

***Starting a Business
on eBay.co.uk***

FOR
DUMMIES®

by Dan Matthews and Marsha Collier



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*Starting a Business
on eBay.co.uk*

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About the Authors

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Marsha Collier spends most of her time on eBay. She loves buying and selling – she's a PowerSeller – as well as meeting eBay users from around the world. As a columnist, and author of four best-selling books on eBay, a television and radio expert, and a lecturer, she shares her knowledge of eBay with millions of online shoppers. Thousands of eBay fans also read her monthly newsletter, *Cool eBay Tools*, to keep up with changes on the site.

Out of college, Marsha worked in fashion advertising for the *Miami Herald* and then as special projects manager for the *Los Angeles Daily News*. She also founded a home-based advertising and marketing business. Her successful business, the Collier Company, Inc., was featured in *Entrepreneur* magazine in 1985, and in 1990, Marsha's company received the Small Business of the Year award from her California State Assemblyman and the Northridge Chamber of Commerce.

More than anything, Marsha loves a great deal. That's what drew her to eBay in 1996, and that's what keeps her busy on the site now. She buys everything from light bulbs to parts for her vintage Corvette to designer dresses. Marsha knows how to apply her business acumen to eBay, and in this book, she shares that knowledge with you. In *Starting a Business on eBay.co.uk For Dummies*, Marsha and Dan combine their knowledge of business, marketing, and eBay savvy to help you make a smooth and quick transition from part-time seller to full-time moneymaker.

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Introduction

Thank you for taking a look at *Starting a Business on eBay.co.uk For Dummies*. We've written this book to serve as a manual to get you organised and get your eBay.co.uk business off the ground. From handling your selling time on eBay.co.uk more efficiently to stocking your shop to the *real* way to set up your books and daily operations, we give you all the details about running a successful eBay business. From our own years of experience and numerous interactions with hundreds of eBay sellers, we offer countless time-saving and money-saving tips and secret eBay.co.uk hints along the way.

One thing that we can't guarantee is how much money you can earn selling on eBay. We've discovered – perhaps the hard way – that running a business from home takes a good deal of discipline. Time and devotion dedicated to your business will boost your success.

About This Book

Success awaits you! If you've read *eBay.co.uk For Dummies*, you know just how profitable eBay can be. You've probably picked up this book because you've heard lots of stories about people making big money online, and you're interested in getting your slice of the action. If you have a retail business, establishing an eBay.co.uk shop can be a profitable extension of it.

Is selling on eBay.co.uk something that you'd like to do more of? Do you have a full-time job, but you'd like to sell on eBay part time? eBay can easily supplement your income for the better things in life – such as holidays or even private school for the kids. Perhaps you're looking to make a career change, and jumping into an eBay.co.uk business with both feet is just what you have in mind – if so, *Starting a Business on eBay.co.uk For Dummies* is the book for you.

We've watched eBay change from a homey community of friendly collectors to a behemoth Web site with tens of thousands of categories of items and more than 100 million registered users. We bet you've been buying and selling with positive results, and you can see the benefits of taking this a bit more seriously. What are you waiting for? Get started on your new career right now. Thousands of people across the world are setting up businesses online, and now is your time to take the leap of faith to begin a profitable enterprise. eBay.co.uk gives you the tools, the customers, and the venue to market your wares – all you need is a bit of direction.

Starting a Business on eBay.co.uk For Dummies includes tips to give you the opportunity to improve your eBay money-making ability and just might turn you from an eBay novice into a professional running a booming eBay business. We also show the experienced user the prudent way to turn haphazard sales into an organised business. This book has all the information you need! We combine the fine points of eBay.co.uk with real business and marketing tools to help you complete the journey from part-time seller to online entrepreneur.

In this book, you can find the answers to some important questions as I take you through the following points:

- ✓ Reviewing what you know and introducing some of the finer points of eBay.co.uk auctions
- ✓ Sprucing up your auctions to attract more bidders
- ✓ Dealing with customers
- ✓ Setting up your business in a professional manner
- ✓ Deciding how to handle inventory (and where to find it)
- ✓ Looking at what you need to be in an eBay business . . . for *real*

What You're Not to Read

If you use *Starting a Business on eBay.co.uk For Dummies* like a cookery book, jumping around from recipe to recipe (or chapter to chapter), you can find the answers to your particular questions all at once. Or you can read the book from beginning to end and keep it handy to look up future questions as they come to you. You don't have to memorise a thing; the information you need is at arm's length.

