

# MAKING EBAY PAY

*A Reformed Auction Addict Offers Advice to Help You Avoid Money-Losing Traps on the Net's Largest Bid-and-Sell Site*



The author (above) no longer lusts after soap-star memorabilia. Now, she makes money selling it.

By Jennifer Vishnevsky

Seven years ago, I was sucked into the world of online auctions, and my life hasn't been the same since. I've spent tons of money, buying things I didn't need—and saved impressive amounts, buying things I did need. I've also made considerable money, selling things common sense would tell you no one would ever want. But someone almost always does. I've been bitten by auction fever—and recovered. I keep a silver photo cube on my desk as a reminder of items better not bid on, because you can't always recycle your mistakes. I've learned from those mistakes, and now I sell more than I buy—which is the simple secret to making eBay pay. I'm still at it today. Here's my story.

In 1996, a year after eBay was launched, I was redirected to its site while surfing the Internet, and I was instantly drawn in by its colorful home-page graphics, comprehensive search categories, tempting featured items, and easy-to-follow menus. At the time, I was an avid soap-opera buff (*General Hospital* consumed an hour of my time every weekday afternoon). When I noticed an autographed photo of *GH* star Tony Geary (of Luke and Laura fame) up for auction, I couldn't resist. I found myself bidding on my first item.

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In less than five minutes, I'd set up an account, amazed at the fact that no financial information was required. I won the auction, and, when bidding closed, I immediately received an e-mail with clear payment instructions. My money order went in the mail the next day, my photo arrived within a week, and an addict was born.

I was hooked; I began visiting eBay every day, searching for anything and everything. My house quickly filled up with items I didn't really need. I still have countless photos of celebrities stored neatly in boxes. I look at them maybe once a year—whenever I get around to doing an extensive spring-cleaning.

## Catching Auction Fever, or the Thrill of the Chase

Getting hooked on bidding is a little-talked-about danger of this online marketplace. Caught up in the thrill of the chase, I lost sight of the fact that, if I won the auction, I'd have to pay up. The site's features make it easy to catch auction fever. If you're outbid, you receive a prompt e-mail with links allowing you to place a higher bid.

Like a day trader on the stock market, I would monitor the listings of the items I was bidding on, feverishly hitting the "refresh" button on my browser every few minutes. After a few successful auctions, one afternoon I found myself bidding \$100 on an autographed script from my favorite TV show. Why did I want it? What was I going to do with it? When the smoke cleared and I realized I'd won, buyer's remorse set in.

My problem was that I didn't fully understand the legal obligations of a bid. I thought I could just change my mind and say, "Thanks, but no thanks." The fact is that when you sign up for eBay, you sign a contract stating that each bid is a legal contract. I failed to read the fine print, so I figured I could just back out once reason set in. Not true. When I didn't send payment, I was quickly referred to "Safe Harbor," the company's forum for legal matters. Needless to say, I paid up and received my script. It could have been worse; to this day, I wonder why I bid only \$100. Since then, I've discussed eBay with my friends, and I know that many of them have gotten caught in the same cycle of thrill and regret.

The script incident was a wake-up call. Happily, an old necklace proved to be another kind of wake-up call for me—a call to action. Thanks to that necklace, I became an eBay seller and exchanged my auction fever for "attic fever."

## eBay's Silver Lining, or How I Caught 'Attic Fever'

It turned out that my auction fever had a silver lining. All that browsing for items to purchase led to an ah-ha moment: people can sell just about anything—or, more to the



Two prized collectors' items: A script signed by the entire cast of *General Hospital* (right) and a limited edition soap-opera book (left).

**Spending too much at an auction is no different than buying designer shoes when you have a closet full of shoes. Before bidding, ask yourself if you really need the item.**

point, people will buy just about anything (after all, I was living proof of that!)—so why shouldn't I try my hand at the other side of this fiscal equation? When I saw a very plain necklace sell for hundreds of dollars, I began to look around the house for things I didn't need.

The first item I listed on eBay was the first book in the Nancy Drew series. It went for \$15, and I received an e-mail asking whether I had any other books in the collection. I sold the entire collection and made more than \$300—for books I hadn't looked at in years! Not only did I get the money, I gained much-needed space in my cluttered house by getting rid of the boxes they'd been stored in.

