

# eBay's Advanced Selling Strategies

## Editor's Note

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We would like to thank everyone who contributed to the creation of this best practices guide. It was made possible by analyzing our own internal research, talking to many successful sellers, and working with our Preferred Solution Providers.

On eBay, every business is built differently. What works for one company may not work for another. Therefore, you should not use this as a formula for success. Rather, you should consider each best practice and incorporate the strategies that make sense to build your business.

We hope that you enjoy reading this guide and think that it will help you build a better business on eBay.

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# Understand the Marketplace

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Understand the dynamics of your category and build a winning strategy based on market insights. For instance:

- Discover what the market will bear for products “through completed item” searches
- Learn from other sellers - how are they pricing and merchandising their goods
- Understand why one seller yields a higher price over another for the same item



# Measure Success

eBay's most productive sellers actively measure their eBay businesses with a few simple metrics. By doing so, they are able to track growth over time and gauge the efficiency of marketing efforts. Some useful performance metrics include:

- Sales (overall and by category)
- Cost of Sales Ratio (eBay fees as a percentage of sales)
- Conversion Rate (percentage of listings sold)
- Item Conversion Rate (percentage of items sold)
- Average Selling Price (by product type)

The table below is an example of how you could measure the results of selling multiple quantities of the same product using 2 different formats. This simple analysis highlights that \$1 no reserve for this item had a higher yield and lower cost of sales.

| Starting Bid         | Qty. Listed | Qty. Sold | Conversion Rate | ASP      | Total Sales | Fees    | Fees/GMS |
|----------------------|-------------|-----------|-----------------|----------|-------------|---------|----------|
| \$1, No Reserve      | 5           | 5         | 100%            | \$350.00 | \$1750.00   | \$52.75 | 3.0%     |
| \$100, \$300 Reserve | 5           | 3         | 60%             | \$310.00 | \$930.00    | \$47.95 | 5.2%     |



# Experiment, Learn & Improve

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Experimentation is critical to your success. Market trends change every day, and so should your business. You should constantly:

- Try selling new types of products
- Use a variety of selling formats
- Implement the latest eBay features and initiatives
- Develop creative promotions

Next, sellers should measure the results of their trials, and repeat those that have a positive effect on their business. Our most successful sellers are constantly experimenting, learning and improving.



# Build a Loyal Customer Base

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Successful sellers enjoy better economics from repeat customers. They earn this loyalty by accurately representing items, delivering top quality service, and standing behind their products. Treat your eBay customers in the same manner that you would want to be treated as a buyer, and you will realize the benefits of eBay's 55 million users.