Foolish Assumptions

Because you're reading this, we assume you're serious about selling on eBay.co.uk and want to find out the fine points of just how to do that. Or perhaps you want to know how much is involved in an eBay business so that you can make the decision whether to give it a go.

If we've worked you out and you've decided that it's time to get serious, here are some other foolish assumptions we've made about you:

- ✓ You have a computer and an Internet connection.
- ✓ You've bought and sold on eBay and are fairly familiar with how it works.

- ✓ You have an existing small business or you'd like to start one.
- ✓ You like the idea of not having to work set hours.
- ✓ You feel that working from home in jeans and a t-shirt is a great idea.

If you can say yes to my foolish assumptions, you're off and running! Take a few moments to read the following section to get a feel for how we've put together this book.

How This Book Is Organised

This book has five parts. The parts stand on their own, which means that you can read Chapter 12 after reading Chapter 8 and maybe skip Chapter 13 altogether (but we know you won't because that's where we discuss the money!).

Part I: Getting Serious About eBay.co.uk

Reviewing what you know is always a great place to start. Considering the way eBay constantly changes, you'll probably find a little review worthwhile. So in this part, we delve into the finer points of eBay.co.uk. Perhaps you'll discover a thing or two you didn't know – or had forgotten.

Setting up your eBay shop is important, and in this part we show you step by step the best way to do it – and give you tips to work out when the timing is right for you to open your shop.

Part II: Setting Up Shop

You need to decide what type of business you plan to run and what type of inventory you'll sell. In this part, we discuss how to find merchandise and the best way to sell it. We also give you the low-down on eBay Motors UK, property, and some of the unusual areas where you can sell.

In this part, you'll also find out how to research items – before you buy them to sell – so you'll know for how much (or whether) they'll sell on eBay.co.uk.

We also discuss the importance of your own Web site for online shopping and how to set one up quickly and economically.

Part III: Serious Business!

In Part III, we discuss exactly how to use available online and offline tools, implement auction management software, jazz up your auctions, and handle shipping efficiently and effectively. Because working with customers and collecting payments is important too, you can find that information here as well.

Most importantly, you also find out how to obtain free shipping material for your business delivered to your door, get your postal carrier to pick up your boxes at no charge, and insure your packages without standing in line at the post office.

Part IV: Your eBay.co.uk Admin

Setting up your business as a real business entity involves some nasty paperwork and red tape. We try to fill in the blanks here, as well as show you how to set up your bookkeeping. In this part you'll find a checklist of the items you need to run your online business.

You also need to know how to set up your home business space and how to store your stuff and we cover that here.

Part V: The Part of Tens

You can't write a *For Dummies* book without including the traditional Part of Tens. So here are ten real-life stories of successful (and happy) people selling on eBay.co.uk. We also include ten strategies that might help you sell your stuff.

We include a random collection of terms in Appendix A. You're probably already familiar with many of these words, but others will be new to you. Refer to this appendix often as you peruse other parts of the book. In Appendix B, we briefly discuss home networking, a perk you'll want to have when your eBay business grows.

Icons Used in This Book



If there's something I need to interject – okay, something we're jumping up and down to tell you but it doesn't fit directly into the text – we indicate it by placing this tip icon in front of the paragraph. You'll know the tip to follow will be right on target!



Do you really know people who tie string around their fingers to remember something? Me neither; but this icon gives me the opportunity to give you a brief reminder to note.



We like this picture of a petard – the round bomb device that Wile E. Coyote slam-dunks in the cartoons. If you don't heed the warning indicated by this icon, you may be 'hoisted by your own petard', or made a victim of your own foolishness.



Here we share some of the interesting thoughts we've picked up from eBay sellers over the years. Because we believe that knowledge is enhanced through making your own choices based on understanding the successes and mistakes of others, we include these little auction factoids so you can gain some insight from them. If someone else has learned from a unique trick, you can benefit by taking heed.

Where to Go from Here

Time to hunker down and delve into the book. If you have time, just turn the page and start from the beginning. If you're anxious and already have some questions you want answered, check out the handy index at the end of the book and research your query.

Take the information offered in this book and study it. Being a success on eBay.co.uk awaits you.

