

Vision-One Press

eBay 2009

By: Skip McGrath

An update to the Complete eBay Marketing System incorporating the new policies announced by eBay in July 2009

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eBay is a constantly changing environment. Almost no one, including me, enjoys change —but being flexible and adaptable is one of the keys to success in any business. Many of the changes eBay has made over the past two years have been controversial. They favored large sellers and presented a challenge to new sellers and small to medium-sized sellers.

Now eBay seems to be rethinking their strategy once again. The latest round of changes seem to fix many of the problems the earlier changes caused and – although large sellers are still favored, the playing field has been somewhat leveled. eBay has made several changes designed to make it easier for the new seller to gain traction and for small sellers to compete more successfully with the big guys. Some of the changes actually give small sellers an advantage over the mega-sellers if you know how to take advantage of them.

The purpose of this eBook is twofold:

- 1. Update the information in the March 2009 edition of <u>The Complete</u> <u>eBay Marketing System</u> and in my other books.
- 2. Put the changes in perspective so eBay sellers can attack the market in a logical and profitable way.

This is not a "how-to-sell-on-eBay" book. eBay 2009 assumes you have already read <u>The Complete eBay Marketing System</u>, or some other eBay training manual and you know the basics of eBay and understand the terminology we speak about in here. If you received this book and don't understand the issues we cover, then you need to start with the basics first and come back to this.

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About The Author

If you are one of my readers, or you downloaded this book from my website, then you know you I am. For those of you, who received this book from someone else, let me tell you a little about myself.

My wife Karen and I have been selling on eBay since early 1999. After one year Karen quit her job and did this full time. A few years later I quit my full-time job and joined her. We have both been selling on eBay full time since then.

In 2001 I wrote my first book, The eBay Power Seller's Manual (now out of print) and since then I have written 10 other titles about selling on eBay, Yahoo Stores, Amazon and the wider internet. I also publish the eBay Seller's News, which has now become the oldest and largest newsletter devoted to selling on eBay. The newsletter is free. It comes out twice-monthly and you can subscribe at www.skipmcgrath.com.

Yes, I have always been a fan of eBay, but that doesn't mean I have not been critical of them at times. I don't always get it right –but I always try and call it as I see it. We have had a great career selling on eBay and you can too. I know it's not as easy as it used to be, but it still can be done and that is the point of my books and training materials. There is no greater reward in the world than when I go to eBay functions and meet readers who are now selling successfully on eBay and they tell me that one of my books or programs helped them get there.

As we stated in the introduction, this book is free to give away as long as you don't change the book, the contents, or any of the links. I hope you support the advertisers and follow the links to read about my books —that is after all, how we pay the bills.

Cheers, Skip McGrath

1. eBay Updates Policies in Three Major Areas

Changes are coming in three areas: Selling Standards, Search Placement, and Selling Services.

Let's start with the formal eBay announcement in their words. I suggest you read this first. As you read these you will see that the new policies raise more questions than answers. So, in the following chapters will look at each of the changes in detail, explain what they mean to sellers and how you can take advantage of them to increase your sales and profits.

Here is the July 27, 2009 eBay announcement from Stephanie Tilenius, Senior Vice President & General Manager, eBay North America (The boldface type is from eBay):

1. Rewards for sellers delivering great buyer experiences

- New way to look at DSRs
 - Avoid getting low DSRs-1s and 2s. Buyers have different ideas about what
 constitutes a high rating, but most leave a 1 or a 2 only when they
 experienced a significant issue with their transaction. eBay will be shifting
 focus from average DSRs to the number of low DSRs as a more accurate
 measure of customer satisfaction.
 - Only domestic DSRs will count toward requirements for eBay.com.
 International transactions can be subject to factors outside a seller's control and we want to make sure sellers can expand globally without undue impact to their standing on eBay.com.

PowerSeller program update: rewarding quality over quantity

- Starting in October, a new eBay top-rated seller status will be added to the PowerSeller program to recognize and reward sellers providing great buyer experiences based on the new way to look at DSRs (very few 1s and 2s). eBay Top-rated sellers will receive the highest PowerSeller Final Value Fee discounts (20%), increased visibility in search results for Fixed Price listings, exclusive access to purchase Featured First and a prominent Top-rated seller badge on item pages. The Top-rated seller badge will be tested in search results pages this summer. The current PowerSeller icon will no longer be displayed on buyer-facing pages including item pages.
- All sellers with 100 or more annual transactions and at least \$3,000 annual sales who meet the requirements for Top-rated seller status will be invited into the PowerSeller program and can start receiving Top-rated seller benefits in October.

