

Making Everything Easier!™

Australian Edition

Making Money on eBay®

FOR
DUMMIES®

Learn to:

- Build listings that get the highest bids
- Locate goods to sell, around the house and beyond
- Set up a successful eBay business
- Handle shipping efficiently and minimise your eBay fees

Nathan Huppertz

eBay Top Rated Seller and online business guru

Marsha Collier

Author of best-selling eBay guides



Australian Edition

Making Money on eBay

FOR

DUMMIES®

**by Nathan Huppatz
and Marsha Collier**



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About the Authors

Nathan Huppattz started his online career straight out of university, graduating with a bachelor of information technology, and providing second- and third-level tech support for Orica (an ASX-listed company) as part of its IT team. He quickly realised internet and e-commerce were more fun than tech support, and became a starting member of Orica's e-commerce business unit.

Nathan then moved to a small, purely online, business in Melbourne, which published automotive content and classifieds. Here, Nathan gained experience in online marketing and advertising, business development, publishing and e-commerce — as well as getting the chance to test-drive cars, write reviews, compete in rally events and other fun stuff.

In 2004, Nathan and his partners started the Directshop companies, building a strong eBay business and becoming one of the top eBay sellers in Australia. The business grew, and Nathan and his partners added websites, opened a bricks and mortar store, and developed more products (both physical and digital) to sell. He sold one of Directshop's eBay businesses, started a new line of business (focusing on consulting and e-commerce-development) in 2009, and continues to expand his passion for the online retail world.

A founding member of the Professional eBay Sellers Alliance in Australia, Nathan is also a regular speaker at e-commerce conferences and events, and is a respected member of the online Australian community.

Nathan lives in Melbourne, Australia, with his wife, Tanya, and two gorgeous girls, Eloise and Sophie.

Marsha Collier spends a good deal of time on eBay. She loves buying and selling (she's a PowerSeller) as well as meeting eBay users from around the world. As columnist, radio co-host, author of six best-selling books on eBay, and in-demand educator of all things regarding online business, she shares her knowledge of eBay with millions of online shoppers.

Out of college, Marsha worked in fashion advertising for the *Miami Herald* and then as a special projects manager for the *Los Angeles Daily News*. Upon the birth of her daughter in 1984, she founded a home-based advertising and marketing business. Her successful business, the Collier Company, Inc, was featured

by *Entrepreneur* magazine in 1985, and in 1990, Marsha's company received the Small Business of the Year award from her California State Assemblyman and the Northridge Chamber of Commerce.

Most of all, Marsha loves bargain shopping a great deal — that's what drew her to eBay in 1996, and that's what keeps her busy on the site now. She buys everything from replacement toothbrush heads to parts for pool equipment to designer dresses. Marsha knows how to *work* eBay, and loves sharing that knowledge.

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Marsha Collier

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Dedication

From Nathan: To the staff at eBay, who have worked hard for many years to build a fantastic marketplace and create the opportunities it presents. I've had the pleasure of meeting and getting to know some of the great eBay Australia staff, and I take my hat off to them for all that they do.

I also dedicate this book to the many entrepreneurial people who buy this book, read it and use it as a starting point in their online careers. Good luck!

Last but not least, I dedicate this book to Tanya — an amazing wife, friend and support — and to Eloise and Sophie.

From Marsha: To all the future eBay sellers — I look forward to seeing your auctions and hearing your stories.

I dedicate this book also to all the employees at eBay, who work very hard and don't always get noticed or appreciated by the community. I want to thank all of you for your endeavours; you make eBay a fun and profitable site to visit for millions of people. Keep on doing what you're doing.

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Introduction



Welcome to *Making Money on eBay For Dummies*, Australian Edition! We can't begin to tell you how thrilled we are that our enthusiasm and excitement for shopping and selling on eBay has spread to all corners of the earth. eBay has more than 95 million users globally and around 6 million in Australia — that's quite a community. It's a community of buyers who don't see the need to pay retail prices for items they buy, and of sellers who forage out wholesale bargains to sell online and make a few dollars. eBay is a true international marketplace — and the best part is that eBay is available to anyone over 18 who wants to take the time to figure out how it works.

Along with the emergence and growth of eBay, the web-based retail landscape has changed in Australia in other ways too, with many more individuals and sellers looking to go online each year. We show you why selling at eBay is a great way to get involved in this growing market!

eBay isn't hard to master, but just like with any tool, if you know the ins and outs, you're ahead of the game. Getting the best advice on how, what and when you sell can help make you the most money.

