

Start an Automotive Site on eBay

Whether you're buying or selling cars, parts or anything automotive, eBay motors is the place to be. Follow our road map to make the most of your journey.

By Mark Henricks

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When sellers began offering actual automobiles in eBay's Model Car category, eBay added a new category: eBay Motors. That was in 2000. And today, eBay Motors is the No. 1 automotive site on the internet, with more than 10 million unique visitors per month.

"Consumers spend an incredible amount of time on eBay Motors," says Rob Chesney, senior director of vehicles for eBay Motors. "Of all the time spent doing anything automotive on the web, 40 percent of those minutes are spent on eBay Motors." And most of that time is spent doing business, as evidenced by the fact that an automobile sells on eBay Motors every single minute. In 2004, eBay Motors delivered \$6.2 billion in world-wide gross merchandise volume.

eBay Motors has some specific benefits for both buyers and sellers. Buyers get more information about vehicles than they could obtain from venues such as dealer lots and newspaper ads. "We make it easy for buyers to find any vehicle they want, and to look for features such as mileage, year, and ultimately, price," Chesney says. In addition, eBay provides numerous services and features to support every step of the automobile buying process, including vehicle history reports, purchase protection, access to inspections and even financing.

Sellers can tap a national marketplace at a low cost. For a fee of \$40 to list and another \$40 when the sale is complete, vehicle sellers once limited to local markets can present their wares to a global audience of millions. Compare that to the \$400 to \$500 it costs to advertise and merchandise a vehicle using conventional means, and the economics become compelling. "We also offer unique transactional aspects on the site," Chesney says. Indeed, eBay Motors is far from just an advertising vehicle. It's more like a seller's toolbox, with communications channels to reach buyers, seller education and training, and a galaxy of services to ease the entire process.

Expanding Your Dealership With eBay Motors

Speed is one big reason eBay Motors is an effective way for an automobile dealership to grow its business. "We end up giving [dealers] access to buyers outside their typical local markets and who are much further [along in] the buying process," Chesney says.

Sellers who do best on eBay Motors take extra steps to make the most of the channel. Perhaps the first step is to make sure you have a distinctive presence. One way to do this is to create a niche. Specializing in one vehicle type helps you master pricing, supply and other features of a given niche. Specialists are better at sourcing, pricing and merchandising the right product the right way.

Generally, the right vehicles for eBay Motors include aged inventory that would otherwise be sold at auction or to a wholesaler. Another winner: vehicles that don't sell well in your region or climate, but are hot properties elsewhere. For instance, vehicles from the Southwestern states such as Arizona will be popular with buyers in states like Minnesota because the vehicles will not have endured tough winters, which bring about rust problems. Discontinued models, high-performance vehicles and ones with strong fan followings are also good choices. For hard-to-find cars, such as fuel-saving hybrids and diesel pickups, eBay Motors is a natural fit.

Cement your ownership of the niche by creating an "About Me" page. Describe your business and its history on eBay Motors. Give prominent placement to feedback and ratings. Link to related services and sites, such as your dealership's website.

Consider hiring an employee dedicated full time to eBay Motors. Having an internet sales manager increases the likelihood you'll pick the right vehicles, list them well, price them well, communicate effectively with bidders and complete sales in a satisfactory manner.

Effective Listings

Vehicle listings are the linchpins of eBay Motors. Before listing, spend time researching the vehicle and thinking about how you'll present it. Study similar listings, visit manufacturer websites, and read automotive reviews. In addition to basics such as make, model, year and mileage, study up on engines, transmissions, air conditioning, power windows, leather seats, stereo systems and other features.

If you don't illustrate each listing with a dozen or more photos, you're probably not giving buyers as much information as they'd like. Also, be extra-sure to provide clear pictures of any damage or excessive wear. Include shots of the front, back and both sides. When photographing the exterior of the vehicle, think of the buyer first approaching the vehicle and taking in its overall appearance and style. It's important to provide a full exterior view so the buyer can have a complete perspective of the vehicle.

