SELLING ONLINE 2.0

Migrating from **eBay** to **Amazon**, **craigslist**, and Your Own **E-Commerce Website**

"You can turn a profit by convincing people your trash might be their treasure. *Selling Online 2.0* offers the insight to help you take that basement full of stuff and turn it into real cash."

—Peter Suciu, e-commerce reporter, New York City

Michael Miller

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Selling Online 2.0: Migrating from eBay® to Amazon®, craigslist®, and Your Own E-Commerce Website

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Introduction

Selling online isn't quite as simple as it used to be. In the good old days, just about anybody could create an eBay listing and let the online auction site do the bulk of the work. All you had to do was wait for the auction to end to see what the final price was and who to ship to. This model created a lot of successful sellers.

All things change, however, and online selling is in the process of some major changes. The eBay auction site isn't near as friendly to small sellers as it used to be; sellers are finding that it's harder and harder to make a decent profit selling exclusively on eBay.

If you made your mark as an eBay seller but find eBay an increasingly unfriendly environment, what do you do next? It's all about migrating your sales to the next-generation selling model—what I like to call Selling Online 2.0.

Selling Online 2.0 doesn't completely abandon eBay—at least, it doesn't have to. But it does embrace alternative marketplaces and channels, opening up the opportunity for you to sell your merchandise on sites such as craigslist and Amazon, as well as on your own e-commerce website.

Here's the bottom line: If you want to maintain or grow your current level of sales, you have to move beyond eBay auctions. To do this, you have to learn some new skills and fine-tune some old ones; you may even have to spend some money setting things up. But the upside is that your online sales can be even more profitable than before—and you may be able to attract a completely new base of customers.

If all you know is selling on eBay, how do you learn what you need to know to sell in other marketplaces and channels? Well, you've come to the right place; that's what this book is all about. While

selling on Amazon or craigslist or your own online store might seem daunting at first, it's something you can do if you have the motivation and the knowledge. You'll have to supply your own motivation, of course, but the knowledge you can get from reading this book.

What's in This Book

As you can probably tell from the title, this book tells you everything you need to know to migrate your current eBay business to other online marketplaces and channels. You'll learn how sites such as Amazon and craigslist work, how to plan for success on these sites, and how to create listings, manage sales, accept payments, and even migrate your existing eBay sales to the new marketplaces. You'll also learn how to plan for and launch your own e-commerce website and how to promote and manage that site on a day-to-day basis. Some of the information presented will be familiar to you (both craigslist and Amazon share some similarities with eBay, after all), and some will be completely new. That's the nature of the beast.

There are 22 chapters in this book, divided into five major parts. Each part deals with a different online selling channel, walking you through everything you need to know to get your business up and running in that channel:

- **Part I, "Beyond Online Auctions: Creating a Successful Online Business,"** is the part you want to read before you get into all the details in the rest of the book. Here is where you learn about how eBay is changing and how to plan for online sales success outside eBay.

- **Part II, "Fixed-Price Selling on eBay,"** shows that there is life on eBay beyond the auction format. You'll learn how to migrate your auction listings to fixed-price listings, how to open an eBay Store, how to sell on Half.com, and how to promote your fixed-price sales on the eBay site.

- **Part III, "Selling via craigslist Online Classifieds,"** presents the first alternative to eBay: local online classified ads. craigslist is the biggest online classifieds site, and in this section you learn how and what to sell on craigslist, how to migrate your eBay listings to craigslist, and how to promote your online classifieds business.

- **Part IV, "Selling on the Amazon Marketplace,"** details how to sell your merchandise on the Amazon.com website. You'll learn what

types of items sell best on Amazon, how to create and price your listings, how to migrate your existing eBay listings to Amazon, and how to promote your new Amazon business.

- **Part V, "Selling on Your Own Website,"** is the section for any seller who wants to launch a standalone online store. You'll learn how to plan your online presence, set up an e-commerce website, manage your store's sales, promote your online business, migrate your eBay business to your own store, and sell items in multiple channels.