Later, I noticed my sister carrying an old stereo to the dumpster. I took the stereo from her, snapped a photo, wrote up an accurate description, and sold it for a generous amount. I realized at that point that everything has a value to someone, and that's how I became as hooked on selling as I was on buying.

Old teddy bears, used computer soft-





Having a ball: The stars of *General Hospital* dressed to the hilt for their 35th-anniversary show.

ware, pre-owned movies, coins, books, costume jewelry, clothes, shoes, makeup, Barbie dolls, crockery—you can sell virtually anything on eBay and make a profit. The site even has an “eBay Motors” section, where you can list your car, and a “Professional Services” section, where you can auction your skills to the highest bidder

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on a contract basis. The site’s “Weird Stuff” category is a compendium of items that spam mail exists to sell. It’s kind of scary seeing them all in one place—the listings look like carnival barkers at a nightmare fair.

To become a seller, I had to pay a small, nonrefundable listing or “insertion” fee, and I am charged a percentage of the final value of any item sold. The larger the final sale price, the greater the percentage you’re going to pay back to the site. There are other fees, such as “picture” fees, relating to how you display your item for sale, but these are optional. When you sell an item, you receive a bill at the end of the month, outlining your charges. eBay’s fee structure

is spelled out clearly in the site’s “Help Center” on [www.ebay.com](http://www.ebay.com).

### Don’t Discount the Discounts

While I’ve made money, turning my attic “treasures” into cash, I’ve also saved money by purchasing big-ticket items at auction. eBay is the first place I look whenever I want to make a significant purchase at discount. I bought a printer for half the retail value, and it works perfectly. My best deal was on a digital camera. I’d looked through the electronics stores and couldn’t afford anything that I wanted. However, I didn’t want to waste my money on a mediocre camera, either.

eBay had pages and pages of listings. I saw an item that was scheduled to close its bidding in an hour. The description sounded great. Its reserve (minimum) price was listed at half the retail price, and it had no takers! I bid on the camera, got it, and later asked the seller what was going on. He e-mailed me back that they just wanted to get the camera out of the house. They’d set the auction price very low, and people were hesitant to bid, thinking that it might be a scam. Luckily, I took the risk. I saved myself nearly \$300 on a camera that works very well; I use it on a weekly basis to take photos of the items I’m listing on eBay.

### Win Some, Lose Some

For all the money I’ve saved on purchases—and the money I’ve earned by selling items—there have been times during my seven years as an eBay addict, when I’ve just barely broken even. In fact, I may have lost money, all because of my addiction to bidding on useless items. Bidding can become as addictive as gambling.

Over the years, many changes have been made to the marketplace to increase bidding. For instance, if you lose an auction, you are quickly sent an e-mail with links to similar items. Sellers are able to contact their bidders to make sales outside of the auction arena. In addition, eBay is affiliated with several Web sites that make payment much easier. Instead of sending a personal

## MINDING YOUR BID-NESS: 5 Rules for Safe Auction Shopping

1. Read item descriptions very carefully. You may think you’re bidding on a new item, when in reality the description shows that its condition is “good or like new.” Remember that your idea of what a printer in “good” condition is may be very different from the seller’s.
2. If the item description is very wordy, be careful. Some sellers clutter their listings so that the bidder fails to see the details. I’ve seen descriptions that list the item’s true condition in the middle of a sentence.
3. Don’t let the photo fool you. Sellers will often use an official photo from the manufacturer’s Web site to illustrate their items. For example, I bid on a new battery for my phone, and the photo illustrating it was straight from Nokia’s homepage. When I received the item, it was a little less than new. If the seller had put up a picture of the battery he was selling, I would have stayed away. The listing, however, was accurate. Had I read it carefully, I would have known that the battery was used. It lasted a shorter time than my old one had.
4. Check the feedback from other purchasers before you buy from anyone. Make sure that the majority of the comments are positive. If some sound neutral or downright negative, I suggest you look elsewhere.
5. If you’re unhappy with your purchase, be sure to utilize eBay’s built-in safeguards. The site will launch an investigation of any complaint it receives, and disputes are resolved quickly.

