

channeladvisor®

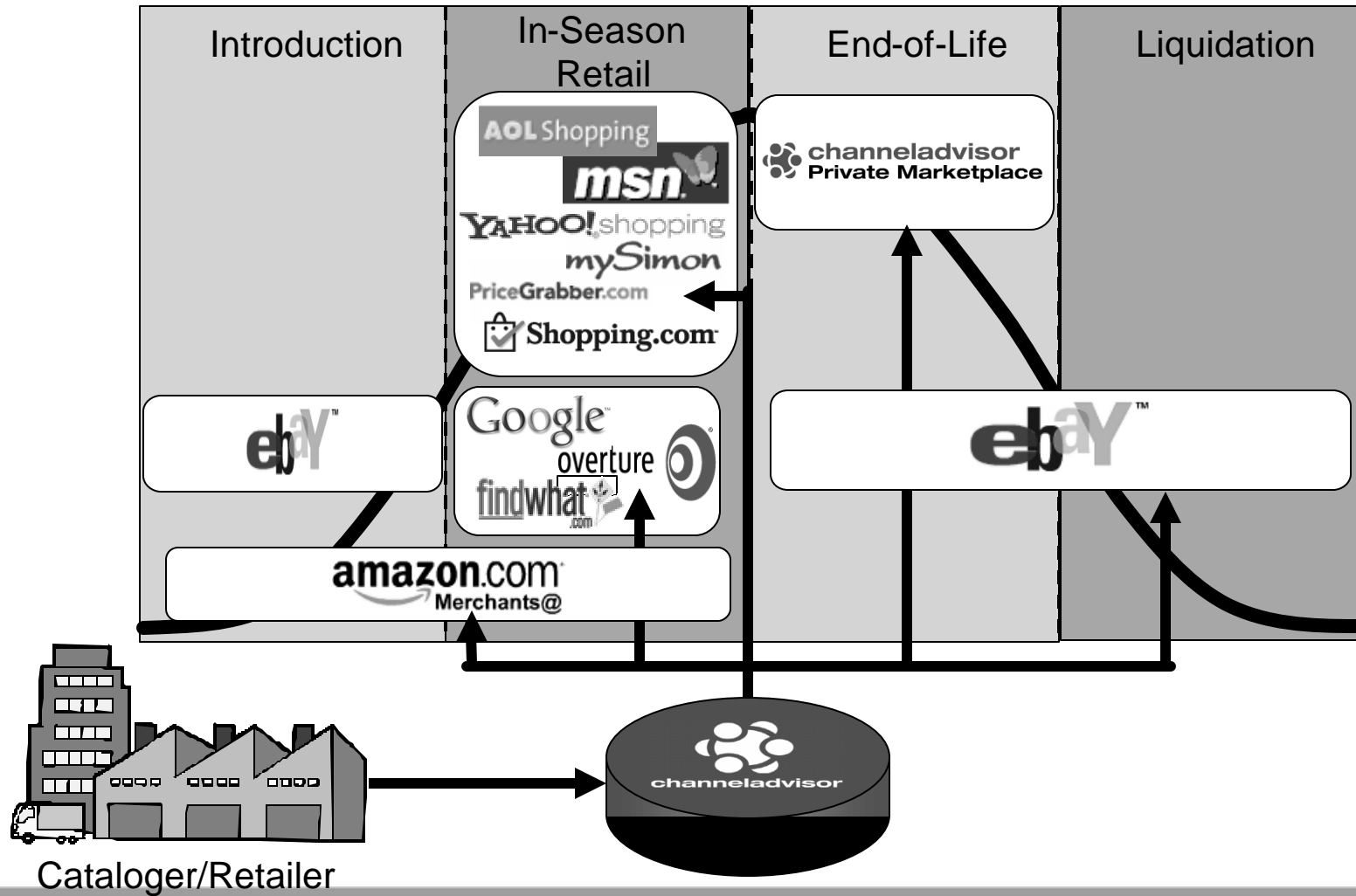


eBay as a Prospecting/Sales Channel

Helping the World Sell Online™

Jim Magnanini,
VP F1000 Sales/Services

ChannelAdvisor Services



Selected ChannelAdvisor Clients

RITZCAMERA.com

SEARS

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 Sony Ericsson

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THE SHARPER IMAGE

IBM

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DELL

SHOWTIME

BOSE
Better sound through research®

QVC

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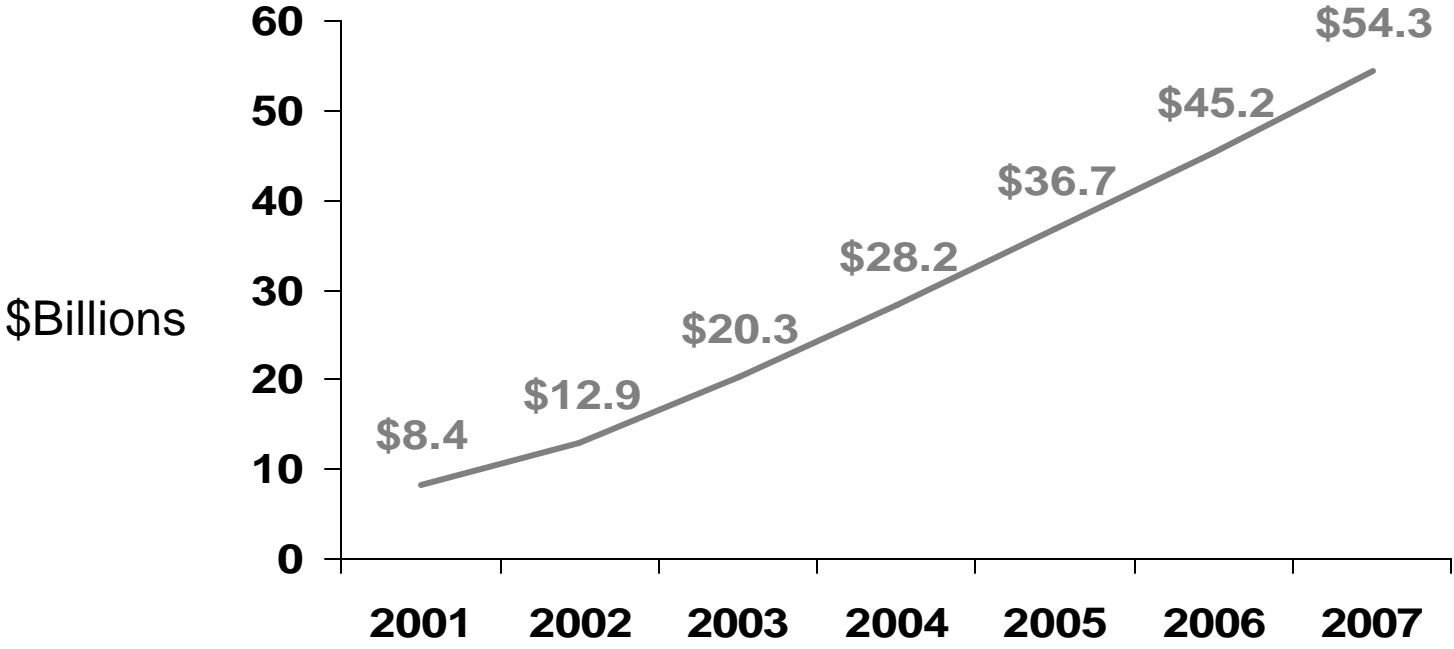
harman audio™

TOYS'R'US

Online Auctions

- Over the past 5 years, Online Auctions have become a recognized means of liquidating surplus and returned merchandise.
- In 2004, Online Auction Sales accounted for 20% of all Online Sales. That number will grow to 26% by 2007.
- Traditionally, Online Auctions have been viewed as a Channel focused solely on improving cost recovery.
- However, as the market has grown, businesses are using Online Auctions as an effective channel for:
 - ***Acquiring New Customers***
 - ***Promoting Brand Awareness***
 - ***Driving Traffic***
 - ***Increasing Revenue***

The \$s behind Online Auctions



Information Provided by Forrester Research

What's selling on eBay?



