. You may have to travel to dealers, go to auctions, or spend time online discovering new ways to find your auction merchandise. Many sellers set aside a full day each week for this undertaking. Your merchandise is what makes you money, so don't skimp on the time you spend identifying products.

Here's a list of various tasks you must perform when doing business on eBay:

- ✓ Photograph the item.
- ✓ Upload the images to eBay when you list — or before listing to your ISP or third-party hosting service.
- ✓ Pack and weigh the item to determine the shipping cost.
- ✓ Choose a listing title with popular keywords.
- ✓ Write a concise and creative description.
- ✓ List the item for sale on eBay.
- ✓ Answer bidder questions.
- ✓ Send an end-of-listing e-mail (you can automate this task through Selling Manager Pro).
- ✓ Carry out bookkeeping and banking.
- ✓ Address the label and affix postage.
- ✓ Ship the item safely and securely.

Time yourself to see how long it takes to accomplish each of these tasks. The time varies when you list multiple items, so think of the figures that you come up with as your *baseline*, a minimum amount of time that you must set aside. This information can help you decide how many hours per week or month you need to devote to running your part-time eBay business.

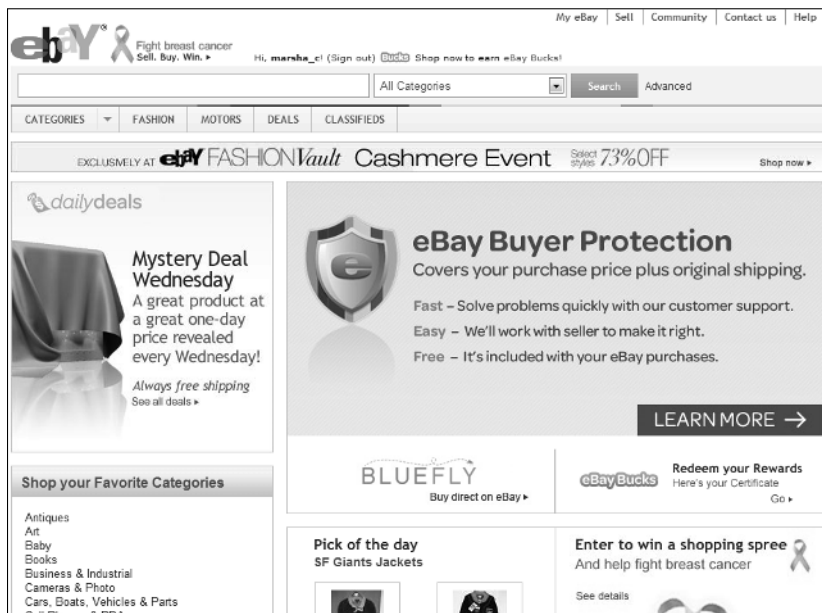
## ***Jumping in with both feet: Making eBay a full-time job***

As you can see in the list in the preceding section, the tasks required for your eBay business can be time-consuming. But careful planning and scheduling can turn your business into an online empire.

The best way to go full time on eBay is to first run your business part time for a few months to iron out the wrinkles. After you become comfortable with eBay as a business (and decide that you enjoy both selling and customer relations), you're ready to make the transition to full-time seller. The minimum gross monthly sales for a Bronze-level PowerSeller total \$1,000. If you plan your time efficiently, you can easily attain this goal. Head to Chapter 3 for more information on the PowerSeller program.

Running a full-time business on eBay is the perfect option for working parents who prefer staying at home with their children, retirees looking for a way to supplement their income, or those who'd just rather do something else than work for a boss. Read some real-life profiles of happy full-time sellers in Chapter 18.

See Figure 1-1 for an example of the eBay home page, the first stop for most visitors to eBay. Note how eBay makes an effort to reflect its members' sales promotions to help market the items it puts up for sale, as well as assure them of buyer protection.



**Figure 1-1:**  
The eBay  
home page,  
where it all  
starts!

## Deciding What to Sell

What should I sell? That is *the* million-dollar question! In your quest for merchandise, you're bound to hear about soft goods and hard goods. *Soft*, or nondurable, goods are generally textile products, such as clothing, fabrics, and bedding. *Hard* goods are computer equipment, housewares, and anything else that's basically nondisposable.

Following are just a few points to consider when you're deciding what to sell:

- ✓ **Shipping costs:** Some differences exist between shipping hard and soft goods. Soft goods can fold up and be packed in standard box sizes, available from the United States Postal Service (USPS), or (better yet) in bubble or Tyvek envelopes for much lower shipping costs. Most hard goods come in their own boxes, which may or may not be individually shippable. You'll also need to use Styrofoam peanuts or bubble cushioning (or double-package the item) if it's in an odd-size box. See Chapter 17 for the lowdown on shipping and packing.
- ✓ **Other shipping considerations:** Do you *want* to handle large boxes and deal with the hassles of shipping them?
- ✓ **Do you enjoy dealing with your products?** I would have been out of the eBay game years ago if I were forced to sell auto parts — no matter how big the profits. Enjoying what you sell makes you an expert and a top-drawer seller.
- ✓ **Possible storage problems:** Do you have the room to store enough merchandise to keep you going? Soft goods can take up considerably less space than hard goods.



