

## Ed's eBay Wisdom

I have been buying and selling on eBay since December 1999. There are lots of resources out there for learning to buy and sell on eBay. This is not a comprehensive guide to eBay; rather it is a brief personal perspective. This document contains many personal opinions, many of which do not agree with what eBay, Inc. says or recommends. As such I can't absolutely guarantee the accuracy or effectiveness of these strategies. Please use your best judgment as you read the following material.

## History of EBay

Check out [eBay on Wikipedia](#). This article debunks the urban legend that eBay was started as a site for trading PEZ candy dispensers.

## Risk

Buying and selling on eBay includes some risk. Most people who do business on EBay eventually encounter at least one problem if they are there long enough . EBay has millions of members all over the world that represents a cross section of humanity; honest, crooked, mentally imbalanced, etc. With this in mind approach eBay with a degree of caution. What I recommend is trying to maintain a degree of psychological detachment from the process. This requires a bit of discipline, the same sort of discipline which will make you successful in business in general. An example of this sort of discipline is to not get overly excited when you discover the perfect treasure

you have always wanted. Keep in mind that even though it's the only one today, next week there will be another. Another example is when a deal goes bad, don't get emotional; don't take it personally. Rather just let go and make the best of the situation. Just keep in mind that you will most likely never meet the person you are dealing with and it's unlikely you will ever interact with them again on eBay.

Human psychology is complex. Confirmation bias is a tendency for people to favor information that confirms their preconceptions regardless of whether the information is true (just look at politics). Fundamentally dishonest people will tend to be predisposed to see everyone else as dishonest. Fundamentally honest people will tend to be the opposite. Watch out for this in yourself as you shop and bid on eBay. For sellers, try to avoid making this a problem for your buyers by making your listings clear and accurate. For buyers keep an open mind and avoid assuming every seller is either honest or dishonest. Keep in mind that each buyer and each seller is a different person. One transaction gone bad doesn't make all buyers and sellers bad. When you read items descriptions, keep in mind that the seller will be presenting their items in the best possible light due to their own confirmation bias.

### Rip-offs I have encountered on eBay

- "I need this item desperately." "Could you send it out today?" "I swear the check is in the mail, Or, I need to put money in my PayPal account, or I need to recover my PayPal password by calling them" I have heard all those. Never, never send out an item before you receive payment.
- I once had someone buy a valuable antique (about \$900) from me. This person had a friend who worked in the local post office. This friend made the package "disappear" before it could be scanned and the delivery confirmation produced. I eventually got

my money back from the post office and the postal inspectors eventually caught the guy, but it took about 6 months.

• **Defective or not as described items:** This happens all the time. I suppose it's human nature to bend the truth to promote one's self interest - even for someone who is fundamentally honest or thinks they are honest. Recently I purchased a watch and the description said:

*"Here is the very hard to find Altimeter watch. This unit is in excellent condition ..stuff deleted... There is just one very minor issue and that is you have to push hard on the adjust button to engage it. I have had several of these over the years and that seems to be common. That may be intentional so you don't accidentally bump it and change your settings or lose your ski data."*

Well the "hard to push button" was really a button that didn't work. He said that he had owned several of these over the years and if this were true then he would have known that it was a defect. So, as I look back on this transaction I am fairly certain that he was not telling the truth. I ended up filing a dispute and getting my money back. He ended up really pissed off at me, but it was probably the "indignation of a scoundrel" as they say.

Another time I purchased a cell phone battery for \$0.99 cents and \$3.00 shipping. It came in an envelope with two stamps on it and it didn't work at all. PayPal would only make him refund the \$0.99. This is a low dollar example but the \$3.00 was an excessive shipping fee and no matter what the outcome I would never get that back. This is also an example of one that I should have just dropped and written off.

• **Identity theft:** eBay accounts are serious business. Paypal accounts are even more so. Be very careful to pick passwords which are very secure. All my passwords are 10 to 12 characters long and include numbers and special characters.

- As I said before, watch out for special fees and excessive shipping cost. Often the ones that do this rip-off have vast amounts of text in the listing with a description of these fees hidden within. This is actually a fairly common scam and I don't know if eBay or PayPal would let you get out of it since it was written in the description.

### Tips for buyers (sellers should read this as well):

- Read the product description carefully. Sometimes defects or "features" described as minor problems are in fact very serious. It's just human nature to make your stuff look as desirable as possible. This was part of the problem with the example I gave above concerning the altimeter watch.

- **Email Phishing:** This is when people harvest email addresses or other contact information. Sometimes people will ask you questions about items but all they really want is your email or other contact information. When responding to questions always select the option where your email address is hidden. I think that recently eBay made this option the default. Don't give out your email address unless necessary.

This is an even larger problem with Craigslist. People will send inquiries about your items on Craigslist just to get your response and email address. When I sell on Craigslist, I always require people to call me on the phone and I won't usually respond to email enquiries.