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Listed in category: [Everything Else](#) > [Weird Stuff](#) > [Totally Bizarre](#)

RARE CLUSTER DORITO LOOKS LIKE eBAY'S CEO MEG WHITMAN !

Item number: 55824

Bidder or seller of this item? [Sign in](#) for your status

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[Larger Picture](#)

Current bid: **US \$1.46**

[Place Bid >](#)

Time left: **9 days 3 hours**

10-day listing, Ends May-27-05 17:02:37 PDT

Start time: May-17-05 17:02:37 PDT

History: [2 bids](#) (US \$1.00 starting bid)

High bidder: [kbulldude](#) ([595](#) ★) [me](#)

Item location: NJ
United States

Featured Plus! Listing

Ships to: United States

Seller information

[celebritygems](#) ([2326](#) ★) [Power Seller](#) [me](#)

Feedback Score: 2326

Positive Feedback: 99.7%

Member since Jul-22-97 in United States

[Read feedback comments](#)

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[PayPal Buyer Protection](#) NEW!
[Free Coverage](#) now up to \$1,000.
[eligibility.](#)

eBay's Position in the Market

- Rank among e-retailers based on purchases

<i>Vertical</i>	<i>Rank</i>	<i>Purchases (000)</i>	<i>Customers (000)</i>
Apparel & Accessories	1	3,380	1,256
Home & Garden	1	2,738	1,532
Consumer Electronics	1	650	481
Jewelry & Watches	1	862	408
Games & Hobbies	1	5,151	1,830
Health & Beauty	1	697	413
Books	2	1,993	1,046
DVD/Video	3	700	457
Software	4	183	154

Purchases: Total number of purchases made by customers.

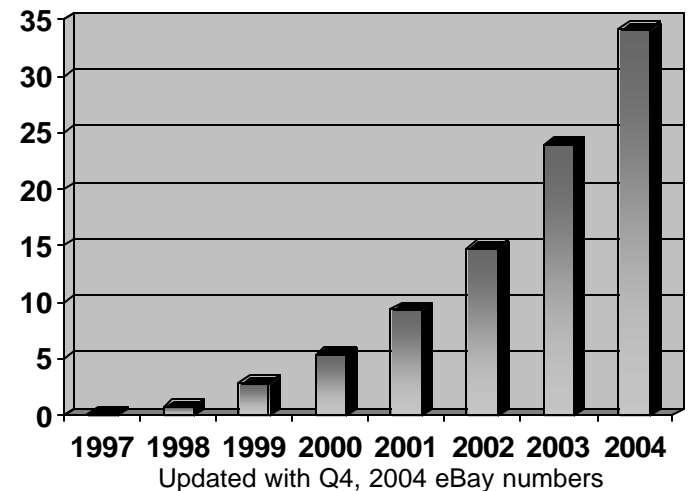
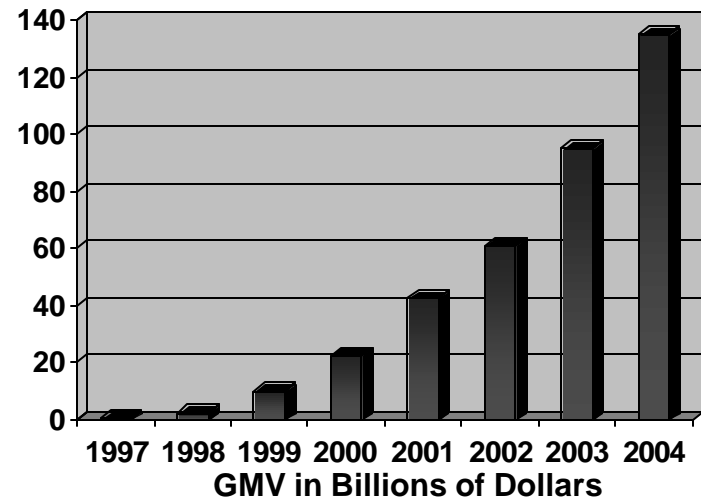
Customers: Total number of unique customers (one or more purchases) for the selected vendor or product category.