You don't always have to buy your items in bulk to make money on eBay. The first things you sell might be items you find in your garage or attic. To find out about some other fun ways to acquire goods to sell, check out the next section.

## *Turning your hobby into a business*

C'mon, you have a hobby; everyone does! Did you collect stamps or coins as a kid? Play with Barbie dolls? Maybe your hobby is cars? Did you inherit a bunch of antiques? Been collecting Hummel figurines for a few years? eBay has a market for almost anything.

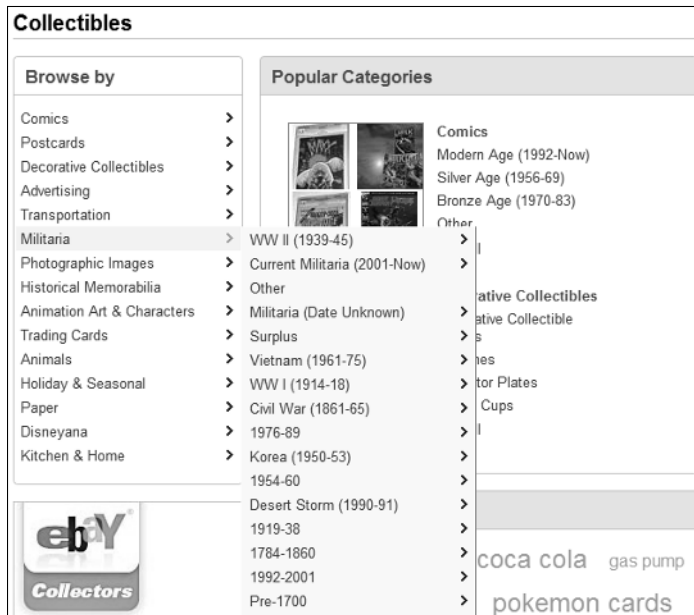


You can't possibly be an expert on everything (but you knew that). You do need to keep up to date on the market for your items. Following more than four or five basic item groups may divert your attention from selling.

Selling within a particular category or two can be a good idea for repeat business. Should you decide to major in miscellany and sell anything and everything, you may not realize the highest possible prices for your items unless you thoroughly research them. This can be okay if you have the time to do the homework — and a source that permits you to buy items at dirt-cheap prices.

### *Collectibles: Big business on eBay*

Pierre Omidyar started eBay with the idea to trade collectible Pez dispensers. eBay now lists more than 40 main categories of collectibles (see Figure 1-2), and those categories are divided into thousands of categories, subcategories, and sub-subcategories. Almost anything that you'd want to collect is here, from advertising memorabilia to Girl Scout pins to Zippo lighters!

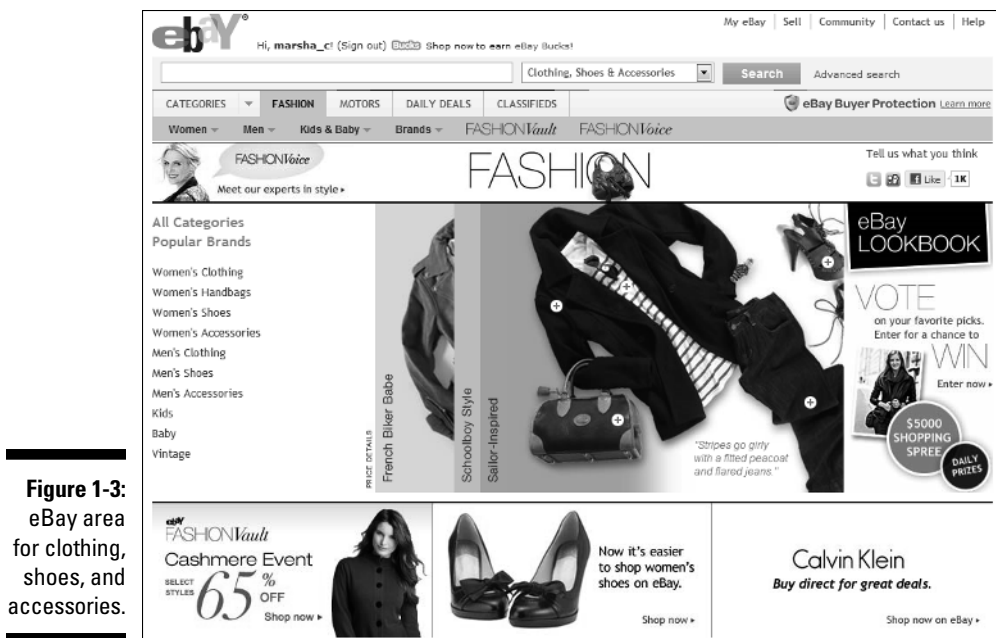


**Figure 1-2:**  
The eBay  
Collectibles  
hub page  
with links to  
hundreds of  
categories.

If you have a collection of your own, eBay is a great way to find rare items. Because your collection is something dear to your heart, and you've studied it on and off for years, you could probably call yourself an expert. Bingo — you're an expert at something! I recommend that you hone your skills to find things in your area of expertise at discount prices (you're liking this more and more, aren't you?) and then sell them on eBay for a profit. Start small and start with something you know.

