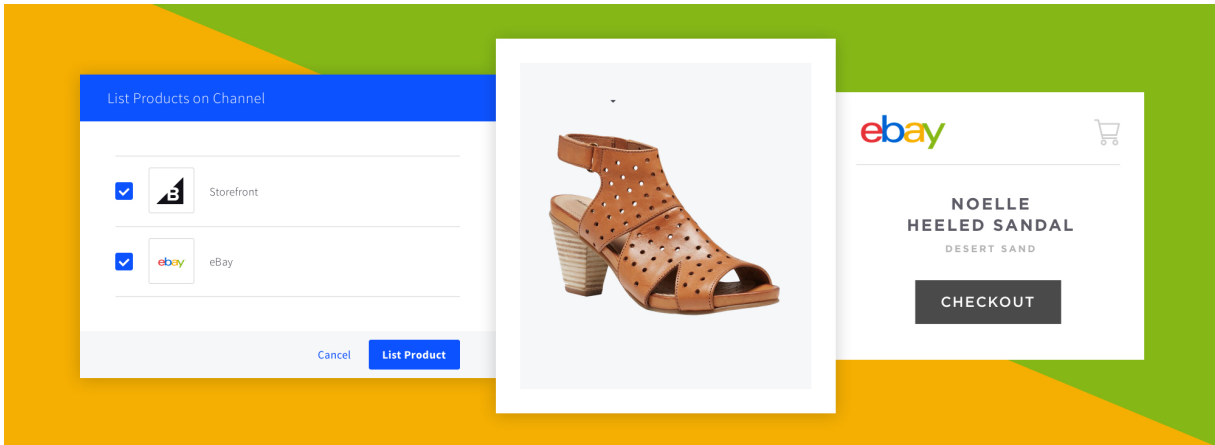
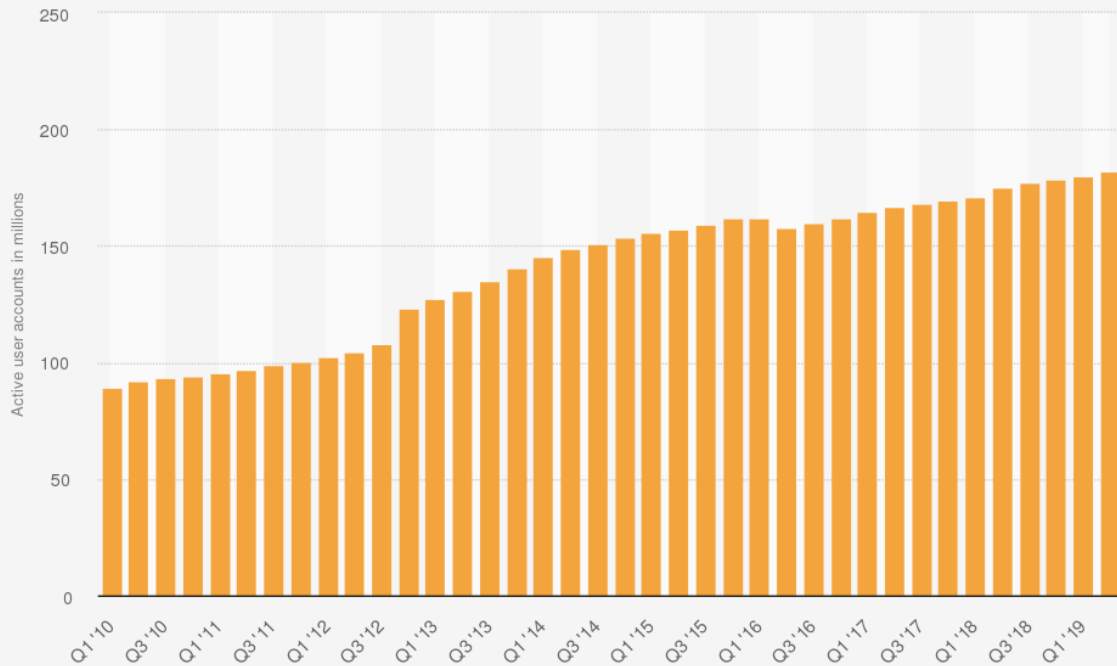


Understanding eBay Selling Fees (Benefits + Challenges)



In the second quarter of 2019, eBay reached [182 million](#) active buyers worldwide, representing a 4% growth.

Number of eBay's total active buyers from 1st quarter 2010 to 2nd quarter 2019 (in millions)



Source
eBay
© Statista 2019

Additional Information:
Worldwide; eBay; Q1 2010 to Q2 2019; TTM active buyers

statista

While some users compare eBay to [other marketplaces](#), like Amazon, eBay still ranks as the second most important online marketplace in the United States.

During December 2018, the most popular retail sites in the U.S. were measured by number of unique monthly visitors. The resulting ranking revealed:

- Amazon sites were the most popular, with 206 million users per month during the quarter.
- eBay was Amazon's second nearest rival, with an estimated 109.4 million unique monthly visitors.

eBay's number of visitors made it more popular than other online retailers, including [Etsy](#) and [Apple](#) sites.

eBay is also listed as one of the most popular mobile shopping apps in the U.S., with a [35.6% audience reach](#) as of March 2019.

Being an eBay seller is certainly fun, exciting, and can be very profitable for brands and retailers around the world.

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But in order to make the most of the marketplace, it is important that you have a full understanding of eBay seller account fees.