That's a lot to cover—because there's a lot you need to know to be successful. While you can skip around a bit, particularly if you have no intention of selling in a specific channel or marketplace, my recommendation is to start with Chapter 1 and read the whole way through the book. There's a logical process to migrating from eBay to these other channels, and what you learn in one chapter will be applied in following chapters.

Who Can Use This Book

I assume that if you're interested in Selling Online 2.0, you're not a newbie to selling online. You have some experience as an eBay seller under your belt, and you have a handle on what you sell and how.

In other words, I'm not going to teach you how and what to sell. If you're looking for the magic product that will make you rich, look someplace else. This book is for serious and experienced sellers who are ready to move to the next level of online selling.

That said, you don't have to be a large seller to move beyond eBay. This book is written for all levels of sellers, large and small; all you need is some online selling experience and the willingness to make the next move. It also doesn't matter *what* you sell; all types of sellers can be successful selling beyond eBay.

How to Use This Book

This book is easy enough to read that you really don't need instructions. But there are a few elements that bear explaining.

First, there are several special elements in this book, presented in what we in the publishing business call "margin notes." There are different types of margin notes for different types of information, as you see here:

note

This is a note that presents information of interest, even if it isn't wholly relevant to the discussion in the main text.

tip

This is a tip that might prove useful for whatever it is you're in the process of doing.

caution

This is a caution that something you might accidentally do might have undesirable results.

Because many of the solutions presented in this book involve various websites on the Internet, there are lots of web addresses in the text. When you see one of these addresses (also known as a URL), you can go to that web page by entering the URL into the address box in your web browser. I've made every effort to ensure the accuracy of the web addresses presented here, but given the ever-changing nature of the web, don't be surprised if you run across an address or two that's changed.

For that matter, some of the products and services (and corresponding prices) presented here are likely to change by the time you read this text. I apologize in advance, but that's the way the online world works.

There's More Online…

When you need a break from reading, feel free to go online and check out my personal website, located at www.molehillgroup.com. Here you'll find more information on this book and other books I've written. And if you have any questions or comments, feel free to email me directly, at sellingonline@molehillgroup.com. I can't guarantee that I'll respond to every email, but I will guarantee that I'll read them all.

Making the Move

With all these preliminaries out of the way, it's now time to get started. Put on your reading glasses, put on your best business thinking cap, and get ready to migrate to the next level—Selling Online 2.0!

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Establishing Your Own Website: Is It Right for Your Business?

When it comes to moving beyond eBay, the holy grail for many sellers is running their own e-commerce website. For small sellers, this is what Selling Online 2.0 is all about—controlling your own online sales from start to finish, with no reliance at all on eBay, craigslist, Amazon, or any other online marketplace.

The grass, however, is not always greener. Creating and maintaining your own online store takes a lot of time and money. While you may be able to generate more profit per sale (by not paying any marketplace fees), you also have expenses that you don't have on eBay—and you also need to promote your site to attract potential customers.

The big question then, is whether establishing your own website is right for *your* business. Read on and then make up your mind.

Building an Online Store—What's Involved?

Selling on eBay or Amazon is one thing. Selling on your own website is quite another. Just what is involved with building your own e-commerce site—and how much does it cost?

The Components of an E-Commerce Website

When you sell on eBay or Amazon, you're taking advantage of everything these sites offer—the existing infrastructure, the built-in customer traffic, the fully functioning checkout and payment

services, you name it. When you launch your own e-commerce website, you have to build all this from scratch. It isn't easy, but the end result is *your* online store, one that looks and functions just the way you want it.

What constitutes an online store? To successfully sell merchandise to customers online, every web storefront needs the following components:

- **Site hosting.** First things first: Your website needs a home. That means contracting with a website hosting service, to provide storage space and bandwidth. Note that some website hosting services provide services specific to online retailers, offering various selling-related features, such as checkout and payment services—for a price, of course.