- If a buyer uses a stolen credit card to pay for a purchase through PayPal. PayPal will take back the money once the card is reported. They assume no liability for stolen cards, or so I was told by a friend. This has never actually happened to me.

- **Feedback extortion:** I once sold an HP business calculator to a woman. About six months later she emailed me and said the battery had died and that I must buy her

new batteries or she would leave me negative feedback. Keep in mind that a buyer can only leave feedback for approximately 90 days. I just ignored her. Nowadays, sellers can't leave negative feedback for buyers so for buyers this is no longer a problem.

- **Holidays:** Buyers will usually get better deals on major holidays. The reason is simple; people are traveling or otherwise preoccupied with other things and not bidding at these times. (Sellers: Don't list your item over holidays.)

- **Misspelled words:** An item which is misspelled in the listing will receive far fewer bids than a correctly spelled item. For example if you want to buy an Espresso coffee maker, just search for "Expresso". (Sellers: Learn how to spell what you sell.) Often it is the brand name which is misspelled.

- Make sure you know how much shipping will be before bidding. Excessive shipping charges are a common way to get ripped-off. This is particularly true with international purchases. This practice also seems to be more prevalent in certain categories of items.

- **Don't count on PayPal's protection plan.** The PayPal protection plan has lots of fine print. For example if you have a problem with an item, under no circumstances should you try to fix the item or otherwise alter it in any way. If you do then you will not be returning the item in its original condition which violates one of the fine print clauses. Also, when you return an item you must have a tracking number. PayPal will ask you for it. If you don't have it then the case is decided in the seller's favor.

- Look back through the feedback ratings and keep in mind that the score is calculated based only on the past year. The actual formula has changed over the years. Most recently it has been redesigned to make sellers look better.

• **SNIPING:** Consider using an auction sniper to place your bids in the last seconds of the auction. I personally use [auctionsniper.com](http://auctionsniper.com) and highly recommend it. Since I am recommending it, please feel free to use it on my items.

• **Shill Bidding:** Look for the same person leaving feedback multiple times. Also look for an excessive number of previous buyers with low feedback scores. This can be an indication of shill bidding where the seller bids on his own item to increase the selling price. Shill bidding is yet another reason to use auction sniper.

• For large purchases, avoid sellers with short feedback histories or ones who are relatively new. It is very easy for crooks to just close one account and start another when they receive negative feedback.

• **Shop Around:** Be sure to check [Amazon.com](http://Amazon.com)! Often things like Books, CD's, DVD's and small electronics are actually less expensive on Amazon.com as brand new items than they are on eBay - believe it or not! Plus, Amazon will fix any problems that you might have with items purchased there. Other websites I like and recommend are:

- [newegg.com](http://newegg.com)
- [overstock.com](http://overstock.com)
- [buy.com](http://buy.com)
- [sierratradingpost.com](http://sierratradingpost.com)
- I am sure you have your favorites as well.

• **Disputes:** Buyers, I personally don't have a problem when someone opens a dispute with me. It just gives me a chance to show that I am serious about my 100% satisfaction guarantee. But keep in mind that some sellers might take it personally. They might not realize that even though you have never met them and have no idea what sort of person they are, that you might be accusing them of dishonesty. So, I recommend using the dispute process only as a last resort. Plus, I suspect that PayPal / Ebay may keep a record of how many disputes you have opened and if you open to

many then they might not take you as seriously when a big one comes along. Finally, I strongly recommend that you not use the dispute process for \$0.99 items. This is when you should use that discipline of detachment and just write it off.

Furthermore, once they tell you a dispute is closed and you have lost, you can call PayPal and appeal it. This fact is not clearly stated. I won the previously mentioned watch dispute on appeal. In fact, I think eBay's second most important objective after making a profit is to avoid litigation.

### Tips for Sellers (buyers should read this as well)

- **Guarantee:** I have found that by offering a policy of allowing the customer to return items for any reason, after any amount of time that my stuff actually sells for about 50% more than it did before. For me it has only come up once but I don't think I would accept a return after 90 days which is the amount of time that feedback can be left.

In keeping with this 100% satisfaction guarantee policy, I try to not sell items which have known defects without clearly and accurately describing the problem. And even so I still allow them to return the item if they wish.

- **Buy it Now and Best Offer:** These features should be considered by all sellers. What I do is look at how much an item goes for by searching closed auctions then I set a price based on that which is I am happy with which is about 80% of the rough average. This is particularly good for items that are hard to match with bidders. For example I often sell ski boots. Finding a buyer for a pair of odd sized ski boots can be difficult in just 7 or 10 days so I sell them "Buy it now" with "Make an Offer" and make the auction run "Good 'till cancelled".

- **Best Offer:** This feature allows the psychological boost of feeling as though you are getting a discount. It is a great feature and I think it should always be included when using the "Buy it Now" feature. You don't have to accept the offers you get. I personally bid with "Best Offer" when purchasing items.