- Next April, the PowerSeller program will also include a requirement for sellers based on the new way to look at DSRs (very few 1s and 2s).
 PowerSellers that don't have Top-rated seller status will get 5% Final Value Fee discounts.
- Meanwhile, the current PowerSeller discount structure will continue until April 1, 2010 to give sellers 8 full months to keep their current discounts while they adjust business practices to qualify for the new Top-rated seller status.

New minimum standards for all sellers:

- Starting in October, there will be a new minimum standard for all eBay sellers based on the number of low DSRs (1s and 2s) received. The minimum standard will be stricter in April, 2010.
- A new Selling Practices policy will define guidelines for professionalism and accuracy in all aspects of listings and transactions.
- Optional buyer charges for shipping insurance will no longer be allowed.
 Sellers can still buy shipping insurance and add the cost to the item or shipping price.
- Updates to the Seller Dashboard: You can now see a snapshot of your low DSRs (1s and 2s) and standing toward the new Top-rated seller requirements updated monthly through a link at the top of your Seller Dashboard. In September, you will be able to see daily updates.

2. Enhanced search presents more relevant listings

- Best Match, eBay's default sort order, will look at listing's recent sales in relation to the number of recent impressions it received as a key factor for Fixed Price listings.
 An "impression" is any time a buyer sees a search results page that includes the listing.
- In addition, single quantity and newly listed Fixed Price items will be given exposure in Best Match even though they have no sales history. These listings will be given initial impressions based on the performance of similar listings. This change will improve the exposure of new Fixed Price listings that are relevant to buyers.
- Auction-style listings will still get a boost in exposure as they are about to end. To keep auctions enticing, Auction with Buy It Now listings will be required to have a BIN price at least 10% higher than the auction start price.
- A new Search Visibility tool will help you evaluate how your Fixed Price and auction-style listings are performing in search results.
- Several **features** will be discontinued including Featured Plus, Border, and others to save you money and keep the focus on relevance.
- Product pages are rolling out to more buyers, so list with product details to make sure your listings are included. Also, eBay will start selecting sellers' photos for

inclusion in the eBay product catalog on September 1. If your photo is chosen, your user ID and a link to your profile page will appear on the product page. If you'd prefer not to have your pictures selected, opt out no later than August 31.

3. Easier, more profitable selling on eBay

- Faster recourse for unpaid items. A streamlined process will cut the resolution time in half. We are also working on a new automated option that will make the process even more efficient, cut the time to resolution to as little as 8 days and block negative feedback when a seller opens a claim and a buyer doesn't pay. This automated option will be tested in late September and our goal is to gradually make it available to all sellers by the holidays.
- eBay dispute resolution for buyer claims is expanding to more buyers to make the process faster and easier for sellers and buyers.
- Buyer communications will be faster and easier to manage with enhancements to My Messages and streamlined post-transaction emails.
- Get more control over international **ship-to locations**. You'll have the same ship-to choices you have now, plus you'll be able to specify countries you do *not* want to ship to.
- Upload tracking and delivery confirmation numbers for more shipping carriers.
- Editing listings, even multi-quantity listings with a sale and listing descriptions, will be faster and easier.
- New Selling Manager applications boost efficiency for sellers of all sizes-try them free!
- Category and Item Specifics changes are now consolidated with the rest of updates. Find out if there are changes to your categories.
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2. Top Rated Seller Program Integrated with DSR Changes

eBay introduces a new element to the PowerSeller Program and changes how they apply DSRs to provide fee discounts for top sellers.

This part of the announcement is somewhat complex, but pretty understandable if you take it one step at a time. Basically eBay has upped the game when it comes to customer service. Currently eBay looks at the average of your DSRs and awards a fee discount based on how high your DSR average is. You earn Final Value fee discounts based on a sliding scale:

- 4.9 20%
- 4.8 15%
- 4.6 5%

There are four problems with the current method.

- 1. A lot of buyers think that 4-stars is actually an excellent rating. But if you do a great job and still get 4s, it can drag you down to the lowest –or no, discount level
- 2. You have to reach and keep PowerSeller status to get the discounts
- 3. New and small PowerSellers can really get hurt by one or two bad DSRs
- 4. International sellers have no control over shipping times, customs duties and wait times and customs brokerage charges. So many international buyers become unhappy and leave a 1 or 2 star rating when actually you shipped their package quickly and did everything properly

The new changes address all of these problems.

