

## EBAY

*motto: ♪you have to pick a pocket or two, or two♪*

# WHY I QUIT EBAY

## *and why ebay will fail*

No, I am not going to tell you that ebay is going to fail *because* I quit. That would be a little self-important, wouldn't it? I just pulled 50 lots off ebay, which leaves them only, what, a million more? But ebay will fail for the *reason* that I quit: because ebay sacrifices its sellers to its buyers.

I have been an ebay buyer for several years, and a seller for about 6 months or so. As a buyer, I had no problems. Ebay took care of me, sometimes too well, I thought. I didn't understand how they could underwrite a buyer protection plan, considering that a large percentage of lots on ebay are misrepresented (either they are scams or they are lots by ignorant buyers who don't know how to describe what they have). I thought, gee, ebay must spend a fortune on insurance in order to guarantee all these sales. Nope. Ebay doesn't actually work that way. As I recently discovered, ebay "insures" purchases by resolving all disputes in favor of the buyer, and then forcing the seller to cover the costs. Paypal helps them do that by seizing funds.

You may think that would work well, since I just admitted that many ebay sellers are incompetent or dishonest. These people have to be put on a short leash, right? Well, yes, in many cases they do. Problem is, if you create a blanket policy that always finds in favor of the buyer, that policy must discriminate against honest and competent sellers. How? By making it possible for dishonest buyers to play the system, knowing that whatever they may do as buyers, ebay will support them.

Ebay has a very strong buyer protection plan and policy, but a weak or nonexistent (or negative) seller protection policy. So if I am an unscrupulous buyer, and I know that 1) ebay will side with me in any dispute, 2) ebay will prevent any negative feedback about me, I can get away with murder. I can request partial refunds from everyone I buy from, no matter how the material arrives. If the seller doesn't give me a partial refund, I can leave bad feedback, return the item, and destroy the seller's rating. And there isn't anything the seller can do. The seller just has to pray that these bad buyers don't come to his lots.

But it is even worse than that, as I discovered. If I am a really dishonest buyer, I can ask to return the item, but send a lesser version of the item back, and ebay will do nothing to me (even if the seller can prove fraud). I could even send back an empty box, simply keeping the item. Or I could shred the item, just for fun, and for payback). As long as I have a delivery confirmation for the return, ebay will side with me, the buyer.

How do I know this? Because it happened to me. I sold a guy an expensive book and he returned a facsimile of lesser value. Although I had pictures to prove it, ebay wouldn't even look at them. They said I should go to the police. When the police declined to get involved, ebay said there was nothing they could do. That isn't just bad seller support, that is negative seller support. It made me wonder if this guy I sold the book to was the son of the owner of ebay or something. Ebay "support" was actually running interference for him, as if they were part of the scam.

Ebay has another destructive policy that has killed many sellers. After a few of these fake negative feedbacks, left as a form of extortion, a seller's rating will drop below 4.6. At that point ebay punishes the seller by downgrading all his lots on the searches, increasing his fees, and making his life miserable in many other ways. This despite the fact that this seller may have done nothing wrong.

Ebay seems to have forgotten that every sale must have two parties. You can't have sales with buyers only. If ebay loses sellers, its business must suffer, and it *is* suffering. Ebay seems to think its business is suffering only because the economy is in a slump, but that is false. Ebay's business is suffering from bad policy. Ebay should judge each case on its merits, not on a blanket policy of support for the buyer. As it is, ebay must rely more and more on new dishonest sellers, since its policies run off the honest sellers. These same policies attract more and more dishonest buyers as well, so ebay is just encouraging a general increase in corruption (sort of like the rest of society, you know).

I will tell you what will happen. Some new business consortium is going to come in, start an alternative to ebay, and put ebay out of business with a year. They will do this by allowing sellers to list for free. Since the site takes a percentage of every sale, it is to their interest to list as many lots as possible. Charging listing fees limits the total number of lots for no good reason. This new site will also protect its sellers just as much as its buyers, since it takes two to tango. This new site will also offer a service like Amazon's Webpay, a free alternative to Paypal, possibly putting Paypal out of business in the process. The site will be able to do this by including the payment service fees in the single percentage charge for each sale, so that the seller won't feel double charged for each sale. But the fees won't just be stacked, ending up the same either way: no, the new site will understand (like Amazon does), that it is worth their while to underwrite the sale to a certain extent. Meaning that if the site offers a easy payment option with lower fees, this will generate more sales, which will generate a greater profit for themselves. I am surprised Amazon hasn't already opened a site against ebay, and I suspect that there may have been deals made to prevent it. But these deals don't last, especially in bad times. There is too much money to be made, and the weakness of ebay is a weakness that is sure to be exploited very soon. Bonanza.com is already making large inroads on ebay's game, and other sites will do the same.

You see, ebay is just sitting on its own sales potential, through its ridiculous double seller rape with Paypal, through its listing fees, through its blanket policy against sellers, and through its shielding of unscrupulous buyers. Even without any outside competition, a longterm discrimination against sellers must push the total number of viable sellers down and down, until that number drops below sustainability. I suspect that ebay is already at or below that number. When you combine that with the buyer's market we are already in, you create an atmosphere so hostile to sellers that they simply evaporate. In a buyer's market, ebay should be rolling out the welcome mat to sellers, to counteract the trend. Instead, ebay is doubling the problem, and thereby dooming themselves.

But back to the scam. Ebay's customer support was so ridiculously bad I refuse to believe it was just negligence or incompetence. One rep actually laughed at me when I asked to be returned to the first rep I was originally talking to. The whole desk had a laugh: I could hear them over the phone. Apparently ebay has a policy of not letting you talk to the same person twice. You have to explain the whole case to a new rep each time you call back. They don't have a switchboard or extensions, like most places do. This game has a name: misdirection. They want you to give up and hang up, so first they shunt you through malfunctioning computer switchboards, then have you tell them your personal information multiple times, then they instruct their reps not to answer any questions directly, instead reading from a script. I told them the local police had refused to file a case report, claiming lack of jurisdiction, and the rep actually said, "OK, when you send us the report we can proceed." At that

point you realize you are in a scene from the movie Brazil and give up.

This leads me to believe that some sort of racket is being run. Perhaps ebay doesn't just *seem* to be abetting crimes, maybe it actually is. Regardless, as someone who has been through the maze, I can tell you to avoid ebay, especially selling on ebay. The risk is high, and if something happens to you as a seller, ebay will offer no support. They will laugh at you on the phone. Maybe you are prepared to write off the losses as normal business losses, but if you aren't, don't sell on ebay. The table is sloped drastically against you.