- **[Craigslist.org](https://www.craigslist.org):** Don't forget about craigslist. Sometimes it's better to just list "junk" items on Craigslist and be done with it. This way the customer can come over and see the item and make a decision. Plus, no one can give you negative feedback on craigslist.

- **Holidays:** As I pointed out in the tips for buyers, the opposite applies the sellers. Don't list your items over major travel holidays.

- **Spelling:** As I pointed out in the tips for buyers, again the opposite applies to sellers. Watch your spelling in your titles and descriptions or any other works that potential buyers might be searching for. If the title of the listing is miss-spelled, then no one will be able to find it in a search.

- **Free shipping:** This is the best way to go for items which are smaller. As eBay correctly points out, this is an added incentive to buy the item because the customer thinks they are getting a bonus. The two best marketing lines ever invented are: "FREE" and "ALL YOU CAN EAT"

There is a psychological element to free shipping. It's always better to adjust the starting price to cover the shipping then to charge extra for it. However, free shipping is a problem for heavier items because you might save money for a nearby purchaser.

- **Reserve price:** I don't believe in hidden reserve prices. I very rarely bid on items from sellers who play this game of deception. I actually think eBay would be better off dropping this feature.

- **Photo:** Avoid selling anything without a photo! A picture is worth 1000 words as they say. The photo adds a psychological anchor point to your listing. The words of your description are like the sound of your listing and the picture is the anchor and center of attention. It's always better to show the exact item that is for auction rather than a stock photo. And be sure to include the fact that the photo is the exact item being bid on in the description. Good photos are a definite plus.

- **HTML:** HTML is the basic code which makes websites work. EBay allows you to add your own html code to your listings. I use this feature to add my own high resolution pictures, links to manufacturers website's and copies of the owner's manuals. This really does help get higher prices but does involve some rudimentary programming skills. If you are going to be doing eBay as a business I highly recommend looking into this.

- **Disputes:** Sellers, as I was saying about keeping your cool and a certain level of business detachment, don't take it personally if someone files a dispute against you. Keep in mind that they don't know you and have never met you. They have no idea if you are honest vs. dishonest, good vs. evil, etc. All they are telling you is that they are serious about some issue they have with their product - PERIOD! This will give you an opportunity to show them that you are serious about your 100% satisfaction. Plus keep in mind that PayPal and eBay will refund most of the fees if a deal doesn't work out. I think they do this to encourage speedy resolution to disputes.

- Always block members that cause you problems or seem as though they might. This is an easy process. My blocked list is up to about 30 or 40 people now after 10 years.

- **Stalking:** There is always the possibility that you may encounter a mentally disturbed individual among your buyers. The risk is that if something goes wrong with this transaction then they could come after you in some manner. The advanced search feature in eBay has the ability to share addresses and phone numbers between

buyers and sellers who have a transaction in common. This person could stalk you in ways including:

- Bidding on your auctions to disrupt them.
- Feedback extortion.
- Getting your address and phone number and harassing you that way.

Furthermore, if this does happen to you as either as a seller or bidder. You should consider changing your eBay ID name after the feedback period has elapsed (usually 90 days). Sellers, you should consider having a couple of eBay accounts just for this purpose. I believe it is against eBay rules to have more than one account per person but I strongly believe it is a good idea.

• **Listing Appearance and sound:** This should be common sense... Give some thought to how your listing looks. Many sellers make the mistake of using too many text colors, too much variation in text size and end up with listings that are not aesthetically pleasing. Also, it's been my observation that doing this instinctually can be a way to hide rip-off terms and conditions such as excessive shipping cost or handling fees.

My advice is to just look at some listings and pick ones that you like and base your design on those. Watch out for clutter. Keep the cute graphics to a minimum and don't add sound. In fact, sound on a website is considered offensive to many people who work with computers professionally.

For potential buyers with dial-up connections, large and complex graphics may not fully load in a reasonable amount of time and you might miss an opportunity. To see good examples of this look at Chinese eBay listings. Lots of them have complex graphics and some of them won't load over my cable modem connection.

## Conclusion

Relax! eBay is a great resource. It can save you money or make money for you but it isn't free for either the buyer or seller. Buyers must understand that not every deal is going to work out. Sellers must understand that there are fees and they must price their items accordingly. For everyone, eBay is going to be more time consuming than just buying at your local store or regular mail order. Sometimes eBay is worth it, sometimes it's better to just buy stuff at Amazon or your local shop as I pointed out before.

Be smart about how you use eBay. eBay today is a large corporation which, like all corporations, has one goal in mind - to make money. Keep in mind that eBay balances their quest for profits against your quest for profits. At times these two are in direct odds with each other.

Good luck with your bidding and selling. Let's all try to make eBay a more rewarding experience for each other.