Starting in October, a new discount structure will begin that is based on how many low DSRs scores you receive instead of the average of your total scores. eBay will look at your DSRs and take an average of any low (1 star or 2 star) ratings you receive. If the percentage of 1 and 2-star ratings is less than 0.5% (one-half of one percent) of all your ratings then you can qualify for the PowerSeller discount of 20%.

eBay will introduce a new feature of the PowerSeller program called Top-Rated Seller. To become a Top-Rated Seller, you will first need to be a PowerSeller (\$1000 a month in sales average and a 4.5 DSR rating and a 98% positive feedback score). Once you reach PowerSeller status, eBay will look at your "low DSR average" to see if you qualify for the discount. There will only be one discount – 20% for everyone who qualifies.

To help new and low volume sellers (fewer than 400 annual transactions) eBay will ignore **two instances** of 1s or 2s on each of the four DSRs before the 0.50% requirement is applied.

Top-Rates Sellers will have other advantages in addition to the fee discount:

- promotion in search results for Fixed Price listings top rated sellers fixed price listings
 will come up higher in the search results
- Exclusive ability to purchase Featured First Only TRSs will be able to purchase the featured listings that come up ahead of other searches.
- Top-rated seller badge on their item pages. Here is what the badge will look like.



The badge will appear near your user ID on your listings. Later the badge will appear in search results next to the title (eBay is still testing this and the roll-out date has not been announced).

The PowerSeller Program will change in two stages. The first change to add Top-Rated Sellers will occur in October 2009 and the program will change again in April 2010. Here is a chart that shows the changes:

October 2009

- Promotion of listings in search based on performance will be an exclusive benefit for eBay Top-rated sellers.
- The PowerSeller logo will no longer be displayed on buyer-facing pages like the item page and other member profile pages. The icon will still be displayed on your *My eBay* page
- Featured First will be available to eBay Top-rated sellers only.
- For sellers who meet all the requirements of the new Top-rated seller status (including 100 annual transactions), the sales requirement for the PowerSeller program will be lowered to \$3,000 annually. This change will also be applied to the entire PowerSeller program in April 2010.

- PowerSellers who qualify as eBay Top-rated sellers when this new status goes into effect in October will get 20% Final Value Fee discounts even if their current discount level is lower today.
- For PowerSellers who do not qualify as eBay Top-rated sellers in October, the <u>current discount structure</u> will continue until April 2010 to give sellers eight months to adjust business practices as needed.

What's changing in the PowerSeller program in April 2010?

- The volume qualification for all PowerSellers will be a minimum of 100 transactions and \$3,000 GMV annually.
- The performance qualifications for all PowerSellers to remain in the program:
 - A maximum of 1.00% of transactions with U.S. buyers can have low DSRs (1s or 2s) on item condition and a maximum of 2.00% on communication, 2.00% on shipping time, and 2.00% on shipping and handling cost.
 - o At least 4.6 average across all four DSRs from U.S. buyers
- The Final Value Fee discounts will change to 20% for eBay Top-rated sellers and 5% for all other PowerSellers.
- Note the current PowerSeller program discount structure based on average DSRs will not change until April 2010: 20% for 4.9; 15% for 4.8; and 5% for 4.6. This will give sellers plenty of time to adjust business practices to meet the new requirements.

Eventually I expect the PowerSeller program to disappear altogether to be replaced by the top rated seller program.

Summary

The Good news:

- It will be easier to attain PowerSeller status. If you don't get a lot of low DSRs you will qualify as a Top-Rated Seller (TRS) as soon as you hit \$3000 in sales.
- Keep your TRS status and you qualify for the full 20% fee discount.
- You no longer have to worry so much about getting 4-stars (which is still excellent) and it hurting your rating and discount.
- DSRs received from international buyers will not count against your score.
- The TSR badge and the increased placement in search will help your sales
- It will be somewhat easier for small sellers to compete with large sellers.

The Bad news:

- I wouldn't really call it bad news, but you will have to maintain a high standard of communications and customer service to keep from getting low (1 or 2) ratings. If you really want to make money on eBay –or any other ecommerce site, you should be doing this anyway.
- Some categories and product types will be affected more than others. For example, I know one large PowerSeller who sells recycled ink cartridges. In the recycled market the industry defect rate is about 2%. Even though he offers free replacements he still gets 1 or 2 stars often because of defective product. I know another seller who sells As-Is electronic products. He makes no guarantees and says the products are AS IS in big letters and reminds them about that in their email. But when someone gets a product that doesn't work they will still leave low stars. These sellers could have a very tough time with the new system.