How much money you earn at eBay depends entirely on how *often* and how *smart* you are at conducting your eBay transactions, and we help with the *smart* part by sharing tips we've learned along the way. We offer a load of terrific selling strategies for the beginner through to the advanced seller. With this book and a little hard (but fun!) work, you can join the ranks of the millions of people who use their home computers to make friends, become part of the eBay community, have a lot of fun and make a profit.

About This Book

You've come to the right place to find out all about selling at eBay. You get all the tools you need to get moving at eBay, turn your everyday household clutter into cold, hard cash and look for other items that you can sell at eBay. We even show you how to streamline your selling processes and become more business-like in your dealings with buyers.

Remember those open-book tests that teachers sprang on you in high school? Well, sometimes you may feel that eBay springs the odd test on you while you're online. Think of *Making Money on eBay For Dummies*, Australian Edition, as your open-book-test resource with all the answers. You don't have to memorise anything; just keep this book handy to help you with the more advanced parts of eBay.

With that in mind, in this book we show you how to:

- ✓ Get online and register at eBay.
- ✓ Navigate eBay to do just about anything you can think of — research items for sale, set up auctions, monitor your transactions and jump into the discussion forums.
- ✓ Choose an item to sell, pick the right time for your auction, market it so that a tonne of bidders see it, and make a profit.
- ✓ Communicate well to your buyers and close deals without problems.

Foolish Assumptions

You may have picked up this book because you heard that people are making money selling unwanted items at eBay and you want to find out what's going on. Or you may want to run a small business from home to make extra cash, or even start a large business to provide for you and your family. If any of these assumptions are true, this is the right book for you.

Here are some other foolish assumptions we've made about you:

- ✔ You have, or would like to have, access to a computer and the internet so that you can do business at eBay.
- ✔ You have an interest in online commerce (marketing and selling stuff) and you want to find out more about it.
- ✔ You want great tips and strategies that can help you sell products and services on eBay and make more profit doing so.
- ✔ You're concerned about maintaining your privacy and staying away from people who try to ruin everyone's good time with negligent (and sometimes illegal) activity.

Conventions Used in This Book

We use a couple of conventions in this book to make it easier for you to follow a set of specific instructions.

Steps for navigating menus or categories may appear with arrows between each selection. For example, if you see something like Collectables⇨Cultural and Religious, we're suggesting that you choose the Collectables category and then click the Cultural and Religious option.

Whenever we want to highlight a message, a special link or information on the screen, it looks like this:

This is onscreen information.

How This Book Is Organised

This book has five parts. The parts stand on their own, which means that you can read chapters in Part II after you read chapters in Part IV or skip Chapter 3 in Part I altogether. It's all up to you. We feel that to get started, however, you should at least dip into Chapters 1 and 2 in Part I to get an overview of what eBay is all about and find out how to become a registered user.

Part I: Forget the Mall: Getting a Feel for eBay

In this part, we tell you what eBay is and how you use it. We take you through the registration process, help you organise your eBay transactions and interactions using your My eBay pages, and get you comfortable navigating the site from the home page.

Part II: Are You Selling What They're Buying?

This part gets you up to speed on how to sell your items at eBay. Think of it as an 'eBay Marketing 101' course. Here, you find important information on how to conduct your auctions, what to do after you sell an item, how to ship the item and how to keep track of all the money you make. Even the Australian Tax Office gets to chime in on their favourite topic: Taxes. Know the rules so your friendly tax officer doesn't invite you over for a snack and a little audit.

We also show you how to jazz up your auctions by adding pictures and how to use basic HTML to link your auctions to your own website's home page. (If you don't have a website, don't freak out: Links are optional.) You can make your digital images look like high art with our tips, hints and strategies.

Part III: So You Wanna Get Serious?

This part is for those sellers looking to become more professional or sell higher volumes of product. Perhaps you want eBay to be your main source of income, or you just want to learn more about some of the advanced ways to improve your eBay sales.

We cover tools to automate some of your processes and how to use commercial systems to save you time. We also look at advanced selling strategies you can use when listing items at eBay, as well as online marketing and how to attract (and keep) more buyers.

Part IV: Tips, References and More!

Check out this part to discover how you can resolve selling (and buying) issues with the help of the Security Centre, eBay's problem-solving clearing house. Also included are ways of having fun with the eBay community and accessing forums.

Part V: The Part of Tens

In keeping with a long *For Dummies* tradition, this part is a compendium of short chapters that give you ready references and useful facts. We share more terrific tips for selling, and provide a chapter on Australian eBay success stories, to help keep you motivated towards your personal goals.