Source: Nielsen/NetRatings MegaView Online Retail

eBay Marketplace

- > 135 million registered users
- > More than **50,000 categories**
- > A global presence in **32 international markets**
- > A record number of **404 million listings**
- > \$34.2B GMV for 2004, up 43% over 2003 - more than **\$1,085 GMV per second**
- > Over 1 billion listings in 2004
- > eBay has 12 categories that deliver \$1 billion or more in worldwide annualized GMV:
 - eBay Motors (\$11.1 billion);
 - Consumer Electronics (\$3.5 billion);
 - Computers (\$3.0 billion);
 - Clothing & Accessories (\$2.9 billion);
 - Books/Movies/Music (\$2.4 billion);
 - Collectibles (\$2.2 billion);
 - Home & Garden (\$2.0 billion);
 - Sports (\$1.8 billion);
 - Toys (\$1.8 billion);
 - Jewelry and Watches (\$1.7 billion);
 - Cameras & Photo (\$1.3 billion);
 - Business & Industrial (\$1.2 billion).
- > International is 48% of revenues and growing
- > **Fixed price format 31% of GMV**

Millions of Registered Users



eBay Shopper - Demographics

	AOL	MSN	Yahoo!	Amazon	eBay
Household Income (mean)	\$66k	\$62k	\$65k	\$79k	\$68k
Buy Online	52%	54%	54%	87%	79%
Spend Online (mean)	\$171	\$179	\$183	\$339	\$296

- > eBay visitors have the second highest mean household income of all large shopping portals.
- > 79% of eBay visitors buy online.
- > Mean online spend is second to only Amazon.

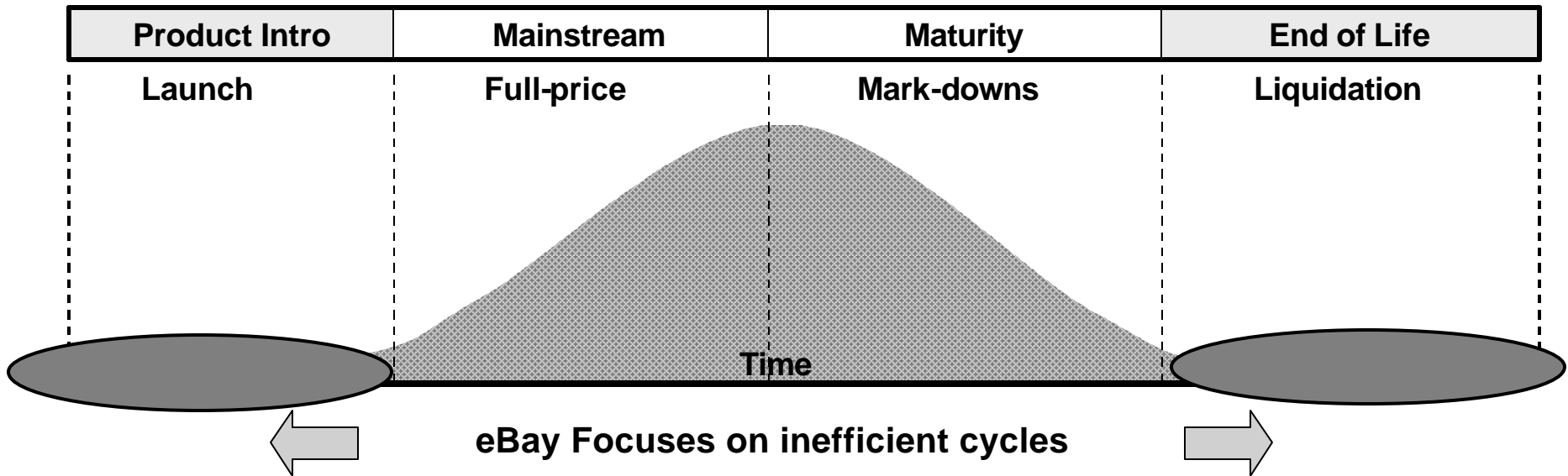
Forrester 2003

On eBay – The 4 Ps apply

- › Product
 - › Positioning
 - › Promotion
 - › Pricing
-
- › Understanding eBay and optimizing the 4 Ps will lead to increased traffic (prospects) and increased sales

Product

What type of product drives traffic?