### *If there's one thing you know, it's fashion!*

Are you one of those people who just knows how to put together a great outfit? Do you find bargains at Goodwill, but people think you've spent hundreds on your garb? Do you know where to get in-season closeouts before anyone else does? Looks like you've found your market (see Figure 1-3).



**Figure 1-3:**  
eBay area  
for clothing,  
shoes, and  
accessories.

Buy as many of those stylish designer wrap dresses (you-know-whose at you-know-where) as you can, and set them up on the mannequin you've bought to model your fashions for eBay photos. (For more on setting up fashion photos on eBay, check out Chapter 11.) Within a week, you just may be doubling your money — 'cause sweetie-darling, who knows fashion better than you?

### *If a ball, a wheel, or competition is involved — it's for you*

I don't want to preach in generalities, but I think I'm pretty safe in saying that most guys like sports. Guys like to watch sports, play sports, and look good while they're doing it. I see that as opening up venues for a profitable empire on eBay. I don't want to leave out all the women who excel and participate in sports. Women may have even more discriminating needs for their sporting endeavors! I know I do. My golf game stinks — but I do make a point to at least look good when I go out there, with respectable equipment and a fabulous outfit.

eBay has an amazing market going on right now for exercise equipment, and I don't even want to go into how much fishing equipment is selling on eBay. And the last time I looked, golf clubs alone totaled more than 121,000 listings! What a bonanza! New stuff, used stuff — it's all selling on eBay. It's enough to put your local pro shop out of business — or perhaps put you *in* business.



## *Including the whole family in the business*

Sometimes just the idea of a part-time business can throw you into a tizzy. After all, don't you have enough to do? School, work, soccer, kids glued to the TV — you might sometimes feel as if you have no time left for family. Well, the importance of family time is what brought me to eBay in the first place: I was working long hours in my own business, and at the end of the day, when my daughter Susan wanted to go shopping for some Hello Kitty toy or a Barbie doll, I was just too tired. (Can you relate?)

I'd heard about AuctionWeb (eBay's original site name) from a friend, and had bought some things online for my own collections. (Okay, you got me; I collected *Star Trek* stuff — call me a geek with a capital G.) I'd also browsed around the site and found some popular toys selling for reasonable prices. So one evening I introduced Susan to AuctionWeb, and life has never been the same. We'd go to toy stores together, right when they opened on Saturday morning, so we'd get first dibs on shipments of the hottest, newest toys. She'd go to the dolls and I'd go to the action figures. We'd buy several, go home, and post them for sale on eBay. We made money, yes, but the best part was our toy runs. They will always remain a special memory.

Susan has since graduated from college (she majored in business and marketing — must have been inspired by our eBay enterprise), but she still calls home when she finds a hot CD or closeouts of a top-selling item. We still purchase and list items together. The family that eBays together . . . always does.

My short trip down memory lane has a point: A family business can succeed, and everyone can enjoy it. (Take a look at some of the family sellers I profile in Chapter 18.) I was in charge of the financing and the packing while Susan looked up ZIP codes on the Internet and put pins in a four-foot-by-five-foot map showing every city that we bought from or sold to. She learned some excellent lessons in marketing, advertising, and geography, all in one swoop.

### ***Toys, books, and music — oh MY!***

Having children in your home brings you closer to the latest trends than you could ever imagine. I remember sitting at a Starbucks a couple of years ago, watching some dads and their sons poring over notebooks full of Pokémon cards. (Actually, the kids were off playing somewhere and the dads were coveting the cards.)

And what about *Star Wars*? *Star Trek*? *G.I. Joe*? Can you say “action figures?” (If guys have them, they're not dolls — they're action figures.) If you have access to the latest and greatest toys, buy them up and sell them to those who can't find them in their neck of the woods.

If your home is like mine, books pile up by the tens! Old educational books that your children have outgrown (even college textbooks) can be turned into a profit. Remember that not every book is a classic that needs to be part of your library forever. Let another family get the pleasure of sharing children's tales!

If anything piles up faster than books, CDs and DVDs do. Could be somehow that old lambada or macarena music doesn't hold the magic it once did. Or maybe those Care Bears cartoons don't mesmerize the kids the way they used to. You can get rid of your own items and find plenty of stock at garage sales. Buy them cheap and make a couple of dollars.