Our goal is to help you reach your goals. Feel free to contact Marsha through her Web site and sign up for the free newsletter. That way you can stay up to date:

www.cool ebaytools.com

Please e-mail with any suggestions, additions, and comments. We want to hear from you and hope to update this book with your words of wisdom. (Humorous stories are also gratefully accepted!)

6

Starting a Business on eBay.co.uk For Dummies _____

Part I

Getting Serious About eBay.co.uk



"theworldwillgrovelatmyfeet.co.uk sounds
a lovely domain name for your eBay
business, Harold."

In this part . . .

Because eBay.co.uk continually makes improvements, some of its features are like hidden gold nuggets. In this first part, we delve into the finer points of eBay.co.uk with you. Perhaps you'll discover a thing or two you didn't know or had forgotten.

Chapter 1

Using eBay.co.uk to Launch Your Business

In This Chapter

- ▶ Getting serious about your business
 - ▶ Making decisions about what to sell
 - ▶ Having what it takes to make a living online
 - ▶ Running an efficient auction
-

You've decided to get serious about your sales on eBay.co.uk, so now you have to decide how much time you have to devote to your eBay business. We talk about all kinds of eBay businesses in this book. Even though you're not quitting your day job and selling on eBay full time (yet!), we still think you're serious. A large portion of sellers, even eBay PowerSellers (those who gross more than £750 a month in sales), work on eBay only part time.

eBay sellers come from all walks of life. A good number of stay-at-home mums are out there selling on eBay. And so many retirees are finding eBay a great place to supplement their income that we wouldn't be surprised if the Pensions Service creates a special eBay arm for them. If you're pulled out of your normal work routine and faced with a new lifestyle, you can easily make the transition to selling on eBay.

In this chapter, we talk about planning just how much time you can devote to your eBay business – and how to budget that time. We also talk here about working out what to sell. eBay businesses don't grow overnight, but with dedication and persistence, you may just form your own online empire.

Getting Down to Business

Before launching any business, including an eBay.co.uk business, you need to set your priorities. And to be successful at that business, you must apply some clear level of discipline.

We won't bore you with the now-legendary story of how Pierre Omidyar started eBay to help fulfil his girlfriend's Pez dispenser habit, blah, blah, blah. We *will* tell you that he started AuctionWeb with a laptop, a regular Internet Service Provider (ISP), and an old school desk. Omidyar and his friend Jeff Skoll (a Stanford MBA) ran the 24-hours-a-day, 7-days-a-week AuctionWeb all by themselves. When we began using the service, we had a lot of questions and we always got prompt, friendly answers to our e-mails. When the site started attracting more traffic, Pierre's ISP began to complain about all the traffic and raised his monthly fees. To cover the higher costs, Pierre and Jeff began charging 25 cents to list an auction. Pierre was so busy running the site that the envelopes full of cheques began to pile up – he didn't even have time to open the post.

When Pierre and Jeff incorporated eBay AuctionWeb in 1996, they were each drawing a salary of \$25,000. Their first office consisted of one room, and they had one part-time employee to handle the payments. Pierre and Jeff started small and grew.

Choosing eBay.co.uk as a part-time money maker

A part-time eBay.co.uk business can be very profitable. We stress repeatedly in this book that the more time and energy you spend on your eBay business, the more money you can make, but for now we move on to the lowest possible level of time that you should devote to your business.

Maybe you enjoy finding miscellaneous items to sell on eBay. You can find these items somehow in your day-to-day life. Suppose that you can spend at least a few hours (maybe three) a day on eBay. Now you must include the time you take to write up your auctions. If you're not selling only one type of item, allow about 15 minutes to write your auction, take your picture or scan your image, and, of course, upload it to eBay.co.uk or a photo-hosting site.

How much time it takes to perform these tasks varies from person to person and improves according to your level of expertise. Every task in your eBay auction business takes time, however, and you must budget for that time. See the sidebar 'Some handy eBay.co.uk time-saving tips' for pointers.

Only you can decide how much time you want to spend researching going rates for items on eBay.co.uk and deciding which day or time your item will sell for the highest price. You can take great photos and write brilliant descriptions, but cashmere cardigans don't sell for as much in the heat of summer as they do in winter. Doing your research can take up a good deal of time when you're selling a varied group of items.