

Offline Businesses Find eBay Success

For these three entrepreneurs, selling on eBay adds a little extra "oomph" to their brick-and-mortar sales.

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There must be something to it. Advertisers boast that their product has something extra. People often talk about wanting to do something extra-special during their weekend, or when preparing a meal. And unless you're a boxer on the receiving end of a punch, getting something extra is just about always a good thing.

It's also how a lot of entrepreneurs are increasingly seeing eBay--as something extra. eBay has allowed multiple enterprises to expand by bringing in an additional revenue stream. And that's becoming more necessary, as today's entrepreneurs are finding just one source of revenue is no longer enough. "Our entire economic culture is in transition," observes consultant Joe Guertin. "It's an exciting time, filled with a lot of opportunity." For many entrepreneurs, the way to tap that opportunity is with eBay.

Neatly Done

Brian Schutzer owns Neat Stuff Collectibles. You can find him at a dozen or so collectibles shows around the country, and sometimes at comic-book conventions, but mostly you can find him on eBay (eBay User ID: neatstuffcollectibles). He began his business without eBay, and he still technically has a company independent from the site. Nevertheless, when he added eBay as a revenue stream, "sales started skyrocketing," says Schutzer, 27, who works and lives in North Bergen, New Jersey.

Schutzer now employs seven and estimates his company brought in \$2.8 million in 2005 and that 60 percent of his business's income is due to his eBay outlet. Without it, Schutzer guesses his business "would still be strong, but it would probably be in a different form."

For starters, Schutzer doesn't think he would have seven employees, although he concedes that he might have some, because he likely would have opened a brick-and-mortar store.

That's an example of the transitional economy Guertin describes. "People recognize they no longer have to invest in a 200,000-square-foot department store," says Guertin, who has a sales training and consulting firm in Oak Creek, Wisconsin. "The platform itself is right there--it's eBay. So the new economic reality for many Americans is that multiple streams are the answer. The old mind-set of a single revenue stream is obsolete."

Jumping onto the eBay bandwagon, however, takes some work. "I would definitely say to go for it, but to take it slow," Schutzer advises entrepreneurs who want to add eBay as a revenue source for their businesses. "A lot of people don't realize how much time it's going to take them. The time and expense involved in the customer service that you have to [provide] when you deal with eBay customers can eat away at a profit margin. Go slowly, and calculate everything you do along the way as you increase your involvement."

Debbie Levitt, an eBay Certified Provider, says marketing in particular is a big factor in succeeding on eBay. "We find that buyers tend not to remember sellers," says Levitt, owner of As Was, a Tucson, Arizona, online marketing firm that specializes in helping individuals and companies start, market and improve their eBay

and online businesses. "Buyers tell people they bought from some guy on eBay. We want our clients to be memorable brand names, and not just 'some guy.' "

Again, this takes some work. "The biggest mistake is not having a deep enough understanding of the eBay marketplace," says Levitt. "And that includes the relationship of the shoppers to the seller, the economy, eBay's own economy and value of the products, the way products get sold, the interplay between making strategic choices and how that affects both your fees and potential revenue."

In other words, there's a lot to this eBay thing.

"We find that some businesses have unrealistic expectations," says Levitt. "People think, 'I can just put something on eBay, and somebody will buy it.' But getting the public to buy depends on a lot of factors: presentation, the shoppers' perception of you. It's not just about price. Since eBay is a community, shoppers care about trustworthiness and even how friendly a seller seems. Some [sellers] tend to assume they can throw anything on there and that nobody will ever contact them. They may not be prepared for the sense of community that naturally comes out of doing business on eBay."

If you own an offline business, you should realize that working from home is a way to reduce your overhead, whether it's by cutting down on work space or simply not having to decorate a lobby or store, or pay a staff to monitor the premises every day. Or like Schutzer, you might find that you can add *more* staff, because you don't have to spend a lot of money on your business storefront. It takes some work, of course, to add eBay as a serious, income-generating sales channel, but in the end, eBay allows you to free yourself from the confines of an offline business.

Food for Thought

Dave Dorman, 47, hasn't paid for groceries for 18 months. Actually, that's not quite true, but it often feels that way ever since the freelance illustrator began regularly selling his work on eBay (eBay User ID: iguana58).

It's been a tough year in many respects. His 18-month-old son was born during the 2004 hurricane season, when his house was walloped by a tornado that spun out of Hurricane Ivan, sending his family out of their home for four months. Hurricane Dennis was comparatively gentle--smashing a window in his office and scattering dirt on the floor.

After once again watching their backs in the 2005 hurricane season, Dorman and his wife, Denise, decided to leave Shalimar, Florida, for a hurricane-free life in Geneva, Illinois. And through the diapers and damage, Dorman's business has not only remained stable, he's also added income, thanks to eBay.

For the past two years, he has been selling artwork--an average of three to four pieces a week--on eBay, bringing in what is now 10 percent of his income (which is usually a little over \$100,000 annually, although sometimes substantially more). All his eBay income goes straight to his PayPal MasterCard debit card, which he uses whenever he buys groceries or makes a run to the pharmacy.

"I tell people I haven't really spent a dime on groceries in the past few years," says Dorman. "It's been very helpful in that aspect--I don't have to worry about whether I have enough money in my pocket to cover what I'm going to buy."

Dorman has constructed quite an array of clients over his 20-year professional career. He draws comic-book and paperback covers. His art adorns packaging for everything from video games to Hasbro toys. He's sketched a lot for corporate presentations, pictures that will never be published but help to sell a concept to executives. And his most well-known client is LucasFilm Ltd.

"It really didn't occur to me to sell my artwork on eBay until I talked to my artist friends," admits Dorman, who also supplements his income by selling work at comic-book conventions and shows

and has built up something of a loyal customer base. "It was a real surprise to see those fans and others on eBay," says Dorman, who also rotates several of his self-published books on the eBay site.

"You do have to do a bit of paperwork--and shipping," says Dorman. "You are taking some time to do this, but that's part of running a business. During the week, I'll schedule an hour or two to take care of the packaging and shipping for stuff that has been sold on eBay."

The lesson for like-minded entrepreneurs to take away from all this? Think of some elements of your business in the way that Hollywood looks at their bloopers. They don't leave those scenes in the movie, but they feature them on their DVDs as an added reason for the customer to spend money. Almost every business--as Dorman discovered--has *something* left over that may not be useful to the main product your business sells, but might be worth something to a consumer. If you're selling wedding veils or hand-knit sweaters, for instance, the leftover material might be something that someone else would want, and that's where eBay can come in handy.

Of his eBay sales channel, Dorman says, "It just makes life a little bit less stressful, having that sort of safety net that eBay provides us." And stress is something Dorman doesn't need any more of.