Newly introduced Product – scarcity/supply-demand
EOL/Refurb. Product – shoppers looking for a deal

Positioning - The Wrong Way



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Search

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POPE JOHN PAUL II, ROUND TOP TOAST! AUTO 1/1 REAL DEAL

Item number: 55812

Bidder or seller of this item? [Sign in](#) for your status

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[Larger Picture](#)

Current bid: **US \$5.00**

[Place Bid >](#)

Time left: **1 day 22 hours**

7-day listing, Ends May-20-05 12:16:24 PDT

Start time: May-13-05 12:16:24 PDT

History: [4 bids](#) (US \$0.99 starting bid)

High bidder: [searchtheplanet](#) (4)

Item location: Michigan
United States

Featured Plus! Listing

Ships to: Worldwide

Seller information

[tiggerific39](#) (180 ★)

Feedback Score: 180

Positive Feedback: 100%

Member since Jan-03-05 in United States

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Free Coverage now up to \$1,000.
[eligibility.](#)

Positioning – The Right Way

THE SHARPER IMAGE® AUCTION Keyword Search

Customer Service	Payment & Checkout	Shipping & Sales Tax	Returns & Exchanges	FAQs	Contact Us	Monthly Special
Clean Air	Stereos	Electronics	Toys & Hobbies	Personal Care	Home Yard & Auto	Clocks & Watches
						Office & Travel

Less Than New/Factory Reconditioned
What does this mean?

5 YEAR WARRANTY

Aafa
 Asthma and Allergy Foundation of America®
 www.aafa.org

Ionic Breeze® air cleaners are proven to reduce airborne allergens and irritants including dust mite allergen, pet dander and cigarette smoke.



Check-Out Now! Click here to check-out and complete your purchase. Please allow up to ten minutes after confirmation of

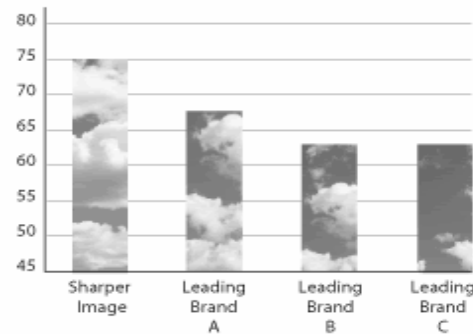
Ionic Breeze Quadra Silent Air Purifier

Suggested Retail Price: \$349.95
 Product Code: SI372ZZZ

Click here to Buy It Now from my eBay Store!

There's always exciting news about how Ionic Breeze® air purifiers have improved the lives of so many people. A leading independent research company recently conducted a nationwide survey for owners of room air purifiers and here are the highlights of their findings:

"America's Most Trusted Brand"



Sharper Image's Ionic Breeze® Silent Air Purifier ranked as America's most trusted brand, with top scores among owners as "a brand I can trust."

"Top in Customer Satisfaction"

MORE GREAT BUYS



Ionic Breeze Quadra Silent Air Purifier



AM/FM & CD MP3 Shower Companion



Professional Corkscrew with

Positioning

Best Practice:

> Branded Site

- Aligned with Corporate .com site
- T&Cs similar to .com site
- Outlet/Clearance verbiage - creates a buzz/drives traffic

> Results

- Premium pricing over same product from non-branded store
- Increased consumer confidence
- Increased bidding activity from new users
- Quicker Ramp in bidding/sales volume

Positioning – Create a Brand Presence



SUPER DEALS!
TVs
CD Players
Home Audio
More!