Here is a chart provided by eBay that summarizes the changes that will take effect in April 2010:

Minimum Average DSR Calculation		
	Current	New
For PowerSeller Status		
Criteria	4.5	4.60
Buyer Basis	Global	U.S. only
Repeat Buyers	One per buyer per week	All
Rounding	To the tenth	To the hundredth
Time Period	Trailing 12 months	High volume:* 3 calendar months All Other: 12 calendar months
For PowerSeller Discounts		
Criteria	4.6 (5%), 4.8 (15%), 4.9 (20%)	4.60 (20% Top-rated status; 5% all other PowerSellers)
Buyer Basis	Global	U.S. only
Repeat Buyers	No	Yes
Rounding	To the tenth	To the hundredth
Time Period	Trailing 30-days	High volume: 3 calendar months All Other: 12 calendar months

^{*}High volume=400 or more transactions in the past three months

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Consignment selling on eBay may be the perfect business. Sourcing profitable products is one of the biggest challenges eBay sellers face. Consignment selling solves that problem and can be highly profitable if you learn now to do it correctly.

3. New Minimum Standards for Sellers

A few bad apples can spoil the bushel. eBay plans to go through the bushel and pick them out.

We have all heard or read about the horror stories of inept or even fraudulent sellers on eBay. Although they are actually rare, the problem is that people, who would otherwise buy on eBay, hear these stories and they stay away. So getting rid of truly bad sellers is good for all of us. In October, eBay will introduce new minimum standards for sellers. And in April 2010, they will tighten up those standards even further.

New Minimum Standard for All Sellers

- eBay will replace the current 4.3 minimum average DSR requirements with new requirements based on a seller's incidence of low DSRs (1s and 2s). However, the standard will only apply to US buyers. International sales will still earn DSRs, but they will not affect your score for purposes of minimum standards or qualifying for the Top-Rated Seller status.
- In October, all eBay sellers will need to have 1s or 2s for item as described on no more than of 3.00% of transactions, and on no more than 4.00% for communication, 4.00% for shipping time, and 4.00% for shipping and handling charges.
- In April 2010, the standards will be stricter. All eBay sellers will need to have low DSRs (1s or 2s) on no more than 1.00% of transactions for item as described, and no more than 2.00% for communication, 2.00% for shipping time, and 2.00% for shipping and handling charges.
- To ensure lower volume sellers are not penalized as a result of one or two transactions, it
 will take at least four instances of 1s or 2s before consequences based on low DSRs are
 enforced.
- Sellers with more than the maximum allowed 1s and 2s will receive lowered placement in search and may face limits on selling activity (see below) until their ratings improve.
- Sellers with excessively high rates of 1s and 2s or other *low performance measures* ¹ may be restricted from selling.

¹ sellers with excessive claims, negative or neutral feedback

Changes scheduled in April 2010

eBay will give sellers extra time to evaluate their selling practices to comply with the changes

- Starting in October, current PowerSellers of all levels—and sellers with \$3,000 in sales and 100 transactions over the past 12 months—can qualify as Top-rated sellers and get all the rewards right away.
- The current PowerSeller program discount structure will remain in place until April 2010. That means PowerSellers who don't meet the Top-rated seller requirements in October will be able to keep their discounts according to the current discount structure until April of 2010: 20% for 4.9; 15% for 4.8; and 5% for 4.6. If you don't qualify in October when the new rules start, that gives you eight months to adjust and qualify for Top-rated seller status.
- The new DSR requirement for all sellers and the enforcement of the new *Selling Practices Policy* ² will be phased in over time to give sellers an opportunity to understand the new requirements and adjust their practices and listings. eBay will be creating a series of webinars and online town hall meetings to train sellers to meet the new requirements.

What happens to sellers who do not meet the new standard?

Here is what eBay says about sellers who do not meet the new standards:

"Sellers will be lowered in search standing. They may be offered coaching and training on selling best practices. In more serious situations, other consequences may also apply including limits to further selling, loss of PowerSeller status and discounts, and in some cases account suspension."

Before you panic, I was speaking with someone inside eBay who is familiar with the current data on sellers. He told me that currently less than 5% of active sellers do not meet these standards and that over 80% of PowerSellers already meet the new Top Rated Seller Standard.