- **Domain name registration.** Your website also needs a name. You'll want to register a unique domain name for your site, one that reflects the name and nature of your business. You'll then want to provide that domain name to your site hosting service, so that your site and your name are connected.

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tip

Most website hosting services also provide domain name registration, so you can do all this front-end work in a single stop.

- **Home page/gateway page.** Every website needs a home page, but the home page for a retailer's site is especially important. Your home page must not only promote your business but also profile key products. The page can't be static, either; you need to refresh the featured products on a fairly constant basis so that returning customers always see new deals when they visit. It's easiest if you use some sort of template for the home page design, into which you can easily place the products you're currently promoting. This argues for some sort of home page automation, as opposed to you manually recoding the page each time you change featured products.

- **Navigation and search.** While you may sell some of the products you feature on your site's home page, it's more likely that customers are going to either browse or search for the precise products that they're looking for. That means you need to organize your site in a logical fashion (by product categories, most likely) and then establish an easy-to-use navigation system that can be accessed from all pages. You'll probably do this via a sidebar or drop-down menu. You'll also need to integrate a search function across your entire site, with a search box at the top of each page that visitors can use to search for specific items.

- **Product pages.** Every product you have for sale should have its own page on your site. That page should be kind of like an eBay product listing, except more professional looking. You need to include one or more product photos, a detailed description, all relevant dimensions and sizes and colors and such, as well as any other information that a customer might need to place an informed order.

- **Customer reviews.** Many sites let their customers rate and review the products they sell. This provides another key information point for shoppers, and it provides unique feedback to the seller. While customer reviews aren't a necessity, many customers are coming to expect this feature.

- **Inventory/listing management.** You don't want to manually update your site's product pages whenever you sell an item. Instead, you want some sort of automatic inventory and listing management system, so that when a product sale occurs, both your inventory database and your product pages update automatically.

- **Shopping cart and checkout system.** When a customer purchases a product, that product needs to go into the customer's shopping cart—the online equivalent of a physical shopping cart. The cart holds multiple purchases and then feeds into your site's checkout system, which then interfaces with your online payment service.

- **Payment service.** If you sell something, you need to get paid. That means, for all practical purposes, accepting credit card payments. While you can try to establish a merchant credit card processing account, more likely you'll sign up with one of the major online payment services—PayPal, Google Checkout, or Checkout by Amazon. The payment service you choose should integrate with your own checkout system so that customers have a seamless purchasing experience.

- **Customer management.** Your customers will want to contact you with questions or issues. You'll want to contact your customers with purchase confirmation and shipping information. It's best if you can automate all these customer communications.

In addition to all these necessary components, you'll also need to promote your website; unlike with eBay and Amazon, you won't automatically have 40-plus-million potential customers stopping by your first month in business. That means an investment—in both time and money—in various promotional activities, from pay-per-click advertising to email marketing to whatever works for you.

Bottom line: You need to do a lot of work to get an online store up and running—and even more work to keep it running on a daily basis. You're used to eBay or Amazon providing most of these pieces and parts and doing most of the heavy lifting for you. When you launch your own web store, however, you're on your own; you have to do everything eBay and Amazon do, and then some.

Different Ways to Build a Store

How do you go about building your own online store? There are a few different approaches.

First, you can literally build your site from scratch. You start with a blank page and go from there, designing your home page and product pages, plugging in navigation and search modules, integrating a shopping cart and checkout, and signing up for an online payment service. If you're an HTML master with a lot of time on your hands, you can do this yourself; otherwise, you'll probably hire a website design firm to do most of the work for you.

Hiring a contractor to design your website can save you time but cost you more money. Let's face it, hiring out website design is an expensive proposition. Although you get a site that is as custom-designed as possible, you (and your designer) end up reinventing a lot of wheels along the way.

For many sellers, a better approach is to go with a prepackaged storefront. When you contract with one of these services, you essentially plug your logo and product inventory into a predesigned store template. Everything you need is provided—automatically generated product pages, inventory and customer management, shopping cart and checkout system, and online payment service. With this kind of service, you can get your site up and running quite quickly, with a minimum amount of effort. The downside of this approach is that you pay for it—and keep on paying for it. Most of these services not only charge you an upfront cost (typically quite low) but also an ongoing commission on everything you sell. In other words, you pay for the convenience of this type of prepackaged storefront.