### ***Selling children's clothes***

When I recently checked eBay for the number of listings of baby and toddler clothes up for sale, I found more than 253,000 in the Boys: Clothing (Newborn-5T) category — and the bidding was hot and heavy. For stay-at-home parents, selling infant and children's clothing is a super way to pick up extra income.

If you've had a baby, you know all too well that friends and relatives shower new moms with lots of cute outfits. If you're lucky, your baby gets to wear one or two of them (maybe only for a special picture) before outgrowing them. These adorable portrait outfits can earn you a profit on eBay. Many parents, with children a few steps behind yours, are looking for bargain clothing on eBay — a profitable hand-me-down community. As your children grow up (and out of their old clothes), earn some money while helping out another parent.

## ***Bringing your existing business to eBay***

Do you already have an existing business? eBay isn't only a marketplace where you're able to unload slow or out-of-season merchandise. You can also set up your store right on eBay (see Figure 1-4). An eBay Store allows you to list a fixed-price item at a reduced fee and keep the item online until it's sold. When you run your regular auctions for special items, they will have a link to your store, thereby drawing in new shoppers to see your store merchandise.

Here are a few ways you can expand your current business with eBay:

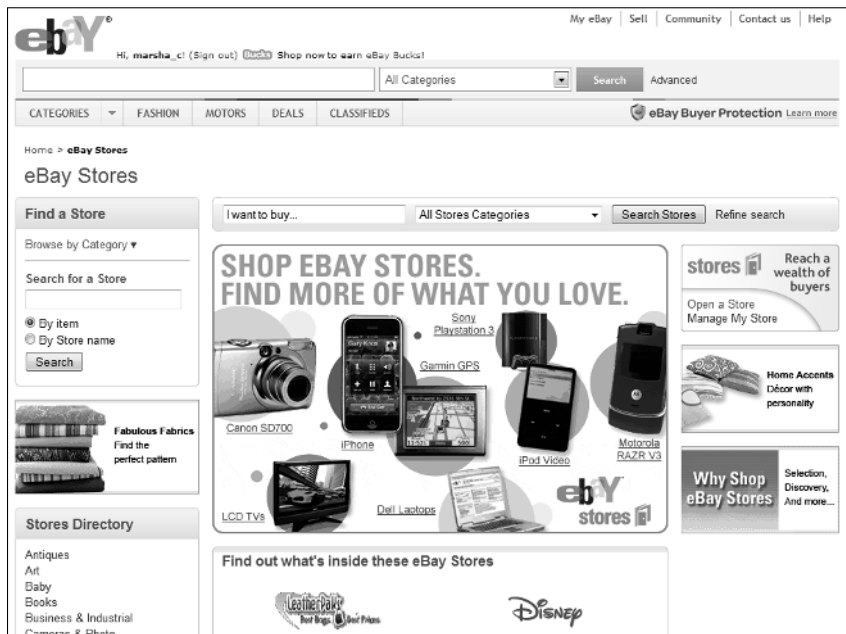
- ✔ **Open a second store on eBay:** How many people run stores that sell every item, every time? If you're a brick-and-mortar retailer, you've probably made a buying mistake or two. Many times the item that *isn't*

selling in your store *is* selling like hotcakes in similar stores elsewhere in the country. eBay gives you the venue to sell those extra items to make room for more of what sells at your home base.

Perhaps you just need to raise some cash quickly. eBay has tens of thousands of categories in which you can liquidate regular stock or specialty items. (For a caveat on what's verboten, check out Chapter 4.)

- ✓ **Sell by mail order:** If you've been selling by mail order, what's been holding you back from selling on eBay? It costs you far less to list your item on eBay than to run an ad in any publication. Plus, on eBay, you get built-in buyers from every walk of life and all over the world. If you can sell your item legally through the mail, it *will* sell through eBay.
- ✓ **Sell property:** Licensed real estate agents, take note: Plenty of land, homes, and condos are selling on eBay right now. List your properties online so that you can draw from a nationwide audience. When you offer listings on the Web, you're bound to get more action. Give it a whirl and read more about selling real estate on eBay in Chapter 2.

You won't find a cheaper landlord than eBay. Jump over to Chapter 5 if you really can't wait for more information about how to set up your eBay Store.



**Figure 1-4:**  
eBay Stores  
central.

## *Getting What It Takes to Sell*

I've heard many sellers-to-be say they want to start a business on eBay so they can relax. Since when is running any business a way to relax? Granted, you don't need a whole lot of money to get started on eBay and you won't have a boss breathing down your neck. But to run a successful eBay business, you need drive, determination, and your conscience to guide you, as well as a few solid tools, such as a computer and an Internet connection. In this section, I give you the lowdown on these things and more.