The one problem I see is distinguishing between truly bad sellers and those who just make an honest mistake or new sellers who are struggling to get it right. eBay seems to address this with the statement that they will be offered coaching –I just hope their idea of coaching isn't a form email with a bunch of FAQs.

² See chapter 5 for explanation of the new Sellers Practice Policy

4. Changes to Search

Over 75% of all eBay buyers find an item by searching. Only 25% use Browse or arrive at listings by other methods

Mastering the eBay search engine is one of the real secrets to success on eBay. The new changes will give some advantages to small and low volume sellers they did not have before. It should also make it easier for buyers to find what they are looking for. If you can win the search game – all other things being equal, you can almost always be successful on eBay.

Best Match is eBay's default sort order to present search results. The goal of Best Match is to help shoppers find just what they're looking for from sellers they trust. For you as a seller, this means getting your listings in front of the buyers who are most interested in your products. With the new rules, delivering value and service to your buyers will be critical to determine your position in Best Match.

How Does Best Match Work Now?

The exact Best Match algorithm is a closely guarded eBay secret. But we do know that Best Match considers a number of factors to sort results. Today, those factors are (not in order of importance)

- Time ending soonest for Auction-style
- Recent sales for Fixed Price
- Seller track record
- Item title relevance
- Item cost, including shipping cost

Auction-style listings get a boost when they're about to end ("time ending soonest"). Multiquantity Fixed Price listings get a boost based on recent sales—the more items that sell in a listing, the better position it can get in search results.

Auction-style and Fixed Price listings are sorted separately according to the most relevant criteria for each format and then intermingled to show buyers a good mix of both types of listings on each page of search results.

How Best Match Will Work After October

• **No changes to Auction-style listings:** They will continue to receive a boost in search results when they're about to end. This is a major advantage for small sellers as no matter what your DSRs and even if you are not a PowerSeller, you listings will be seen when they

are about to end. This means that you want to be really good at figuring out the best day and time of day to end your listings.

• A new *listing performance score* for Fixed Price will replace recent sales: Fixed Price listings will have a performance score based on the listing's recent sales in relation to the number of *recent* impressions (hits) it received. An "impression" is any time a buyer sees a search results page that includes the listing. For example, in the new Best Match, a listing with 100 *recent* impressions and 10 recent sales will score higher than a similar listing with 1,000 *recent* impressions and 10 recent sales.

The listing performance score will be a more accurate measure of how buyers perceive a listing than recent sales alone. eBay has not said what recent means. I suspect it will be something like a rolling 30-day period, but they will most likely not reveal that information. In general I like this method better than the current method as long as you are good at writing titles and closing the sale you will do well.

- New (recently listed) Fixed Price listings will be given exposure in Best Match even though they have no sales history. New listed Fixed Price listings will be given a *certain number of initial impressions* based on the relevance of similar listings. This will improve the exposure of new Fixed Price listings that are relevant to buyers. Note: Again eBay has not said what the *certain number* is or for how long it lasts.
- Titles will be more important than ever: Relevant titles will be more important than ever in getting the best position for Fixed Price listings. A good listing performance score (a system eBay uses to determine the search ranking) is basically a close ratio between your impressions and sales, in some situations a title that is too general could bring you a short-term gain in impressions, but end up giving your listing a lower listing performance score. For example, if you sell iPod accessories and your title causes your item to appear when buyers are looking for an iPod and not an accessory, you may get more impressions with a lower percentage of sales. This would eventually push you down in the search rankings.
- **Seller performance will count more:** Top-rated sellers will get promoted in Best Match for Fixed Price listings. Sellers not meeting the new minimum standard³ will be demoted for both Auction-style and Fixed Price listings.
- **Shipping cost continues to count:** As always, shipping costs are considered. Keeping costs reasonable and offering free shipping continue to be best practices. Fixed Price listings with free shipping will continue to receive added exposure. Auction-style and Fixed Price listings with excessive shipping will be demoted.
- **Optimized by category:** To make sure the most relevant inventory from the best sellers surfaces on top of search results, there may be some variations by category in Best Match.

³³ See chapter 5

The best practices for sellers will be the same, but you always want to make sure you are in the most appropriate category for your product.

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The new eBay Fixed Price fee schedule just made this business more profitable and more viable on eBay. If you like books, this is a great little niche for any new or small eBay seller and you can take your business onto Amazon and several other internet sites devoted to the Used Book Business.