In addition to all these parts, you also get an appendix, which lists plenty of software programs, products and service providers to help lighten your eBay load.

Icons Used in This Book

Throughout this book, you come across *icons*. These are handy tools to alert you to certain kinds of information.



When you see this icon, you know you're in for the real deal. We created this icon especially for you so that we can give you war stories (and success stories) from eBay veterans (*learn from their experiences* is our motto). These stories can help you strategise, make money and spare you from the perils of a poorly written auction item description. You can skip over these icons if you want to, but do so at your own risk — they contain gems of useful information!



Think of this icon as a sticky note for your brain. If you forget one of the pearls of wisdom revealed to you, you can go back and reread it. If you *still* can't remember something here, go ahead, dog-ear the page — we won't tell. Even better: Use a yellow highlighter.



These indicate things that you just *have* to know! Time is money at eBay. When you see this shortcut or timesaver come your way, read the information and think about all the hard-earned cash you just saved.



Don't feel our pain. We've done things badly at eBay before and want to save you from our mistakes. We put these warnings out there bright and bold so that you don't have a bad experience. Don't skip these warnings unless you're enthusiastic about masochism.

Where to Go from Here

A website as complex as eBay has many nooks and crannies that may confuse the first-time user. Think of this book as a detailed road map that can help you navigate eBay, getting just as much or as little as you want from it. Unlike an actual road map, you can't get frustrated trying to fold it back to its original shape. Just close the book and come back anytime you need a question answered.

Just like a road map, you get to decide where you go and how you get there — you can take the freeway directly to a topic or meander through some back streets first to get a handle on the basics. Want to work out what to sell? Go to Chapter 5. Know how to list items but want to work out how you can really start raking in the cash? Jump to Chapter 12. Where you go from here is completely up to you.

Part I

Forget the Mall: Getting a Feel for eBay

Glenn Lumsden



'So tell me ... how does it feel being married to the director of a high-tech global car company that runs 24/7?'

In this part . . .

New technology can be intimidating for anyone. You've wanted to visit eBay, maybe have an idea of what you'd like to sell, but eBay feels kind of big and scary. What you need is someone to point out the most useful tools you need to get around, help you find out how eBay is set up, and start showing you how to do your own transactions. That's what we do in Part I.

In this part, we give you the information you want to know about how eBay works and what it offers its members. Find out how to become a registered user, manoeuvre around eBay using the home page, and customise your very own private My eBay pages. You can also find out about the all-important feedback profile that follows every eBay user around like a shadow and the Detailed Seller Ratings you start receiving once you have a few sales under your belt.

Chapter 1

Why eBay Is a Terrific Place to Sell

In This Chapter

- ▶ Finding out about eBay
- ▶ Discovering why eBay is the best place to sell your items
- ▶ Getting the scoop on types of auctions and Buy It Now sales
- ▶ Testing your market with eBay Classifieds
- ▶ Putting on your salesperson hat and researching your market
- ▶ Working out what part eBay plays in item sales
- ▶ Using features and fun stuff

eBay is one of the largest marketplaces in the 21st century. Way back in July 2003, *Wired* magazine predicted that because of eBay ‘retailing will become the national pastime’. And you know what? This prediction came true, and has extended all the way to Australia. eBay’s founders had a pretty great idea back in 1995, and the world has taken to shopping and selling online. In 2010, e-commerce grew at more than 8 per cent in Australia, and eBay played a huge role in that growth. The eBay marketplace is a safe and fun place to sell everything from collectables to clothing, all from the comfort of your home.

eBay is now also a marketplace for new merchandise. eBay estimates that over 70 per cent of items sold on eBay Australia are new, and these products are often brand-name items too! eBay is no longer just the destination for second-hand goods and old china — the marketplace has changed, thanks to a growing user base and increased competition.

Take a look around your house. Nice toaster. Great-looking clock. Spiffy microwave. Not to mention all the other cool stuff

you own. All these household appliances and collectables are fabulous to own, but when was the last time your toaster turned a profit? When you connect to eBay, your computer (or mobile phone) magically turns into a money machine. Just visit eBay and marvel at all the items that are just a few mouse clicks away from being bought and sold.

In this chapter, we tell you what eBay is and how it works. eBay is the perfect alternative to spending hours holding garage sales or sitting behind a stall at markets or swap meets. The site can also be the perfect marketplace for gifts and day-to-day items. Not only can you sell (and buy) stuff in the privacy of your home, but you can also meet people who share your interests. The people who use the eBay site are a friendly bunch, and soon you'll be selling, swapping stories, trading advice (and no doubt buying) with the best of them.