BEST BUY
OUTLETSTORE

Best Buy Outlet Store

Maintained by: [best_buy_outlet](#) (3416 ★) 

This authorized Best Buy(TM) Outlet sells computers, digital cameras, PDAs, CD players, DVD play other consumer electronics that are new and in-box, but are usually no longer offered in our retail sto

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SEARCH 

ABOUT US CHECKOUT STORE POLICIES DELIVERY CUSTOMER SERVICE

BEST BUY
OUTLETSTORE

BROWSE OUR STORE


Laptop Computers


MP3 Players

Welcome to
BEST BUY™
OUTLETSTORE on eBay

This is an authorized Best Buy Co., Inc. on-line store. Best Buy is North America's number-one specialty retailer of consumer electronics, personal computers, entertainment software and appliances.

Positioning – Branded Sites instill confidence

Item title: NEW Sony VAIO Laptop w/Mobile P4 Processor 532

Time left: 2 days, 6 hours 38 minutes 49 seconds

Only actual bids (not automatic bids generated up to a bidder's maximum) are shown. Automatic bids may be placed days or hours before a listing more about [bidding](#).

User ID	Bid Amount	Date of bid
mrsidekicks (19 ☆)	US \$760.01	May-17-05 10:35:51 PDT
duseldb (23 ☆)	US \$750.01	May-17-05 07:30:09 PDT
mrsidekicks (19 ☆)	US \$699.99	May-17-05 10:35:32 PDT
mrsidekicks (19 ☆)	US \$671.17	May-17-05 10:35:13 PDT
mrsidekicks (19 ☆)	US \$599.99	May-17-05 10:34:50 PDT
mrsidekicks (19 ☆)	US \$571.17	May-17-05 10:34:38 PDT
asbhatia (0)	US \$500.00	May-16-05 00:32:28 PDT
mrsidekicks (19 ☆)	US \$499.99	May-16-05 14:05:17 PDT
mrsidekicks (19 ☆)	US \$471.17	May-16-05 14:01:56 PDT
tasty7 (4)	US \$450.00	May-15-05 19:37:48 PDT
wantan2005 (0)	US \$450.00	May-15-05 21:14:35 PDT
wantan2005 (0)	US \$410.00	May-15-05 21:14:07 PDT
jasbre7012 (6)	US \$400.00	May-15-05 18:18:53 PDT
tasty7 (4)	US \$400.00	May-15-05 19:37:34 PDT
tasty7 (4)	US \$300.00	May-15-05 19:37:23 PDT
tasty7 (4)	US \$250.00	May-15-05 19:37:10 PDT
tasty7 (4)	US \$180.00	May-15-05 17:23:47 PDT
jasbre7012 (6)	US \$160.00	May-15-05 18:18:37 PDT
john9457 (47 ☆)	US \$151.25	May-15-05 14:17:47 PDT
tasty7 (4)	US \$150.00	May-15-05 17:23:30 PDT
jimsworld56 (2)	US \$105.00	May-15-05 17:12:06 PDT

Promotion

Best Practice:

- › Driving buyers to eBay Listings
 - Many different types of promotion available
 - Very similar to web marketing in general
 - Paid Search – eBay Keywords
 - CPC model
 - Bid on product keywords to drive traffic
 - Trademarked keywords are available at a flat rate
 - Provides both click-thrus and impressions

The screenshot shows an eBay search results page for 'IBM Thinkpad'. At the top, there are three promotional banners. The first banner, on the left, features an image of a laptop and a woman's face, with the text 'Laptop auctions starting at 99 cents. Free Shipping on all upgrades and accessories when you purchase a laptop.' The second banner, in the middle, is for 'ibm thin...' and says 'Laptop auctions start at 99 cents!' with the seller 'alwaysaquic(976 ☆)'. The third banner, on the right, is for 'TigerDirect...' and says 'Low Price Plasma Computer Notebook & tigerdirec(6663 ☆)'. Below the banners is the breadcrumb 'Home > All Categories > Search Results for 'IBM Thinkpad''. There are three tabs: 'All Items', 'Auctions', and 'Buy It Now'. Below the tabs is a search bar containing 'IBM Thinkpad', a dropdown menu set to 'All Categories', a 'Search' button, and a link to 'Advanced Search'. At the bottom left of the search bar area is a checkbox labeled 'Search title and description'.