Used books are doing very well in this slow economy and sales are booming. Books are easy and cheap to source. Selling used books is a great low-risk, low-cost, high-return online business.

5. New eBay Seller Standards Policy?

eBay will update the new sellers policy to require more standardization of descriptions and performance.

The new Selling Practices policy sets minimum standards of professionalism for all aspects of a listing and a transaction. Since this is an actual policy description, I haven't changed any words. This is eBay's exact language, but my comments appear in blue italics after the policy

Item Details and Description—Sellers are responsible for providing accurate and consistent details regarding their items, including item condition and product details. For example, it would be a violation to select "New" in item specifics and say that it's refurbished in the item description. Also, listing descriptions must be professional in both language and tone.

Accurate descriptions are essential to success on eBay, so I have no issue with this one.

Terms and Conditions—Sellers can include only relevant terms and conditions. Violations would include conflicting information in a listing, failure to uphold stated terms, or a disclaimer of seller responsibility to deliver the item as described in the listing.

This is nothing more than keeping your word. If you promise something such as free return shipping or a money-back guarantee then you should follow through

Product Availability—Sellers are responsible for having items available for sale for the duration of the listing. Single quantity items or items in low supply should not be listed both on and off eBay simultaneously.

Shipping and Related Charges—Sellers will continue to be required to charge only reasonable shipping and handling fees.

Return Policy and Handling Time—As previously announced, sellers are required to specify their return policy and handling time in a listing. The new policy requires the information you specify to be accurate.

If you use the word "day" or "days" to describe shipping time, be sure and use the term "business day"

Appropriate language—Listings cannot include comments that undermine confidence in the

marketplace, such as comments expressing negativity toward buyers or the selling process. Here are a few examples unprofessional language and tone:

"Due to bad buyers on eBay, you must contact me prior to bidding or your bid will be cancelled and you will be reported to eBay!!"

"I have had so many bad transactions with zero Feedback buyers. So, if you are new, don't bid!"

"I will leave negative Feedback for all non-paying bidders."

"I am forced to use PayPal."

Here is a list of FAQs from eBay about the new policy:

What's the purpose of the new policy?

We know that as a seller, you want to provide smooth and satisfying transactions for all your customers. Clear guidelines and standards regarding professionalism on eBay will help you meet that goal. The new policy is designed to:

- Ensure a professional shopping experience for buyers on all transactions
- Clearly outline for sellers what aspects of the transaction they are accountable for
- Help sellers take responsibility for their customer satisfaction

When does the new Selling Practices policy take effect?

Starting in October 2009, violations of the new Selling Practices policy may result in the loss of eBay Top-rated seller status. Wider enforcement will begin in April 2010.

What do I need to do to make sure I'm in compliance with the Selling Practices policy?

To make sure you're in compliance with the new Selling Practices policy:

- Check any terms and conditions within a listing to make sure they're consistent.
- Change any generic templates that include multiple or inconsistent conditions for the same item.

- Include accurate information regarding shipping costs, handling time and return policy.
- Keep in mind that you are responsible for your item until it arrives safely in the buyer's hands. Do not imply in any way that once the item is shipped you are not responsible for timely delivery or condition on arrival.
- Avoid disclaiming the availability of the item listed, and remove or edit listings when you sell out.
- Review your listing descriptions and listing templates to make any necessary changes.

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6. Updates to Selling Services

Selling services is a catch-all term that covers a lot of ground. There are changes to Buy-it-Now, the unpaid item process, dispute resolution, insurance, and eBay messages.

These may seem like a lot of unrelated miscellaneous items, but they are all either very important or somewhat important and bear studying and understanding.

Updates to Auction-style with Buy It Now listings

Auctions with low starting prices tend to attract bidders. eBay has established new guidelines for Auction-style listings with Buy It Now. For all Auction-style items listed on or after October 1, the Buy It Now price will have to be at least 10% more than the auction start price.

I don't know why eBay didn't do this earlier as it makes sense. If you are setting your start price and buy-it-now price close together then you should be using fixed price listings.

Listing features discontinued

eBay will eliminate several optional listing features starting in October.

- Featured Plus, Border, Highlight, Gift services, ProPack and Homepage Featured will no longer appear in any listings as of October 1st. Sellers who purchased them before that date will be issued appropriate credit.
- Featured First will be available only to Top-rated sellers and won't be displayed when buyers select a different sort order than Best Match.
- When sellers purchase Featured First or Bold along with International Site Visibility, these features will be displayed only on the site of purchase to ensure that domestic listings get top visibility. In other words if you purchase Bold on eBay US, your listings on eBay UK will not appear in bold.

