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## Transforming Lives through Online Auctioning

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Industry Spotlight

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**Online auctioning** has grown and evolved into a multi-billion dollar industry. 12 years later, **eBay** continues to **dominate** in the online auction community. Through their **unique online auction platform, providing support and incentives for their sellers and meeting the demands of their buyers**, eBay has created an **ideal environment** for virtually anyone to sell.

### Unique Online Auction Platform

From its inception, **eBay founder Pierre Omidyar** recognized the opportunity of **connecting buyers and sellers** in an e-commerce environment and the importance of creating an online platform that encouraged communication and trust amongst its users.

“The platform evolved very quickly incorporating user feedback to allow members to rate the quality of their interactions with other members and has become a way of generating an **online reputation** [within the online auction community],” says **Andrew Sloss, Country Manager at eBay Canada**.

The **eBay sellers’ ratings** have been successful in helping online buyers **feel safe** purchasing products and services from reputable members, and have also provided **word-of-mouth advertising** for sellers. According to Sloss, Canadians have spent **over \$1 billion (US) on eBay** in the past 12 months leading up to February 2008. In fact, excluding travel and groceries, **eBay transactions** account for **one-quarter** of the roughly **\$5-billion (US)** spent by Canadians on **online purchases** each year.<sup>1</sup>

He emphasizes that eBay’s goal is to provide **both the demand and the platform** to allow people to sell anything:

“Whether it’s an expensive item or an inexpensive item, whether the item is large or small, an item in a clothing category verses an automobile part, we really want to be seen as a place where **people can buy and sell anything.**”

For sellers who prefer to place their items conveniently in a **single location**, eBay offers what they call “**eBay stores**”. According to Sloss, “**eBay stores** are really intended for sellers who have **many items of a similar kind** where they can list those items. Since many sellers have auction listings, they can cross promote with their store listings to drive traffic into their eBay stores.”

And with the ease of navigating and searching for items on eBay, their site has won the approval of many buyers worldwide. Even with thousands of items listed under **more than 30 standard categories** and **hundreds of subcategories** on their web site, buyers can **easily** find what they are looking for with just a few clicks of the mouse.

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<sup>1</sup> **Source: eMarketer**, “*Canada’s Digital Report Card*,” May 15, 2006

### Support and Incentives for Sellers

According to a **May 2006 study** conducted by **ACNielsen International Research** on behalf of eBay, there are **33,000 Canadian sellers** who earn a **full-time** or **part-time income** through eBay. Dedicated to helping their sellers succeed, eBay provides a **vast number of resources** for new sellers. From their comprehensive **online help system** on their web site; to their **how-to-buy and sell on eBay manuals** at local bookstores; to their live **eBay university orientation course**; eBay makes their educational resources **readily available** to anyone who wishes to sell on their platform.

Once sellers establish themselves as **“Power Sellers”**, eBay also rewards them with **different levels of incentives** based on the **service levels** provided to their **online shoppers**:

“When [our Power Sellers] meet certain **customer service metrics**, they are eligible for discounts on their fees. And those discounts range from **5% to 15%** of their fees and are eligible to them if they **meet** certain detailed sellers’ rating scores. So sellers who are able to maintain **high buyer satisfaction** will be eligible for those incentives,” explains **eBay Canada’s** Andrew Sloss.

Like most service oriented organizations, eBay makes a point of establishing a dialogue with their **largest customers** to address their **unique issues** that they may be facing. However, regardless of **where** sellers are at and **what** they are interested in selling, Sloss emphasizes that **eBay’s goal** is to **make it as easy** and **as smooth as possible** for people to buy and sell on eBay.

### Meeting Demands of Buyers

According to **Comscore Media Metrix** statistics from **December 2007**, **eBay** was visited by more than **11.3 million unique Canadian visitors**. With the high volume of traffic to their web site, eBay’s focus has been on ensuring buyers are **having relevant experiences** on eBay:

“If it’s an item you are interested in, whether it’s a cell phone or an automobile or a collectible item, we want to **make sure** people are finding those things,” says Sloss.

In fact, the many **US listings** appearing on **eBay.ca** provide Canadians with **even** more selection. According to Sloss, **Canadian buyers** are interested in purchasing from **both American and Canadian sellers**:

“Just as the vast majority of **what Canadians sell** actually sells to Americans, a vast majority of **what they buy** actually comes from Americans. Canadians get such **great deals and value**, and have such great **breadth and selection** that they are interested in buying from **American and Canadian sellers**.”

He emphasizes that “if we [at eBay] do things to make it a **great buying experience**, this will be great for our sellers and ultimately great for eBay.”

### Recent Changes

In a move to encourage more listings and to improve the overall buying experience on eBay, **eBay** announced their plans to **rebalance their item listing fees** effective **February 20, 2008**. According to Sloss, this would **reduce** the **risk and cost** of listing items on their web site by transferring some of that cost to the **final value fees** when sellers are successful. With the Canadian dollar **at parity** with the US dollar since September 2007, eBay has also adjusted the cost of selling items this year to reflect the current market value of the two currencies.

**Ongoing Customer Feedback**

According to **Andrew Sloss** at **eBay Canada**, part of their continued success at eBay has been **listening** to what their buyers and sellers are telling them about their experiences on eBay; from how Canadians are **reacting** to the recent changes made to listing fees, to what **suggestions** they may have to improve their experiences on eBay.

**“We succeed** when our **community of users succeed**, and we need to **listen to that** to make sure we are **constantly involved** in that discussion and partnership,” says Sloss.

**Tools for Success**

The understanding that their success is **contingent** upon the success of their buyers and sellers has been the **foundation** of eBay’s success. From their **unique online auction platform** to their **dedicated resources** for their sellers and their **drive to make** their buyers’ experiences **relevant**, eBay has provided the **necessary tools** to **transform lives** by creating **entrepreneurial opportunities** for anyone to make a full or part-time income selling through eBay.

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**About the Author:**

Eleanor Kwan, CSP, is the CEO and Founder of **ShapeYourVision®**. Her company helps companies and individuals optimize their sales performance through sales consulting, custom sales training and coaching. For more information, visit [www.ShapeYourVision.com](http://www.ShapeYourVision.com).