### *Computer hardware*

First, you're gonna need a computer. In my basic assumptions about you (see the book's introduction), I figure that you have one and know how to use it. Your computer doesn't have to be the latest, fastest, and best available. It does help if your computer has a good deal of memory to process your Web browsing and image touchups. One of my eBay listing computers is an antique notebook that runs on Windows XP, an absolute turtle next to my new 4.3-GHz model. But combined with a high-speed Internet connection, my little machine enables me to manage many eBay listings easily.

Having a computer that will read all sorts of camera data cards is a time-saver. Instead of having to hardwire your camera and download images, you can just zip in the memory card and copy the pictures to your hard drive.



One thing to keep in mind is that hard drives are getting cheaper by the minute. The bigger your hard drive, the more space you'll have to store images for your auctions. (Individual pictures shouldn't take up much space because each should be 100K max.) Make sure that you set up a sensible filing system by using folders and subfolders.

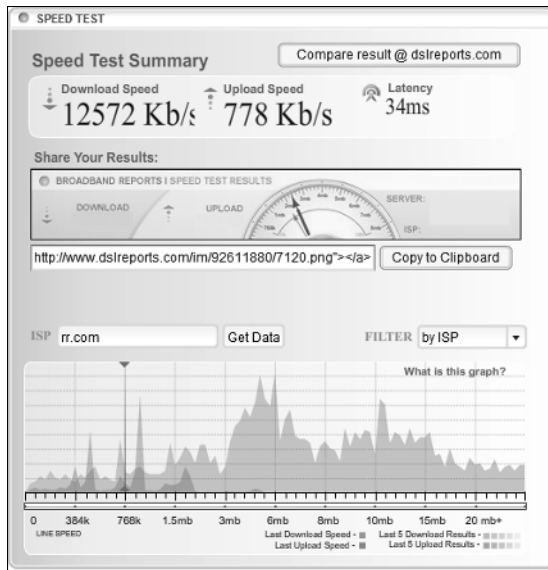
Check out Chapter 11, where I talk more about the other stuff you might need, such as a scanner and a digital camera.

### *Connecting to the Internet*

If you've been on eBay for any length of time, you know that your Internet connection turns into an appendage of your body. If your connection is down or you can't log on due to a power outage, you can't function; maybe, instead, you flounder around babbling to yourself. I understand because I've been there. If you're selling in earnest, I recommend pulling the plug on your dial-up connection and shelling out for a speedier option unless you have no choice.



Before investing in any broadband connection, visit [www.broadbandreports.com](http://www.broadbandreports.com) (see Figure 1-5) and read the reviews of Internet service providers (ISPs) in your area. Users post their experiences with the many providers across the country, so you can get a good idea of what's in store in your neighborhood in the connection arena. The site also has more testing tools than you can imagine — and will test the speed of your (or your friend's) Internet connection at no charge.



**Figure 1-5:**  
The results  
of the free  
speed test  
of my cable  
connection.

### ***Dial-up connections***

If you absolutely must use a dial-up connection, avail yourself of the many free trials that different ISPs offer to see which one gives your computer the fastest connection. After you find the fastest, be sure that it's reliable and has at least a 99 percent uptime rate.

Thirty-five percent of the United States still logs on to the Internet with a dial-up connection, so what can be so wrong about a dial-up connection? Well, this type of connection is painfully slow; a listing with lots of images can take *minutes* to load. The average eBay users want to browse many listings and won't wait while your images load; they'll just go to the next listing.

To make the best use of your time when running your auctions and conducting research, you need to blast through the Internet. You need to answer e-mail, load images, and conduct your business without waiting around for snail's-pace

connections. Although a modem is supposed to link up at 56K, FCC regulations state that it can't connect any faster than 53K. In practice, the highest-speed connection I've ever experienced on dial-up was 44K.

### **DSL**

A confusing bunch of digital subscriber line (DSL) flavors (ADSL, IDSL, SDSL, and more) are available these days, ranging from reasonably priced to out of sight. DSL, when it works as advertised, is fast and reliable.



A DSL line depends on the reliability of your telephone service: Crackling or unreliable phone lines can be a barrier to using DSL.

The main problem with a DSL connection is that your home or office needs to be no farther than 18,000 feet from your local telephone switch. The service runs from as little as \$12.95 to as much as \$100 a month, and it might cost even more if you get DSL through a *booster* that boosts the signal to a location farther away than the minimum 18,000-foot distance.

True DSL service can give you a connection as fast as 1.5 MB-per-second download. (IDSL is only 144K.)



I had DSL for about a year and was initially blown away by the speed. Unfortunately, every time it rained (it *does* rain occasionally in Southern California), my service went out. I had to call time after time to get the line serviced. Sadly, this is a well-known drawback of DSL. Your local telephone company (*telco* in DSL-speak) owns your home or office phone lines. Because DSL goes over plain old telephone service (POTS), your DSL provider has to negotiate connection problems with the folks at your telephone company. As you might guess, one company often blames the other for your problems.