Unpaid Item Process to be Enhanced

Starting in September, eBay will cut the time in half that it takes to resolve an Unpaid Item Dispute (UPI)

• UPI time to resolution will essentially be cut in half—from as long as 60 days to about 30 days—mainly as a result of reducing the emails and "back-and-forth steps. Sellers can choose to start the process as early as 4 days after the item ends, and have it close as soon as 8 days after the item ends.

- There will be fewer pages to fill out. This means opening and closing cases will be easier and less time-consuming. eBay will also make it easier to contact Customer Support via phone, chat, or email.
- Email communications with your customers will be clearer and more neutral in tone and come from eBay (no more mandatory back and forth between buyer and seller). There will also be fewer emails overall.
- Sellers will be able to choose to have the process initiated automatically. This is most important for large volume sellers. The new automated process will roll out gradually starting at the end of September and should be available to all sellers by the holiday season.
- With the automated process, buyers will not be permitted to leave Feedback when a claim is open.

This last one is a positive, but doesn't go far enough. I don't see why any buyer who had to be dunned to pay would be allowed to leave feedback or DSRs at all.

eBay Resolutions Service Will Become Tougher

eBay is introducing a new dispute resolution process for when buyers claim an item was not received or the item they received was different than described in the listing. eBay's has two goals for the new process

- Keep buyers on eBay by giving them a more familiar ecommerce resolution experience
- Reduce the amount of time buyers and sellers spend working out issues

The new process will hopefully make the process more efficient, with fewer steps and a quicker time frame. It also manages the interaction between buyers and sellers differently.

In the new process, direct communication between buyers and sellers will continue to be strongly encouraged. However, in the event this doesn't work, buyers and sellers will also have the option to call eBay. eBay says they will "take a more active role" in ensuring transaction problems are resolved. In some cases, when eBay determine the seller was not responsible, they may refund the buyer at their own expense. But you can bet the seller will somehow pay for this.

This new process was introduced in April 2009 and the number of buyers and sellers who see it is gradually increasing. eBay plans to roll it out to the whole site before the holiday 2009 selling season. Once complete, the new on-eBay resolution process, backed by eBay Customer Support, will be the primary resource for buyers who are unable to resolve disputes directly with eBay sellers.

Buyer Email to Change

eBay will change the email update process to make them faster and easier to respond to buyer questions and manage your email with buyers.

- **See the whole thread:** Whether you prefer to manage buyer emails in eBay My Messages or in your own email inbox, it will be faster and easier. You can reply to buyer emails by using "respond" in your email or in My Messages, or by clicking the yellow "respond" button in the email from the buyer. Either way, the conversations will be "threaded" so you can see the entire communication stream.
- **User identity kept anonymous:** In keeping with standard industry practice for email on ecommerce sites, eBay will keep the buyer's identity anonymous until after the sale is complete.
- **Some of eBay's post-transaction emails** to buyers will be streamlined. If you use Selling Manager Pro, you'll be able to customize these emails through Selling Manager Pro. The improved post-transaction emails will be:
 - o **Payment Reminder:** Only goes out if the buyer hasn't paid after 48 hours (first reminder) and 96 hours (second reminder) after committing to buy. Coming soon: Sellers will be able to have the 96-hour email coincide with an automated triggering of an unpaid item claim.
 - o **Order Confirmation:** Sent when the buyer completes checkout and pays.
 - **Order Update:** Sent when the seller marks item as shipped or uploads tracking information.

Seller Protection on International Sales

- Only transactions with <u>U.S. buyers</u> will count toward meeting DSR standards for selling on eBay.com, including qualifying as a PowerSeller or Top-rated seller.
- **Sellers will have more control over where you want to ship.** You'll have the same ship-to choices you have now, plus you'll be able to specify countries you do *not* want to ship to. For example you can indicate you ship to Europe, but specifically exclude Russia and Italy.

More shipping updates to boost efficiency and DSRs.

• Sellers are responsible for their items until they arrive safely in the buyers' hands. "Where's my stuff?" is one of the most common buyer questions. When buyers can easily

find tracking information, they tend to be more satisfied with transactions and leave sellers higher DSRs. This means you spend less time answering buyer questions. Tracking and delivery confirmation also play an important role in eBay dispute resolution for items not received or items significantly not as described.