Between these extremes is a sort of middle ground. Many third-party services provide the needed features for a quality online storefront, so you don't have to do the coding from scratch—and you don't have to cede a portion of your ongoing profits to a service. You simply pick and choose the modules and services you need and plug them into your site. You can

find inventory management modules, shopping cart and checkout modules, and the like. (And, of course, it's relatively easy to connect any checkout module with an online payment service.) Depending on the provider(s) you use, you may pay a larger upfront cost with no ongoing fees, or you may "rent" the services via a monthly or yearly subscription.

> **note**
>
> Learn more about the various ways to build an online store in Chapter 17, "Setting Up an E-Commerce Website."

How Much Does It Cost?

How much you have to invest in an online store depends on the size and nature of the store, as well as the approach you take to constructing the site. That said, I can provide some general cost guidelines.

If you build your site yourself, you don't have any upfront costs except for your domain registration, which can be as little as $10 or so for the first year. You do, of course, have monthly site-hosting fees; while some free site-hosting services exist, you'll probably spend anywhere from $10 to $50 a month for professional hosting.

More likely, you'll contract out the site design, which costs real money. Depending on the size of the job and the firm you choose, expect to spend several thousand dollars at a minimum, perhaps $10,000 or more. Most design firms charge by the hour, so you'll want to work through an estimate beforehand. Here is where it pays to shop your needs to several design firms and go with the one that not only offers the best price but also is best attuned to your needs.

The prepackaged storefront route offers perhaps the lowest initial investment—often with *zero* upfront costs. For example, an Amazon WebStore can be had for no money upfront. Instead, you pay $59.99 per month, plus a 7% commission on all sales you make. That's a low-cost way to get into the market, although you have to share your future profits with the storefront host.

If you decide to forgo the prepackaged storefront and instead purchase or subscribe to seller services from third-party providers, your costs are dependent on the services you need, the size of your business, and the provider itself. Some online shopping modules go for as little as $50 per month, while larger retailers may end up spending $1,000 per month or more.

Then, of course, there are services that charge a fee per transaction. Most notable are the online payment services you need to process credit card transactions. Whether you go with PayPal or one of its competitors, expect to pay anywhere from 2% to 3% of each transaction paid for via credit card, perhaps with a $0.30 or so flat fee per transaction as well.

So, how much does it cost to create your online storefront? As little as nothing or as much as five figures upfront, plus (perhaps) monthly fees and transaction fees and commissions. So if you think that establishing your own storefront frees you from all those niggling fees that eBay charges, think again; nothing is free.

Pros and Cons of Running Your Own Website

When you're slave to the eBay marketplace, running your own online store certainly looks attractive. But is the grass really greener on the other side of the fence? Not always, as you'll see.

Pros of Running Your Own Online Store

There are many benefits to being your own boss, which is essentially what you get when you run your own online store. Here are some of the good points:

- **You create your own business identity.** This is a big one. When you sell on the eBay marketplace, you're often viewed as just another eBay seller, no matter how hard you try to establish your own identity. It's even worse on Amazon, where you're just an anonymous face behind a simple product listing. But when you create your own website, you're not part of any marketplace—you're not an eBay seller or an Amazon seller, you are your own business. You can establish your brand however you like, and you can build your own business on your own name.

- **You pay fewer transaction fees.** Well, at least you might, depending on how you do things. eBay sellers complain about being nickel-and-dimed to death with eBay's various listing and final value fees—not to mention the ever-present PayPal fees. So it's a quarter here and a few percent there, but it adds up fast. It's tempting to think that running your own website means escaping all those annoying and costly fees, and that's mostly true. While you can't fully escape all fees (you'll still have to pay a fee for credit card transactions), it's likely you can at least reduce the per-transaction fees you pay.