With your interior photography, document all the important details that the customer will find inside the vehicle. Take close-ups of the odometer, interior, dashboard, trunk and engine.

Bolding, highlighting and other listing features draw attention, drive more bids and generate higher sales prices. eBay Motors will automatically populate the listing title based on the vehicle information. The seller can use the subtitle to highlight specific features of the vehicle or applicable terms that sellers may be searching for on eBay Motors.

The next step is managing your listings. Monitor your listings at least daily. Respond to bidders in a timely manner, and promptly answer any questions from all visitors. Don't just talk to bidders-check them out by looking at their feedback. Feedback ratings can make or break a dealer's eBay Motors reputation.

Closing the Sale

eBay Motors does much of the heavy lifting when it comes to closing the sale. Still, a considerable amount is left up to the individual dealer. To begin with, sellers who do a specified number of vehicle sales may have to be licensed as dealers by their state. Check with your state department of motor vehicles to find out whether you will be required to obtain a dealer's license.

Before closing, sellers must clearly specify any fees or taxes buyers will have to pay. State a reasonable time for deposits or full payment to be received-eBay Motors gives buyers at least three days for this process. Close price-sensitive buyers with the help of Best Offer. This feature lets you negotiate online.

Seller Tools and Resources

eBay Motors sellers have many additional tools and resources to help them list and sell. Click the "Dealer Center" link on the eBay Motors home page to tap many of them. Dealer Center describes best practices for listing, pricing, managing, communicating and building trust. Links from this page lead to services such as training, shipping, financing, and the popular and powerful CarAd.

CarAd is a listing tool for those who need a cost-effective, convenient, easy way to create and manage multiple listings. For \$9.95 per listing or \$299 monthly for unlimited use, CarAd supplies professionally designed templates with a variety of layout options. With the description builder, you can easily insert and customize text for item descriptions.

CarAd's photo hosting and management tool gives you easy ways to store and present vehicle photos. Its inventory and listing management tools help track vehicles sold, active listings and more. CarAd facilitates all-important communications by storing e-mail responses to common questions, tracking e-mails and automatically contacting new high bidders while listings are live.

All told, CarAd is one of the best tools available for dealers in search of ways to build their businesses on eBay. "Tools like CarAd help dealers not only list their vehicles more effectively," Chesney says, "but also manage their [listings]."

Online Reputation Building

Dealer reputation is critical. eBay Motors has many ways to help dealers establish themselves as reliable businesses, beginning with an eBay staple: the feedback system. Dealers should encourage buyers to submit feedback once a transaction is complete, and keep close tabs on their feedback ratings.

Dealers can tap numerous tools and features designed to encourage buyers to feel safe and comfortable when buying automobiles sight unseen. These include ready access—often as simple as clicking a link from the listing—to vehicle history reports, inspections and a vehicle purchase protection plan up to \$20,000.

Given the worldwide reach of eBay Motors, buyers have to know they can receive their purchases safely and conveniently. With that in mind, eBay Motors provides links to reliable automobile shipping services that can deliver any vehicle anywhere in a timely and cost-effective fashion. Buyers can also finance purchases through the eBay Financing Center, saving time and encouraging peace of mind.

The popular perception of eBay Motors is that it's a place to buy and sell passenger cars. However, substantial numbers of commercial vehicles, recreational vehicles, parts and accessories also pass through its pages. A motorcycle sale on eBay Motors occurs, on average, once every four minutes, and parts and accessories transactions happen every two seconds.

Dealers find eBay Motors unmatched as a low-cost, high-speed channel to turn overstocks, closeouts and aged parts and accessories into cash. Scratch-and-dent items a dealer once had to write off become profitable revenue instead. Customers who buy accessories return to buy vehicles. Those are all reasons why more than 50 million parts have sold on eBay Motors.