Promotion

Best Practice:

> Driving buyers to eBay Listings

- eBay Features
 - Feature Items – brings listing to top – drives 7x number of visitors and 5-8% increase in bids
 - Optimize Titles – add keywords to title – titles drive search
 - Subtitles – differentiates from masses (i.e., Free Shipping)
 - Gallery Images – promotes Brand over product
- Charity Auctions
 - eBay promotes heavily
- Seasonal Promotions
 - Pop-ups/widgets on Category homepages
 - “Dads and Grads” “Back to School”

105 items found for Sony VAIO 15" [Add to Favorites](#)

List View | Picture Gallery Sort by: Time: ending soonest [Customize Display](#)

Compare Item Title PayPal Price Bids Time Left ▲

Featured Items

Item Title	Price	Bids	Time Left
 Sony Vaio 1.6GHz Laptop 15" LCD + WINDOWSXP PRO CD NO RESERVE!!! ***BLOWOUT PRICES*** CHECK IT OUT!	\$202.50	26	3d 16h 56m
 Sony Vaio PCG-FX 804 15" 256RAM 30Gb	GBP 201.00	7	1h 54m
 NEW Sony VAIO 15" 40GB Laptop w/P4 2.8GHz & ATI Radeon	\$720.00	17	6h 39m

Optimize your selling success! Find out how to promote your items

Promotion – back to .com site

Best Practice:

- Driving buyers back to your .com site
 - Drive Catalog Subscriptions with link to Catalog Registration from AboutMe Page
 - Link to .com site from AboutMe page
 - Host FAQs, T&Cs, Warranty information on .com site
 - Put link to .com site in customer service/checkout emails
 - Place opt-in language on ads to build prospect/customer database
 - Redirect eBay buyers to checkout on .com site
 - Ability to upsell/cross-sell

- Results:
 - Increased traffic to .com
 - Warm leads directed to higher margin product on .com

Promotion back to .com site

Auctions
RITZCAMERA
A RITZ INTERACTIVE WEBSITE

Welcome to
Auctions
RITZCAMERA
A RITZ INTERACTIVE WEBSITE



For the best deals on **ebay**



Both RitzCamera Auctions and the RitzCamera Auctions store at eBay are fun

and easy ways to get great bargains on new, open box, and refurbished photographic and electronic equipment from all the major brands.

If you have any questions about Ritz Camera Auctions, please visit our [RitzCamera Auctions FAQ](#). View our store policies [here](#).

Go to www.ritzcamera.com

FEATURED PRODUCTS



Panasonic DMC-FZ10K Digital, 4MP, Leica Lens!

The DMC-FZ10K Digital Camera is Panasonic's first 4-megapixel digital camera with a 12x optical zoom. Featuring a bright f/2.8 aperture throughout the entire zoom range, the FZ10K's powerful lens is equivalent to a 35 - 420mm zoom lens on a 35mm film camera. With its precision Leica lens, extraordinary telephoto reach and no-lag processing speed, the FZ10K is able to superbly capture clear, detailed images even of distant or quick-moving subjects.

[Bid Now!](#)

NEW! Canon Optura 20 Mini-DV Digital, 320x Zoom!

The Optura 20 has a personality all its own. It is highly intelligent, yet it's

Pricing – The wrong way



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Listed in category: [Everything Else](#) > [Weird Stuff](#) > [Totally Bizarre](#)

Also listed in: [Everything Else](#) > [Advertising Opportunities](#)

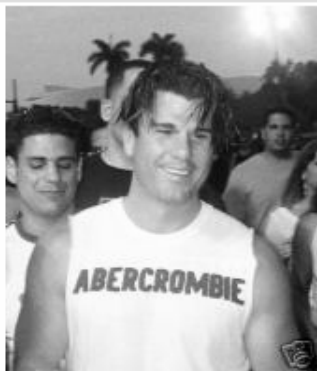
Help me become ebay's 1st. Millionaire

Help me become a Millionaire overnight

Item number: 55829

Seller of this item? [Sign in](#) for your status

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[Larger Picture](#)

Starting bid: **US \$1,000,000.00**

[Place Bid >](#)

Time left: **6 days 18 hours**

7-day listing, Ends May-25-05 09:42:27 PDT

Start time: **May-18-05 09:42:27 PDT**

History: **0 bids**

Item location: **Orlando, Florida**
United States

Featured Plus! Listing

Ships to: **United States**

Shipping costs: **US \$0.37 - US Postal Service Priority Mail®** (within United States)

[Shipping, payment details and return policy](#)

Seller information

[bribri2](#) (10 ☆)

Feedback Score: 10

Positive Feedback: 91.7%

Member since Jan-26-99 in United States

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[Ask seller a question](#)

[View seller's other items](#)

[Safe Buying](#)

Financing available NEW!

