



# Why Large Retailers Are Looking at eBay



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Given the current state of the economy, retailers are looking to further diversify their businesses and grow sales by venturing out to other online channels. Launching on a new marketplace, such as eBay, can present challenges for large retailers from both a technical and business standpoint. Historically, eBay's business model, with the auction-style listings, was less attractive to big brands that didn't have the flexibility to compete in this environment. However, in an effort to appeal to larger retailers, eBay has made crucial policy changes by lowering listing fees as well as moving toward a fixed-price marketplace. These changes should encourage large retailers to bring their full catalog to eBay to tap into the potential of eBay's 90 million active shoppers. ChannelAdvisor recently guided a large luggage and accessory retailer, eBags, as it branched out to eBay. eBags experienced a very strong start on eBay, and same-store sales have since grown more than 40%.

We would like to address the common misconceptions that large retailers can't be successful on eBay and solve the major concerns standing in the way of your ability to sell more on eBay. With ChannelAdvisor's Marketplaces solution, retailers are able to automate e-commerce tasks from inventory control to listing management and order fulfillment, so they can operate more strategically and grow profits across all channels, including eBay, Amazon and Buy.com.

## EBAY FEE STRUCTURE

As an incentive to bring well-known brands to eBay, the company has reorganized the fee structure to focus heavily on a fixed-price format. This provides retailers a low-risk opportunity to list their full catalog and pay a commission to eBay only when a sale is complete. This change is vital to attracting large retailers to sell on eBay as previously the cost of listing products was too high and risky for retailers new to the channel. The change in fees is also more in line with other online marketplaces such as Amazon, through which many of these retailers are already successful using the fixed-price model.

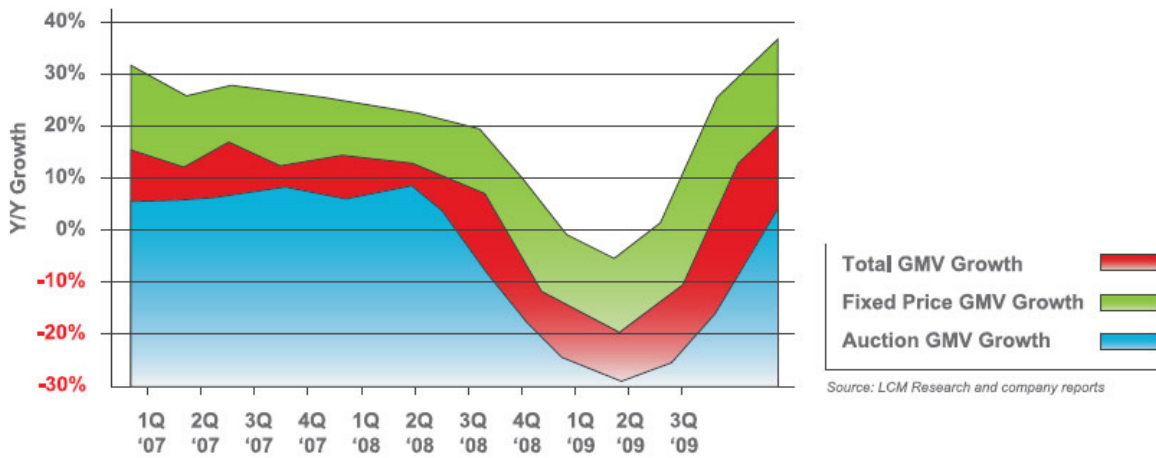
### CHANNELADVISOR'S SOLUTION:

An important aspect to every successful e-commerce strategy is determining when, how often and how many items are posted to the marketplace. eBay's new fee structure further emphasizes the importance for retailers to get their full catalog posted and maintained on eBay in an efficient way.

If hot-selling items don't post often enough, potential sales may be missed. If they post too often, the marketplace might become flooded and revenue can be lost. The Maintain Open Listings schedule in ChannelAdvisor's Marketplace solution is designed specifically to optimize this balance. The schedule will keep a specific number of listings live on the marketplace for each item that uses the schedule. When this type of schedule is used with a fixed-price listing, it becomes unnecessary to monitor the listings to replace items that sold. The software will automatically post a new listing when the quantity in your live product listing has depleted, ensuring that retailers don't miss out on sales opportunities.



### Showing Signs of Turnaround - Fixed-Price Listings are Now 60% of GMV



## INVENTORY CONTROL

With eBay's move to bring high-volume, large-catalog retailers to its site, it is important for retailers to list and oversee their vast quantities of items. Many successful retailers operate in multiple online sales channels and effectively distribute products to the largest number of potential buyers. Therefore, managing inventory across multiple marketplaces requires an integrated inventory and sales management solution to prevent over- or under-selling.

### CHANNELADVISOR'S SOLUTION:

Retailers never want to be in a situation where one item mistakenly gets sold to two buyers. At the same time, retailers want to make sure they are not leaving products on the shelf that could be sold to a willing buyer. ChannelAdvisor's Inventory Management solution is an efficient, effective system for keeping track of inventory so retailers can spend less time bogged down in the details and more time growing their businesses.