- **You're not beholden to a marketplace's rules.** Many sellers chafe under eBay's various rules and regulations. You can't do this, you have to do that; you're not really in charge of your business—eBay is. Well, when you're running your own website, you're not beholden to anyone but yourself. You make up the rules, you run your business as you please. You're finally free!

- **You're not held hostage by a marketplace's feedback policy.** Here's something else that many eBay sellers find particularly annoying: A few cranky customers can completely ruin your feedback rating and perhaps force eBay to drop you from the marketplace. (And you can't even retaliate with negative feedback of your own!) Well, moving to your own website means that you deal with dissatisfied customers on your own terms, not on theirs. (Or on eBay's, for that matter.)

In general, moving from eBay to your own online store means freedom—freedom from rules and regulations, freedom from control, freedom from fees. There is a price to pay for this freedom, however—which is one of the cons we discuss next.

Cons of Running Your Own Online Store

If running your own e-commerce website was so great, everybody would be doing it—but everybody isn't. All the benefits of running your own online store are counterbalanced by a few negatives, including the following:

- **It's a lot of effort—both upfront and on an ongoing basis.** When you run your own online store, you have to do everything that eBay does—and that's a lot. In fact, you don't really start to appreciate eBay until you have to do it all yourself. You may find that it's worth paying a few eBay fees to receive all the benefits you get from the eBay marketplace. In any case, get ready to start putting in longer hours when you're running your own shop; a lot of time and effort is required.

- **There may be substantial upfront costs.** Depending on the route you go, you may have to invest a substantial amount of money upfront to get your site up and running. If you go completely from scratch (that is, eschew the prepackaged storefront approach), you could spend $10,000 or more to create a unique and fully functioning website. That's not small change, folks.

- **There may be ongoing fees.** Let's say you don't have all that money to invest upfront. Instead, you go with a prepackaged storefront or contract out for various prepackaged e-commerce services. This lets you get into the game without a big upfront investment, but instead you have to pay ongoing monthly fees to use those services. Sometimes the fees are a flat monthly subscription, sometimes the fees are a commission on what you sell; in any instance, make sure you don't pay more in fees for your own site than you did in the eBay marketplace.

- **You still have to pay for credit card sales.** Here's one expense you can't get away from. Some of the most disliked fees on eBay are PayPal fees; some sellers just don't get that you have to pay for the privilege of accepting credit card orders. To that end, PayPal's 2.9% fee isn't that out of line. It's likely you'll pay at least 2% for third-party credit card processing. You may also be stuck (or prefer to go) with PayPal on your site—which means you still pay that dreaded 2.9% fee per transaction. Get used to it.

- **You won't have any customers on day one.** One of the primary advantages of selling on eBay or Amazon is that you get to tap into their huge established customer bases. Millions of potential customers come to those sites every day, looking to buy something; they're great places for a seller to be. Unfortunately, when you create your own online store, you don't have those millions of visitors. In fact, you don't have *any* visitors on day one. How do you get customers to your site? That leads us to our next disadvantage…

- **You have to promote your own business.** Smart sellers know that the exorbitant fees they pay to eBay are primarily not service fees but rather advertising fees. That is, they pay to have eBay drive business to their product listings. Well, on your own website, you have to do all the promotion yourself. That means paying for pay-per-click or display ads, organizing your own email mailing lists, doing all your own online public relations, you name it. If you have a marketing degree, this is probably second nature to you; if not, you may be in over your head. And whether you know what you're doing or not, it costs time and money to conduct a full-fledged online marketing campaign. How much money do you have in your marketing and advertising budget?

- **You're not completely your own boss.** So you got yourself out from under the yoke of eBay to be your own boss. Good for you! Except that you're never totally your own boss. You're still at the mercy of your customers, of course; if you can't make them happy, they'll find a way to get back at you. (And you won't get any new ones, either.) Plus there are various restrictions you may have to follow if you subscribe to a storefront service; there may even be rules that your web hosting service enforces. And, of course, your online payment service will tell you various things that you can and can't do when accepting payments. It's not quite like being a slave to eBay, but it's not that different, either. Meet the new boss, same as the old boss.

