



channeladvisor®

Unlocking the Power of

eBay™ for retailers

**Forget everything
you **thought you knew**
about eBay**

eBay has become one of the **most powerful channels** for retailers and big brands alike.



If you're not on eBay, you're missing out on valuable revenue. The growing marketplace has seen some major changes over the years, and this evolution has left behind a trail of misconceptions about the marketplace.

These days, in the competitive world of e-commerce, **just making an appearance on eBay simply won't cut it.** To leverage the opportunity, retailers must stay informed about these changes and adjust their listings accordingly.

To help you get one foot planted on your journey from the decade-old idea of eBay to the dramatically different 2011 marketplace, we're setting straight four of the most common, and most problematic, eBay misconceptions for retailers.

Misconception #1

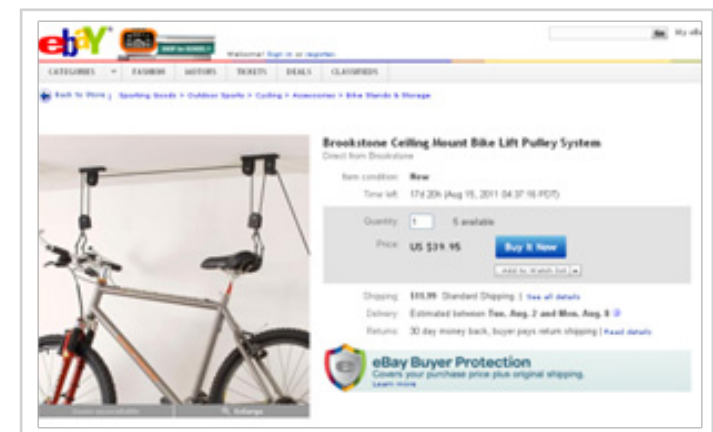
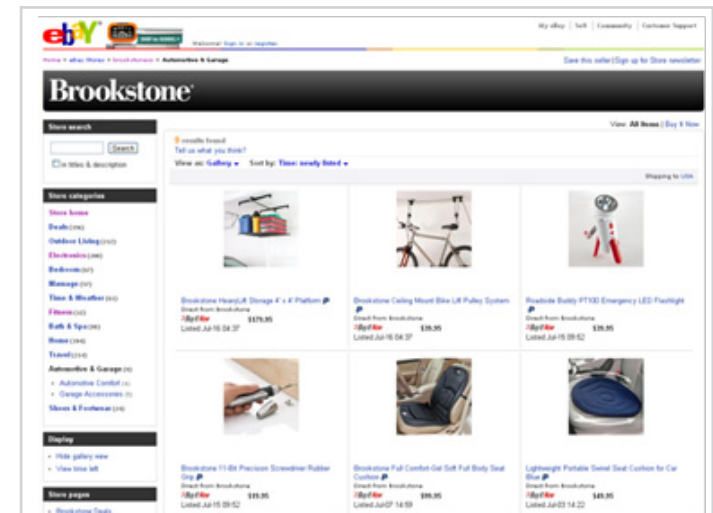
eBay is Just an Auction Site, Right?

More than fifteen years ago eBay was founded **as a site for individuals and businesses to trade products.** In its early years this was an exciting method to both buy and sell, or, more accurately, barter, for goods.

While it doesn't look like the auction format is going anywhere soon — eBay views auctions as a unique offering and a competitive differentiation — auctions have significantly declined in the last decade. As buyer traffic increased and eBay matured as a marketplace, sellers began to gravitate heavily toward fixed-price listings. Today, eBay reports that approximately 60 percent of current listings are fixed-price format. In fact, ChannelAdvisor customers have a higher percentage at around 75 percent.

It's important to note that auction listings appeal to sellers who have been on eBay through much of the past decade. More recent sellers, and many of ChannelAdvisor's customers, prefer fixed-price listings.

Regardless, it is safe to say that **fixed-price listings will outnumber auction listings in the future.**



Misconception #2

Most of the Listings are for Old, Used Products

In 2010, eBay began requiring sellers to denote the condition of their products in the product listings (“new” or “used”), making it easier for a buyer to filter out unwanted specifications within a product search.

While eBay does not publish its listing information broken down by condition, ChannelAdvisor customers list “new” products approximately 80 percent of the time. Since ChannelAdvisor and eBay show similar year-over-year GMV growth, it is likely that the ChannelAdvisor retailer profile is in line with the growing segment of eBay sellers, implying that listings of **“new” products are significantly outnumbering “old” and “used” item listings.**



Misconception #3

People Only Shop on eBay for One-of-a-Kind Collectible Items

There are many rare and collectible fun-finds available on eBay, but such unique relics are not all that is offered. Every product and product category imaginable is present on eBay, including many of the Top IR 500 brands.

According to eBay's Q2 2011 report, eBay has more than five \$1B/Q categories and more than twenty \$1B annualized GMV categories, which is an impressive portfolio proving the success of multiple product categories on the marketplace.

Category	Q211	Annualized GMV	Y/Y Growth Rate
Vehicles	\$2,238	\$8,952	2%
Home and Garden	\$2,155	\$8,620	23%
Parts and Accessories	\$1,633	\$6,532	25%
CSA	\$1,556	\$6,224	13%
Computers	\$1,153	\$4,612	12%
Sports	\$914	\$3,656	18%
Business and Industrial	\$733	\$2,932	25%
Cell Phone and Telecom	\$726	\$2,904	18%
Consumer Electronics	\$655	\$2,620	3%
Jewelry	\$622	\$2,488	15%
Tickets and Travel	\$592	\$2,368	17%
Collectibles	\$551	\$2,204	13%
Everything Else	\$495	\$1,980	21%
Health and Beauty	\$455	\$1,820	17%
Photo	\$429	\$1,716	11%
Coins and Stamps	\$427	\$1,708	38%
Toys	\$420	\$1,680	20%
BMV	\$340	\$1,360	3%
Musical Instruments	\$334	\$1,336	12%
Antiques and Art	\$274	\$1,096	17%
Video Games	\$216	\$864	3%

Misconception #4

Transactions are between Two Individuals

eBay is the largest e-commerce marketplace in the world, but the idea that most transactions are between two individuals is wrong. **The truth is that most individuals succeed in selling only one or two items a year.** In fact, many of the transactions originate from professional online retailers. **Consumer-to-consumer exchanges have been replaced with business-to-consumer exchanges**, and as eBay attracts more large, national and multi-national brands, the pendulum will continue to swing in that direction.



Conclusion

eBay has evolved to become a very powerful channel for large online retailers, and it works hard to adapt and ensure that it presents **a marketplace that meets the demands of current buyers and sellers**. Today, that demand is a new item sold by an everyday brand retailer for a fixed price.

ChannelAdvisor powers some of the top brands on eBay, and has successfully kept its customers up-to-date as the marketplace evolves in order to guarantee retailers continued success.

ChannelAdvisor was named the #1 Marketplaces solution provider to the elite Top 500 Online Retailers in the 2011 Internet Retailer Top 500 Guide.

To learn more about our #1 ranked Marketplaces solution:

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