A friend of mine tried to get around this issue by getting DSL from the local phone company, which sounded great to me. It turned out to be not so great; it seems that the local phone companies tend to form other companies to handle high-speed connections. So even though the two companies are technically the same, the two will still argue about who is responsible for your problems. Broadband with this much difficulty can be too much trouble.

### **Digital cable**

Eureka — I think I've found the mother lode of connections: cable. If you can get digital cable television, you can probably get a blazingly fast cable Internet connection. Your cable company is probably replacing old cable lines with newfangled digital fiber-optic lines. These new lines can carry a crisp HD digital TV signal *and* an Internet connection as well. Fiber-optic lines have plenty of room to carry even more stuff (including telephone service), and I'm sure it won't be long before cable companies have some hot new services to sell us.

My digital cable Internet connection is generally fast and reliable. I can download 2 megabytes of data in only *8 seconds* (compared to almost 7 minutes with a dial-up connection). So far, the service has been very reliable, and I've experienced little downtime. For around \$40 a month, I consider my cable connection well worth the investment.

As far as the myth about more users on the line degrading the speed, a cable connection is more than capable of a 10 megabit-per-second (Mbps) transfer. That's already about 10 times faster than DSL. It would take a whole lot of degrading to noticeably slow down your connection.

## Choosing your eBay user ID

"What's in a name?" goes the old quote. On eBay, there's a whole lot in your name! When you choose your eBay user ID, it becomes your name — your identity — to all those who transact with you online. They don't know who you are; they know you only by the name they read in the seller's or bidder's spot.

Ever wonder why you don't see many banks named *Joe and Fred's Savings and Loan*? Even if Joe is the president and Fred is the chairman of the board, the casual attitude portrayed by their given names doesn't instill much confidence in the stability of the bank. *Joe and Fred* might be a better name for a plumbing-supply company — or a great name for guys who sell plumbing tools on eBay! Joe and Fred strike me as the kind of friendly, trustworthy guys who might know something about plumbing.

Does your retail business have a name? If you don't have your own business (yet), have you always known what you'd call it if you did? Your opportunity to set up your business can start with a good, solid, respectable-sounding business name. If you don't like respectable (it's too staid for you), go for trendy. Who knew what a Verizon was? Or a Cingular? Or a Bubblefast, which is one of my favorite eBay shipping suppliers?

Are you selling flamingo-themed items? How about `pink_flamingos` for your selling identity? Be creative; *you* know what best describes your product.



Stay away from negative-sounding names. If you really can't think up a good user ID, using your own name is fine.

You've no doubt seen a bunch of lousy user IDs out there — you know, names that scream "unprofessional" or "bad self-image." Here are a few examples of what not to use: `ISellJunk`, `trashforsale`, `mystuffisgarbage`.

## The lowdown on user IDs

When choosing your user ID, keep the following points in mind:

- ✓ Your ID must contain at least two characters.
- ✓ It doesn't matter if you use uppercase; eBay displays your ID in all-lowercase letters.
- ✓ You may use letters, numbers, and any symbol except @, ', <, >, and &.
- ✓ You can't use an implied or distinct URL or e-mail address as your user ID.
- ✓ You can't use the word *eBay* in your user ID; that privilege is reserved for eBay employees.
- ✓ Your ID can't be the letter *e* followed by numbers (not sure why anyone would want to do that anyway).
- ✓ Spaces aren't allowed; if you want to use two words, you can separate them with underscores (press Shift and hyphen to type the underscore character) or hyphens. You can't use consecutive underscores.
- ✓ Don't use a brand or a trademarked name unless you own it.
- ✓ Do I have to tell you this? Don't use a name that's hateful or obscene; eBay (and the community) just won't permit it.



eBay protects and does not reveal your e-mail address unless you're in a transaction with another member. If another user wants to contact you, he or she can do so by clicking the Contact Seller link on the item page. The e-mail will be sent to you through eBay's e-mail system.