Today when you upload tracking information, your buyers can access it in a pop-up window in their My eBay. If you pay shipping and print labels on eBay, your tracking information is uploaded automatically. Or you can upload the shipping tracking number or delivery confirmation, or mark your item as shipped on your own. When a tracking number is uploaded or an item has been marked as shipped, an email is sent automatically to notify your buyer.

A number of updates coming in September will help improve shipping service and DSRs and, at the same time, reduce operating costs and buyer inquiries.

- **Tracking for more carriers:** Starting in late September, sellers will be able to upload tracking and delivery confirmation numbers for <u>more carriers</u>.
- Shipping information more visible to buyers to help DSRs: Buyers will see a message next to your handling time on the item page to help set expectations. Plus they'll see tracking information and your stated delivery time right in the Feedback and dispute resolution flows. For transactions with free shipping, there will be clear messaging in the Feedback flow encouraging buyers to leave a 5 DSR for shipping and handling charges. (I don't know why eBay doesn't just automatically give a 5-star rating for free shipping. This doesn't make sense).
- **No shipping DSRs with local pickup:** When the only delivery option for your item is local pickup, your shipping related DSRs will be "turned off."

Faster ways to edit listings and listing descriptions-including bulk edits:

• Starting in late September, sellers will be able to make changes to most fields of your multi-quantity Fixed Price and Store Inventory format listings—even when those listings have already had a sale. For any sales prior to your updates, you and your buyer will have access to a record of the listing as it appeared at the time of the sale.

This is a great change. In the past when I wanted to change something I had to pull the listing and relist it. Since eBay is counting sales versus impressions on FP listings this could lose your search position.

Plus with the eBay Bulk Edit tool available in My eBay, Selling Manager (currently free), Selling Manager Pro, and Turbo Lister, you'll be able to make edits to most fields and the descriptions of up to 200 listings at a time.

Category and Item Specifics Changes:

Changes to categories and Item Specifics that were previously announced monthly are now included with other major changes that may impact your listings. Category and Item Specifics updates are coming the week of September 22 in the following categories:

Antiques: Linens & Textiles (pre-1930); Science & Medicine

Books

Coins & Paper Money

Clothing, Shoes & Accessories: Dancewear; Men's/Women's Accessories; Men's Clothing;

Wedding Apparel & Accessories

Collectibles: Science & Medicine (1930-Now); Linens & Textiles (1930-Now)

Computers & Networking: Desktop & Laptop Components; Desktop & Laptop Accessories;

Vintage Computing

Electronics: Pro Audio; Stage Lighting & Effects

Home & Garden: Holidays, Cards & Party Supplies; Inside the Home; Wedding Supplies **Motors:** Golf Carts and Golf Cart Parts (moving to eBay Motors); new categories for new vehicle models; Wheels, Tires & Parts (adding item specifics; removing sub-categories)

Musical Instruments: Pro Audio Equipment

Pottery & Glass: Publications

Sporting Goods: Golf Carts (electric) and Golf Cart Parts (moving to eBay Motors)

Sports Memorabilia, Cards & Fan Shop: Cards; Fan apparel

Coins & Paper Money

Video Games: Internet Games

If you sell in any of these categories, make sure you update existing listings or you will lose your search position.

The Complete eBay Marketing System

Updated for 2009. The Complete eBay Marketing System contains all of the material in my three best-selling books:

- The Basic Guide to Selling on eBay
- The eBay Power Seller's Manual
- The Wholesale Buying System

Plus tons of new material that takes you through the eBay selling process from beginning to end. You get a 5-pound printed workbook, six bonus files and access to our members-only wholesale sourcing portal.

7. Summary – What Does It All Mean?

Bringing it altogether

This is a pretty big announcement and policy change and frankly it's a lot to digest. But eBay is giving us time. You have until October to make most of the changes. And, best of all, everything will be in place before the holiday selling season. About two years ago eBay promised not to make major changes to the platform during the holiday season and they have kept their promise.

There is no doubt these changes will cause sellers some work and a few pain points, but all-in-all, these are very positive changes and they fix a lot of the unintended consequences that the earlier policies caused.

What these changes, and the ones last year, amount to is an entire overhaul of eBay to make it more like Amazon and other successful online selling sites. This inevitably means sellers will have to adjust their business practices. Like I said at the beginning of this book —no one really enjoys change, but running any successful business is all about being flexible and agile and rolling with the punches.

Good luck on eBay

Skip McGrath



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