The Buy Side of eBay Motors

Dealers and other businesses actively use eBay Motors to purchase commercial vehicles or source product for sale. But the core buyers are individual consumers drawn to the chance to sort through the world's largest vehicle selection, set their own prices and conduct transactions with the help of an unmatched set of tools that increase comfort, security and ease of purchase. Understanding the buying process and expectations from the buyer's perspective is essential for any seller.

The eBay Motors buyer experience begins with the listings, which offer incredibly rich detail about vehicles offered for sale. "With an offline newspaper ad, [potential buyers are] looking at three lines," Chesney says. "On eBay, we offer unlimited room to merchandise the seller and the car."

It's not uncommon to see 25 photos of a specific car. It's almost like they see as much as or more information than if they were on the lot looking at the car."

With one-click access to features such as vehicle purchase protection, Experian vehicle history reports, referrals to certified vehicle inspection services, bonded vehicle shippers and even financing included, it's clear that eBay Motors offers consumers more than a lot of data-it has become a matchless channel for vehicle shopping.

"We make it a safe and trusted environment," Chesney adds. "Another unique aspect of eBay is the feedback system. You know whom you're interacting with on the other side of the transaction. Being able to see their transaction history is very important."

For the epitome of safety and trust, consider using eBay Motors' vehicle purchase protection. The program, which is offered at no charge to the buyer and activated with a minimal deductible if a claim is filed, ensures that the buyer receives the vehicle and covers up to \$20,000 against fraud or material misrepresentation.

When it comes to the crux of the vehicle purchase-the actual transfer of money-buyers use PayPal, the safest online payment method, for deposits, if not for the entire purchase price. In other cases, a certified check or payment delivery in person is a popular method accepted by sellers.

One difference with eBay Motors from the consumer's viewpoint is the fact that, in many cases, a just-purchased car is hundreds or even thousands of miles away from its new home garage. In fact, 71 percent of vehicles sold on eBay Motors are interstate transactions, where the vehicles are delivered to buyers outside the seller's state. Dependable Auto Shippers, a shipping service featured on eBay, offers competitive rates nationwide. Many buyers prefer to fly or drive to pick up cars and drive them home themselves. Finally, there is financing. eBay works with top lenders to offer convenient loans through the eBay Financing Center.

Robust technology and vast quantities of data underlie the eBay Motors marketplace. But people are the key to making it work. Constant and complete communication with sellers is the most frequently cited key to successful online vehicle purchases. It's worked well for millions of buyers so far. "Between all those pieces," says Chesney, "there's a simple, easy experience with rich information about the vehicle, wrapped in a safe and trusting environment."

The Future of eBay Motors

To the auto aficionados and professionals who use it regularly, it's hard to imagine a world without eBay Motors. But it's almost equally hard to imagine what eBay Motors can turn into. It constantly evolves. One recent innovation is Best Offer, which introduces the give-and-take negotiation of transactions on a dealer's lot to the online format. Rather than providing the dealer a lead, Best Offer brings in a buyer with a specific offer for a particular vehicle.

When a buyer submits a best offer, the seller is notified through e-mail as well as on his or her "My eBay" page. Then the seller, using a text box on the eBay site, can e-mail a response to the individual who made the offer. The prospective buyer and seller can continue to negotiate in this fashion, or the seller can move on to other prospective buyers who have made their own offers for the vehicle.

The Best Offer option is available to any eBay Motors user who is eligible to use Buy It Now. Qualifications include a feedback rating of 10 or more to list a single vehicle, or a rating of 5 or more if the seller is registered for PayPal. A seller can also become qualified by becoming ID Verified on the eBay website.

Best Offer is an example of a feature implemented because of feedback from the eBay Motors community. Chesney says this type of interaction with the community allows the site to change with the needs of buyers and sellers.

"What we offer is a revolutionary experience," Chesney says. "eBay is much different than anything anywhere else on the web or offline. It's unique."

Mark Henricks writes on business and technology for leading publications and is author of Not Just a Living