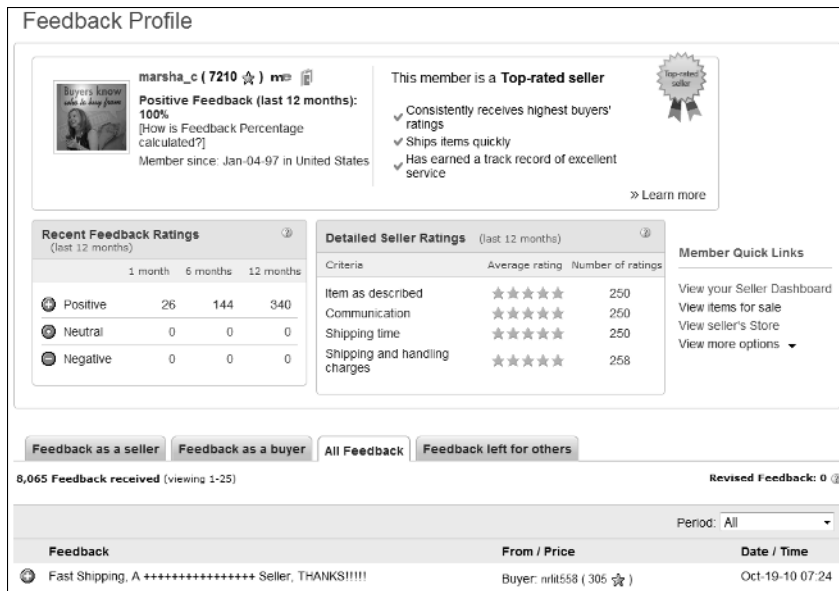


If you decide to change your user ID; don't do it too often. Customers recognize you by name and you may miss some repeat sales by changing it. Besides, eBay places a special icon next to your user ID to show others that you've changed it. This icon will stick with you for 30 days. Your feedback profile (permanent record) follows you to your new ID.

## *Finding your eBay feedback*

The number that eBay lists next to your name is your *feedback rating*; see Figure 1-6 for my rating. Anyone on the Internet has only to click this number to know how you do business on eBay — and what other eBay users think of you. At the top of every user's feedback page is an excellent snapshot of all your eBay transactions for the past year, as well as detailed one- through five-star ratings. For the lowdown on feedback, go to Chapter 3.





**Figure 1-6:**  
My eBay  
feedback  
rating.



If you're serious about this business thing and your feedback rating isn't as high as you'd like it to be, go online and buy some stuff. Even though eBay now distinguishes between buyer and seller feedback, the numbers will still grow. Feedback should always be posted for both buyers and sellers. Every positive feedback increases your rating by +1; a negative decreases it by -1. To get a high rating, you'd better be racking up those positives.

## Making Your Auctions Run More Smoothly

In this section, I discuss a few more niceties that you'll need to round out your eBay home base. The following tools are important, but you must decide which ones you'll use. Some people prefer a totally automated office; others prefer to do things the old-fashioned way. One of my favorite eBay PowerSellers works with file folders, a handwritten ledger book, and handwritten labels. If it makes you happy, do it your way. I'm going to suggest a few options that will ease the pain of paperwork.

## *Software you can use*

These days, software is available to accomplish just about anything. It would seem fitting that an all-encompassing software package exists that can help you with your auction, right? Well, maybe. It depends on how much you want your software to do and how much of your business you want to control fully. In this section, I describe some software examples that you might find useful.

### *Auction management*

Auction management software can be a very good thing. It can automate tasks and make your record keeping easy. You can keep track of inventory, launch auctions, and print labels using one program. Unfortunately, most of these programs can be daunting when you first look at them (and even when you take a second look).

You have choices to make regarding the software: How much are you willing to spend for the software, and do you want to keep your inventory and information online? Maintaining your listing information online enables you to run your business from anywhere; you just log on and see your inventory. Online management software is tempting and professional, and may be worth your time and money.

A good many sellers prefer to keep their auction information on their own computers. This method is convenient and allows sellers to add a closer, more personal touch to their auctions and correspondence. Some folks say that keeping information local, on their own computers, is more suited to the small-time seller. I think it's a matter of preference.

In Chapter 9, I discuss the wide selection of management software available, including Vendio, Channel Advisor, Auction Wizard 2000, and the eBay-owned Selling Manager products.

### *HTML software*

You may want to try some basic HTML software to practice your ad layouts. I tell you where to find some templates in Chapter 11, but you'll want to preview your auctions before you launch them. You might also enjoy my book *eBay Listings That Sell For Dummies* (co-authored with eBay tech maven Patti Louise Ruby). Half the book is on HTML, and the other half helps you perfect your photography.

You can use a full-blown Web page software package, to check out how your auction will look, or you may want to keep it simple. The simplest way is to use eBay's intuitive listing tool, which works in the same way as many word-processing programs to format text. (For more information, turn to Chapter 11.)

### ***Spreadsheets and bookkeeping***

Many sellers keep their information in a simple spreadsheet program such as Excel. The program has all the functionality you need to handle inventory management and sales info.

For bookkeeping, I like QuickBooks, which is as complete as it gets. It's straightforward and professional, and it no longer requires you to have a basic knowledge of accounting. It also integrates with spreadsheets. In Chapter 16, I discuss QuickBooks in some detail.

## ***Collecting the cash***

Credit card payments are the way to go for the bulk of your sales. Often credit cards make the difference between a sale and no sale. People are getting savvy (and more comfortable) about using their credit cards online because they're becoming better informed about the security of online transactions and certain guarantees against fraud. So although you might truly love money orders, let's be realistic: You need to take credit cards as well. In this section, I discuss another decision you need to make: Do you want your own private merchant account or would you rather run your credit card sales through an online payment service? For more about these options, read on.