To get to eBay, you need to access the internet. To access the internet, you need a computer with an internet connection or an internet-enabled device such as a smartphone or smartpad. That's all. If you're not ready to take the high-tech plunge, this book shows you how to start operating on eBay (and earning money) without owning a single advanced cyber thing.

What Is eBay, and How Does It Work?

The internet is spawning all kinds of new businesses (known as *e-commerce* to technology types), and eBay is one of its few superstars. The reason is simple: It's the place where buyers and sellers can meet, do business, share stories and tips and have fun. It's like one giant online potluck party — but instead of bringing a dish, you sell it!

eBay *doesn't* sell a thing. Instead, the site does what all good hosts do: It creates a comfy environment that brings people with common interests together. eBay brings buyers and sellers together, acting like a massive online shopping centre. Buyers can browse stores and items, and sellers can create a store (and pay some very low rent!). eBay lets buyers and sellers then conduct their business safely within the rules that eBay has established.



eBay's humble beginnings

The longstanding urban legend says that eBay all started with a Pez dispenser (a small lolly dispenser with a cute head on it). But as romantic as the story is (of the young man who designed the site for his fiancée to trade Pez dispensers), it sadly was public relations spin. The founder, Pierre Omidyar, had the right vision at the right time, and the first item he sold on the site was a broken laser pointer. Day by day, new people (including Nathan in 2004) were drawn to the site from internet chatter. The site eventually grew to the point where it began to put a strain on Pierre's internet service

provider (ISP). The ISP charged him more, so he started charging a small listing fee for sellers, just so he could break even. Legend has it that the day \$10,000 in fees arrived in Pierre's mailbox, he quit his day job. (We hope that's not apocryphal too!)

eBay was born in 1995. The name eBay is taken from Echo Bay, the name Pierre originally wanted for his company. Upon checking with the state of California, he found that the name was taken by another company, so he shortened the name to eBay — and the rest, as they say, is history.

All you need to do to join eBay is fill out an online form. Congratulations — you're a member with no big fees or secret handshakes. After you register, you can buy and sell anything that falls within the eBay rules and regulations. (Chapter 2 eases you through the registration process.)

The eBay home page is your first step to finding all the cool stuff you can see and do at eBay. Buyers can search for products, browse categories and check out some of eBay's latest Big Deals. As a seller, you can search for competitors selling similar products, find out what's happening and get an instant link to your very own My eBay pages, which help you keep track of every item you have up for sale. You can read more about the eBay home page in Chapter 3 and find out more about My eBay in Chapter 4.



You may find that the eBay home page changes from time to time. If that happens, don't stress; eBay often changes its home page. The functions and links we discuss in this book, or something very similar, are likely to still exist.

Why Is eBay a Great Place to Sell?

So why is eBay so great? The answer is simple: eBay brings a massive audience to your door, for very little cost. Starting your own website can be expensive and time-consuming and, even when the initial work is completed, you still need to attract buyers. But eBay has done all of the hard work of creating a website and building a market for you! Now you just have to supply the items to sell.

eBay does charge fees to list items, as well as taking a percentage of your final selling amount. For more on these fees, see Chapter 5.

All About Auctions

In an auction, the value of an item is determined by how much someone is willing to spend to buy it. That's what makes auctions exciting. eBay offers several kinds of auctions, but for the most part, they all work the same way. An *auction* is a unique sales event where the exact value of the item for sale is not known. As a result, an element of surprise is involved — not only for the bidder (who may end up with a great deal) but also for the seller (who may end up making a killing). Here's how an auction works from a seller's and a bidder's perspective:

- ✔ **Seller:** A seller fills out an electronic form, pays a fee and sets up the auction, listing a *starting bid* he is willing to accept for the item. Think of an auctioneer at Sotheby's saying, 'The bidding for this diamond necklace begins at \$5,000'. You might *want* to bid \$4,000, but the bid won't be accepted. Sellers can also set a *reserve price* on some vehicle auctions — sort of like a financial safety net that protects them from losing money on the deal — or also offer the item at a *Buy It Now* price. We explain how this stuff works later in this chapter.
- ✔ **Bidder:** Bidders in auctions fight it out over a period of time (the minimum is one day, but most auctions last a week or even longer) until one comes out victorious. Usually, the highest bidder wins. The tricky thing about participating in an auction (and the most exciting aspect) is that no-one knows the final price an item goes for until the last second of the auction.