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check or money order via snail mail, you can join a payment service, such as [PayPal.com](http://PayPal.com), which eBay recently purchased (not at auction). Through PayPal, you link your checking account or credit card to the Web site. With a few clicks, your payment is transferred to the seller, who must also belong to the service. There is even a Buy-It-Now

**Old teddy bears, used computer software, pre-owned movies—I realized that everything has a value to someone, and that’s how I became as hooked on selling as I was on buying.**

option, in which the seller states a value for an item and the buyer can instantly purchase it at that price.

As convenient as these features are, if you’re a shopaholic or tend to be careless

about recording your transactions, it’s very easy to get into trouble. You win an auction, send in payment, forget to deduct it from your checkbook, and suddenly you’re short the \$50 you spent on that new memory stick you bought for your digital camera. Here’s another trap many buyer/sellers fall into: if you let the money received from sales sit in your Paypal account to use toward purchases, instead of transferring it to your checking account, that profit quickly disappears.

To be fair, the site also has features that help you take control: I’ve learned to use the option that allows you to specify the maximum price you’re willing to spend, and that has saved me from going overboard on soap-opera scripts.

### **EBay’s Okay! Free Advice from a Recovered Auction Addict**

I’ve had a long history with eBay, and I’m still around. I’ve recognized what the pitfalls are, and I feel like I know this system



like I know my own name. While I do still have my moments, I've learned to stop searching for items I don't need. Instead, I concentrate on taking advantage of the site's many discounted big-ticket items. I've cleaned out my home of everything I'll never use. Now that I sell more than I buy, I make a profit. When I do slip up and succumb to the temptation to splurge (we all do), I just force myself to stay away from bidding for a week or two.

My advice for those of you don't want to be laid low by auction fever:

1. Prior to bidding on anything, ask yourself why you want the item. Spending too much at an auction is no different than buying designer shoes when you have a closet full of shoes. Before bidding, ask yourself if you really need the item. Will you use it? Would you buy it if it were in a store? If the answers are no, you're doing yourself a favor by passing on the item.

2. To avoid last-minute bidding frenzy, stay away from the computer during the last few minutes of the auction. I've lost count of the number of times I'd get involved in a bidding war before the auction closed and couldn't stop. Instead, set a maximum price that you're willing to bid for any particular item, and stick to it.

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**The site even has a 'Professional Services' section, where you can auction your skills to the highest bidder on a contract basis.**

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3. Unless you are bidding on a gun from the Civil War, remember that there is always more than one auction on eBay. If you don't win this auction, try searching again. You're likely to find a reasonable price for what you are looking for from another seller.

4. Remember that you're using real money when you bid. When you type in \$100 as your maximum bid, your checking account will decrease by that much if you win. Many bidders don't expect to actually win an item, so they bid more than they would ever spend. If that's the case,

Murphy's Law states that you will win and lose a hefty sum of money.

5. Steer clear of eBay or any other auction site, if you have a history of gambling. While eBay is the storefront for millions of discounted items, it's also very much like the stock market. If you're thinking about getting involved in bidding and selling, talk to someone who lost all of her money in the tech boom and bust on Wall Street. She'll remind you what your money is worth.

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If you handle your money well, go for it! You could become a power seller and make some serious dough. If you're someone who tends to collect vases and other trinkets you'll never use, on the other hand, think of eBay as the sphere of doom.

If you make a mistake and buy one of those vases, though, just remember you can always recycle it. One day, I was surfing eBay's listings and found a fan magazine that looked just like one I'd once sold. I clicked on the link, and, recognizing the seller's name, realized that, sure enough, it was the same magazine I'd recycled a few months earlier, after buying it from someone else, reading it once and realizing I had no more need for it. I couldn't help but laugh.

I'm convinced that recycling is the engine that keeps eBay running. I've resold most of the autographed photos I bought in my early manic-shopper days. While I didn't always make my money back, it was nice to know that I was earning something. I wonder if that seller was lucky enough to recycle the magazine she'd bought from me. I hope she learned her lesson about how to make eBay pay faster than I did! □

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**MAKING BREAD.**