### ***Online payment services***

Until you hit the big time, you should save yourself a bucket of trouble and go with the services of an online payment service such as the eBay-owned PayPal. PayPal offers excellent services, and its rates are on a sliding scale, according to your monthly dollar volume. Online payment services accept credit cards for you. They charge you a small fee and process the transaction with the credit card company. Payment for the sold item is deposited in your designated bank account. Unless your sales go into tens of thousands of dollars a month, an online payment service is far more economical than having your own merchant account. For more about these services and accounts, see Chapter 13.

### ***Your own merchant account***

As you may or may not know (depending on the amount of spam in your e-mail), thousands of merchant credit card brokers guarantee they can set you up so that you can take credit cards yourself. These people are merely middlemen. You have to pay for their services, either in an application fee or as part of a hefty percentage, or by buying processing software. Some of these brokers are dependable businesses; others are nothing more than hustlers. If you have decent credit, you don't need these guys: Go straight to your bank!

Your bank knows your financial standing and creditworthiness better than anybody. It's the best place to start to get your own *merchant account*, an account in which your business accepts credit card payments directly from your buyers. You pay a small percentage to the bank, but it's considerably less than what you pay to an online payment service. Some banks don't offer merchant accounts for Internet transactions because ultimately the bank is responsible for the merchandise related to the account if you fail to deliver the goods. Remember that your credit history and time with the bank play a part in whether you can get a merchant account.

The costs involved in opening a merchant account can vary, but you'll need between \$300 and \$2,000 to get started. Here are some of the possible costs you may face:

- ✓ A monthly processing fee if you don't reach the monthly minimum set by your bank
- ✓ The discount rate (your bank's cut) of 15–45 cents per transaction
- ✓ About \$700 for software that processes your transaction costs
- ✓ A monthly gateway fee of as much as \$40 (an online connection to process charges)

This is quite an investment in time and effort. In Chapter 13, I get into the details of a merchant account and explain exactly where all these costs go.

## *Home base: Your Web site*

eBay offers you a free page — the About Me page — that's the most important link to your business on eBay; see Chapter 3 for more information. The About Me page is part of your eBay Store if you have one. You can insert a link on your About Me page that takes bidders to your listings. In addition, you can link to your own Web site from the About Me page!

If you don't have your own Web site, I recommend that you get one, especially if you're serious about running an online business. Check out Chapter 8, where I provide some tips on finding a Web host and a simple way to put up your own Web site.

You can keep a list of your complete inventory of items on your Web site and also list them in your eBay Store as their selling season comes around. (Remember that there's no listing or Final Value fee when you have repeat customers on your Web site.)

## *Setting up your shop*

Office and storage space are must-haves if you plan to get big. Many a business was started at the kitchen table (that's how Pierre started eBay), but to be serious with a business, you must draw definite lines between your home life and your online ventures. Concentrating when you have a lot of noise in the background is difficult, so when I say draw a line, I mean a physical line as well as an environmental one.

### *Your dedicated office*

You must first separate the family from the hub of your business. Many eBay sellers use a spare bedroom. (I started my home business in a 10-by-12-foot room.) As time progresses and your business grows, you might have to move. I chose to sacrifice my detached two-car garage. I guess I could have made it into a one-car garage, but I decided to take over the whole thing instead.

Here's what I did: Zoning laws in Southern California require me to have a garage, so I put a false office wall in the back so that the garage door could open normally. I used that area for extra storage. My garage had been wired (for some guy who was going to use big-time power tools, I suppose) and had its own breaker box. I hired an electrician to come in and place outlets around my office and had a large window cut into the wall overlooking my backyard (to remove the claustrophobic feeling and for ventilation). I now had a window and electricity.

The phone man came by and brought a line into the garage; a friend installed double jacks all around to accommodate the two phone lines. I picked out some reasonably priced paneling, and hired workmen to install it and (while they were at it) to drop a paneled ceiling with florescent lights. Finally, I bought furniture from my local Goodwill store. Presto-chango — I had successfully transformed what was once a dark, musty garage into a bright, gleaming 18-by-20-foot *private* office. And here I successfully ran my advertising and marketing business for more than ten years.

You, too, have adjustments and decisions to make, just as I did, because you're going to need office space and storage space, too.



One PowerSeller I know moved all the junk out of his basement and set up shop down there. He now has three computers and employs his wife and a part-time *lister* (who puts his items up on eBay) to run the show. His basement office is networked and is as professional as any office.

***Your eBay room***

If you're able to set up an office similar to mine, your storage space should be covered for a while. For a real business, a closet just won't do, even though most sellers begin their eBay careers with an "eBay closet." Seclude your stuff from your pets and family by moving it into another room. You'll also have to get shelving and more supplies to organize things. I talk more about these everyday (but crucial) matters in Chapter 17.