

EBay trying to encourage people to sell more items

26 January 2010, By RACHEL METZ , AP Technology Writer



eBay logo

(AP) -- EBay hopes to lure more sellers by essentially doing away with "listing" fees for people who occasionally auction items on its site. Instead it will take a cut of the final selling price.

EBay has tinkered with its fee structure in recent years in hopes of improving the experience people have on its site and reinvigorating its growth. Changes like the ones being announced Tuesday are meant to encourage more people to list items for sale.

EBay Inc. told sellers Tuesday that starting March 30 they will be able to post up to 100 items for auction every 30 days without paying fees to list them. The items must have a starting bid of less than \$1, and when they sell eBay will take 9 percent of the final price or \$50, whichever is less.

Currently, eBay lets occasional sellers - who make up the majority of the 28 million people who sell on its main site - auction up to five items for free every 30 days. It charges them 8.75 percent of the final price or \$20, whichever is less.

For sellers that only auction the occasional vintage Pez dispenser or designer handbag, Tuesday's

change could mean they pay eBay more. But Lorrie Norrington, the president of eBay Marketplaces, thinks the change will be easier overall for people who want to auction off items that are sitting around the house.

"Our customers have consistently told us, 'We love free and we love simple,' and that's what we think these changes are about," she said.

EBay made a similar change in fees in some European markets in 2008.

Once sellers exhaust the number of items they can list for free, they are subject to listing fees and commissions that vary, depending on the starting price of the item and the price at which it sells. Those listing fees are also changing for most auctions - to a range of 15 cents to \$2, depending on the item's starting price. Right now, they generally range from 15 cents to \$4.

In another move, eBay is reducing the fees it charges sellers for offering fixed-price "Buy It Now" items through stores they run on its Web site.

These sellers will pay between 3 cents and 20 cents to list items, down from 35 cents previously, to list an unlimited number of identical items at a set price for a month at a time. With such multi-quantity listings, sellers can do things like offering different sizes or colors of a shirt in one listing.

EBay also is trying to draw more attention to a buyer protection service. That gives buyers and sellers access to customer service representatives to resolve disputes. This service, which excludes some categories like vehicles and real estate, will also be able to refund a buyer's money, if necessary.

Previously, the only option for resolving problems between buyers and sellers was through eBay's payment service, PayPal, and was available only

on transactions that used PayPal.

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