Put simply, running your own website takes a lot more time, effort, and money than you probably expect—and you may not have the specific expertise required. Are you really ready to run everything yourself? Some sellers are, some sellers aren't. That's a judgment you need to make.

Does an Online Store Make Sense for Your Business?

Pros and cons weighed, it's time for the tough question: Does it make sense for you to abandon eBay and build your own online store? As with all other questions of this nature, it depends.

When you move from eBay to another online marketplace, such as Amazon, one of the key considerations is what type of products you sell. It's a fact: Some items sell better on eBay, some sell better on Amazon.

But that's less an issue when you're creating a stand-alone web presence. You can sell virtually anything from your own website; it doesn't matter whether you're selling $2 cables or $2,000 industrial supplies: If you can draw customers to your site, you can sell it. No one type of merchandise is any better or any worse in this regard.

To my mind, then, the key consideration isn't the products you sell but rather your own experience and skill set. eBay makes selling easy; selling on your own website is a lot harder. This is what a lot of eBay complainers fail to consider. Yes, you pay a lot of fees to eBay, and sometimes rankle under eBay's many rules and regulations. But this is all in service to

what is truly an easy selling environment. You don't have to do a lot more than put together an item listing in order to sell on eBay; practically anyone can do it, to some degree of success.

In fact, eBay makes selling so easy that it's a relatively level playing field—which constrains some truly skilled sellers. But it also makes it easy for the little guys to compete with the big guys, even if they're not particularly skilled or experienced. Just follow the rules, and you'll do okay.

The same cannot be said for selling on your own website. If you're not an experienced seller or trained businessperson, you'll quickly find yourself over your head with your own website. There's a lot involved; it's running a real business, complete with all the issues and headaches that entails. If you're not prepared for that, you can fail spectacularly.

To run a successful online store, you need to treat it like a real business—because it *is* a real business. That means creating a business plan, arranging proper financing, researching site design and product sales, closely managing the day-to-day operations, devising compelling marketing campaigns and promotional activities, and providing exemplary customer service. You don't have to worry about many or any of these things when you're selling on eBay, but it's all there every day when you're running your own site.

So my advice is simple: If you have formal business training or previous business experience, by all means consider creating your own e-commerce website. But if your business experience consists only of selling via eBay auctions, think twice before you go this route. It's a big jump from eBay to your own website, and it may be better to take an intermediate step (such as moving to the Amazon marketplace) before you put all your chips on your own online business. It's a big risk and a big effort; make sure you know what you're getting into before you're in too deep.

Are You Ready to Go It Alone?

Many successful sellers got their start by putting a few old items up for auction on eBay. Those auctions went well, so they found more stuff to sell. And then even more stuff. And then they started purchasing items specifically to sell on eBay, and before they knew it, they were "professional" sellers.

But the thing is, making it big like this is more a matter of luck than of skill. Not that anyone can be successful on eBay (there are lots of folks who aren't), but eBay does provide a marketplace that is incredibly kind to inexperienced sellers. Yes, you've learned a lot over the years, but chances are you got started selling on eBay before you really knew what you were doing. I call it "stumble-on success," and eBay is home to lots of it.

When you move away from eBay, out onto your own website, you have to be more prepared. All that hand-holding and support you get from eBay? It's not there anymore. Inexperienced, unskilled sellers are most likely to fail when they launch their own online stores; there is little or no stumble-on success to be had.

Are you ready to go it alone? Some sellers are. Some sellers think they are. Some sellers most definitely are not. Yes, I provide a lot of advice in the following chapters on how best to make a go of it, but if you're not sufficiently skilled or experienced in the ways of running a business, all the books in the world won't help you.

Running a website is a great way for some sellers to expand their online presence. It's also a way for many sellers to go belly-up. It all boils down to whether you know what you're doing. Do you? ■

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