Retailers can also leverage ChannelAdvisor's Application Programming Interface (API) to create, manage and distribute their products in bulk to eBay as well as across other e-commerce sales channels, such as Amazon and Buy.com. Through a direct integration with ChannelAdvisor's API, retailers can use their existing Centralized Inventory Management solution to maintain real-time inventory quantities on the marketplaces.



## LISTING MANAGEMENT

eBay is encouraging large retailers to push their full catalog to eBay. Again, with the upfront fees at a lower cost it's in the best interest of the retailer to list all available products. However, managing thousands of products across eBay and other channels can be challenging.

### CHANNELADVISOR'S SOLUTION:

ChannelAdvisor's API not only assists with the management of inventory, but also provides the ability to manage listings in bulk through templates and schedules. Through a direct integration with ChannelAdvisor retailers can react quickly to changes through bulk revisions, such as real time edits to pricing or quantities. In addition, ChannelAdvisor maintains the development and release updates for eBay and the various marketplaces. This means less time for retailers to keep up with eBay's releases, and more time to focus on sourcing product and selling more.

## ORDER FULFILMENT

Common with any growth and expansion to new marketplaces such as eBay, there is a need to incorporate eBay orders into an existing order-fulfillment process. Managing orders and shipping product to buyers in an efficient and timely manner is important to the success of any online program.

### CHANNELADVISOR'S SOLUTION:

ChannelAdvisor's software receives and manages the orders from the various marketplaces like eBay. Once an order is placed, checkout completed and payment has cleared, an order can be downloaded or sent via the API direct to the seller's order management system. The order will flow through the established process and be shipped to the buyer. Tracking details will then be sent back to ChannelAdvisor for the system to automatically notify eBay and the buyer.

## BRAND RECOGNITION

eBay's changes offer a number of incentives for large retailers; however, retailers still need to assess whether or not eBay is a good fit for their brand. Historically, some retailers of luxury brands have viewed eBay as a place for brand fraud with retailers posting unauthorized items. With the shift of well-recognized brands seeking eBay as another sales channel, it presents an opportunity for retailers to post their own branded, authorized listings on eBay. This gives retailers more control of their brand and its presence on eBay.

### CHANNELADVISOR'S SOLUTION:

ChannelAdvisor's solution offers a way to utilize a design template that can be customized to fit retailer's branding needs. The assignment of the templates to products can also be handled via the ChannelAdvisor API to streamline the listing and branding process. Coupled with the use of automated settings, retailers can customize their messaging to buyers via email notifications and feedback.



## BONUS: DAILY DEAL PROGRAM

If you have the luxury of having deep inventory in certain products combined with a good price for that product, you could be part of eBay's Daily Deal program with eBay's approval. The Daily Deal is highlighted on eBay's homepage and can move large amounts of product, resulting in significant spikes in revenue.

### CHANNELADVISOR'S SOLUTION:

ChannelAdvisor's customers currently represent more than 50% of the Daily Deals. Recently, ChannelAdvisor helped a very large computer manufacturer list 500 printers, and in just 3 hours roughly 450 had sold. This is traffic that you can't afford to miss!

## CONCLUSION

In summary, if you are a large retailer that either has yet to consider eBay or historically avoided it due to the challenges, think again! With eBay's move to bring more well-known brands to the site and shift toward fixed-price listings, it's time to reevaluate and take advantage of the opportunity to further diversify your business, get your products in front of eBay's 90 million shoppers and increase revenue!

This can be a bit nerve-wracking when you're used to channels that are completely different than eBay. ChannelAdvisor, the largest 3rd-party provider on eBay, has multiple service offerings to guide your company's integration with eBay. You can choose a self-service program to help you get your products listed, guide you through the process and then turn over the reigns. Or, you can choose a fully managed program through which the ChannelAdvisor team will manage your business with eBay, and you can quickly earn your share of eBay's billions in sales without adding headcount.

With eBay's new changes, and the level of service you desire, this is a channel and revenue stream that you can't afford to ignore!



# ABOUT CHANNELADVISOR

ChannelAdvisor is a global e-commerce platform provider that helps retailers sell more online through channels such as marketplaces, paid search and comparison shopping, and with webstores and rich media solutions. Widely respected as a trusted advisor for more than 3,000 top e-commerce brands, ChannelAdvisor calms the chaos of online selling by enabling retailers to submit one inventory feed to the ChannelAdvisor platform where it is translated to fit the specifications of hundreds of e-commerce channels and distributed accordingly. In 2010, ChannelAdvisor managed \$2.8 billion in gross merchandise value (GMV) on behalf of retailers of all sizes including Saks, Dell, Brookstone, and more than 30 percent of the Internet Retailer Top 500 online retailers. ChannelAdvisor is headquartered in Research Triangle Park, NC with offices in New York, Seattle, Australia, Ireland, Germany and the United Kingdom. For further information, visit [www.channeladvisor.com](http://www.channeladvisor.com).