10% off your first purchase

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Listed in category: [Computers & Networking](#) > [Desktop PCs](#) > [3.0 GHz, 3000+ & Higher](#) > [Intel Pentium 4](#)

NEW Sony VAIO Digital Studio Desktop w/P4 550 3.4GHZ

Item number: 5198

Bidder or seller of this item? [Sign in](#) for your status

[Watch this item](#) in My eBay | [Email to](#)



[Larger Picture](#)

Current bid: **US \$430.00**

[Place Bid >](#)

Time left: **4 days 2 hours**

5-day listing, Ends May-22-05 17:46:55 PDT

Start time: May-17-05 17:46:55 PDT

History: **10 bids** (US \$0.99 starting bid)

High bidder: [higgii43](#) (36 ☆)

Item location: Best Buy
United States

Ships to: United States

Seller information

[best_buy_outlet](#) (3416 ☆) [me](#)

Feedback Score: 3416

Positive Feedback: 97.8%

Member since Oct-21-03 in United States

[Read feedback comments](#)

[Add to Favorite Sellers](#)

[Ask seller a question](#)

[View seller's other items](#)

Visit this seller's eBay Store!

[e-stores](#) **Best Buy Outlet Store**

[Safe Buyin](#)

Pricing – Best Practices for Driving Prospects/Sales

› Best Practices

- \$.99 No Reserve Auctions
 - #1 traffic driving strategy
 - Market drives pricing
 - Low starting fee places item at top of searches until bid up
- 1 Day Auctions
 - Limited timeframe places item at top of search results
 - Allows for market experimentation
- Varied closing times
 - Buying patterns ebb and flow across hours/days

eBay Success Stories


- Customer Acquisition – Best Buy reported 66% of eBay Customer are new acquisitions and fit desired demographic
- Increased Traffic – The Finish Line saw unique web hits on .com jump 200% the day after launch of eBay site
- Product Introduction – Motorola listed pre-release cell phones on eBay – drove 45,000 unique visitors to eBay store in 1 day
- Brand Exposure – Sears drove 4 million unique visitors to their eBay site in 2004

Summary

- eBay presents an enormous opportunity for:
 - Prospecting
 - Sales
 - Brand Exposure
 - Driving Traffic
- Access to 135M online consumers
- Recover costs while promoting your brand/driving traffic
- Acquire new customers
- Create an Incremental Revenue/Marketing Channel

In Conclusion,

- Being successful on eBay takes work, but it not like finding . . .



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[← Back to list of items](#) Listed in category: [Everything Else](#) > [Weird Stuff](#) > [Totally Bizarre](#)

*******NEEDLE IN A HAYSTACK FOUND IN KANSAS!!!******* Item number: 55820

[Seller of this item? Sign in](#) for your status [Watch this item](#) in My eBay | [Email to a](#)



[Larger Picture](#)

Starting bid: **US \$0.01**

Time left: **5 days 2 hours**
7-day listing, Ends May-23-05 16:19:25 PDT

Start time: May-16-05 16:19:25 PDT

History: [0 bids](#)

Item location: Riverton, KS
United States

Featured Plus! Listing

Ships to: Worldwide

Shipping costs: Check item description and payment instructions or contact seller for details

[Shipping, payment details and return policy](#)

Seller information

[richard6054](#) ([52](#) ★)


Feedback Score: 52
Positive Feedback: 100%
Member since Jan-17-05 in United States

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[Ask seller a question](#)

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[eligibility.](#)

Contact:

jimm@channeladvisor.com