This includes, but is not limited to:

- Final value fees,
- Insertion fees,
- Listing upgrade fees, and
- PayPal fees.

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Types of eBay Selling Fees

[eBay seller account fees](#) can vary depending on the type of eBay account as well as its status or ranking. They can also vary depending on the eBay market. Prior to listing on eBay, you need a full understanding of what to expect.

1. Final value fees.

Final value fees are what most people think of when they think of eBay selling fees. These are based on the subtotal amount your customer pays.

2. Insertion fees.

An insertion fee is a listing fee. You're paying maybe a couple of dollars to put your listing up for a week or so.

3. Listing upgrade fees.

Upgrading your listing to "buy it now" status, adding a bold title or more pictures, or sponsoring it can cause your listing to be more expensive. These are all optional.

4. PayPal fees.

Most lists will not mention this since it's not literally an eBay fee. But, most sellers on eBay actively use PayPal for all their transactions. PayPal charges a fixed amount and percentage to your transaction. Don't forget to combine this fee and your eBay fees when calculating profit margins.

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How Do Refunds Affect Paid Fees?

When it comes to refunds on eBay, an eBay seller should fully understand [eBay refund policies](#).

eBay also offers options for sellers to request eBay's [assistance with refunds](#).

Be aware that eBay offers assistance to buyers as well, to [request a refund](#) from an eBay seller that may have opted to not accept refunds.

eBay also has a [Money Back Guarantee](#) that is important to understand — both as a seller and a buyer. This protects the seller in case the item ordered didn't arrive, was faulty or damaged, or didn't match the listing. In this case, the eBay seller will get their money back.

Buyer protection is available to buyers who have purchased items on the following eBay sites.

eBay Money Back Guarantee:

- [eBay.com](#)
- [eBay.co.uk](#)
- [eBay.com.au](#)
- [eBay.ca](#)

eBay Buyer Protection:

- [eBay.de](#)

eBay Customer Guarantee Policy:

- [ebay.fr](#)
- [ebay.it](#)
- [ebay.es](#)

Fees for return shipping are paid by whoever is designated in the return section of the listing on eBay.

Sellers can select to either pay for returns or have the buyer responsible for costs associated with return shipping. Requiring the buyer to pay for return shipping can deter buyers from returning an item unless absolutely necessary.

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Fees that are returned.

eBay will return your final value fees in full, and PayPal will return the percentage fee they took from your transaction.

Fees that are kept.

eBay will not return any listing fees, and PayPal will not return the flat rate \$0.30 they took.

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How to Avoid Excessive Fees

A key to avoiding excessive eBay seller fees is to get a full understanding what causes an increase in fees. eBay does offer quite a few options to boost listing visibility, but some of those options may come with an additional cost.

While boosting listing visibility is a very attractive feature of selling on eBay, be aware of what costs may be involved and look for alternative ways to boost listings that may not come with additional costs.

1. Learn eBay SEO (search engine optimization).

Learning eBay SEO helps you minimize the amount of money you spend to upgrade your listing or your shop's features. Since it's organic, you don't need to pay any extra fees to get higher listing positions.

Also setting the item up for selling instead of having to re-list an item will help keep the SEO and avoid additional eBay seller fees associated with re-listing.

Below are just some of the helpful things that can help listings sell:

- Competitive pricing compared to other merchants.
- Running sales through eBay Promotion Manager on eBay.
- Offering free shipping whenever possible.
- Producing descriptive listing titles.
- Selecting the appropriate eBay category for your listing.
- Using as many item specifics available in a category as possible.
- Using fixed-price "Buy It Now." This is a key recommendation from eBay to help sellers become a "Top Rated Seller."

2. Become a PayPal Merchant.

Being a PayPal Merchant can significantly minimize your fees if you sell over \$3,000 worth of items per month. You can become a PayPal Merchant by registering your business with PayPal.

When signing up with PayPal, you will start out with a Personal account, but you can then upgrade to Premier or Business.

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With a low-cost Business account, you can:

- Accept debit card, credit card, and bank account payments for a low fee.
- Operate under your company or business name.
- Manage users, giving separate access permissions to each of your employees.
- Generate reports and financial statements.
- Accept payments from customers without PayPal accounts.

To get started, [sign up](#) for a Business PayPal account.

3. Don't buy listing enhancements.

Listing enhancements may seem like a good investment, but you don't necessarily need them to sell.

Do your research to see what other sellers are doing to increase organic traffic to their listings.

For example, eBay typically charges a fee to use a secondary eBay category. Listing in two categories increases your insertion fees and the fees for most listing upgrades. As long as the first category selection matches the item being sold, there is typically no need for a second category.

4. Set up unique stores for different countries.

Having different stores for different countries' eBay marketplace can help you minimize cost and confusion when selling to customers overseas.

Alternately, you can pay for an eBay store subscription, which lets you post across eBay's entire global network.

Save yourself the fee and make different stores for each different country you serve.

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eBay Fees: The Good, the Bad, and the Ugly

1. Good: Low fixed costs keep business profitable.

Keeping your fixed costs low helps you beat out your competition. Also, using SEO will help increase the visibility of the listings in buyer searches.

2. Bad: Variable costs can add up quickly.

While some of the upgrade listing options are very appealing, these small charges can creep up on you over time. Being in-the-know and understanding costs associated with upgrade listing options will certainly help to avoid losing profit from sales on eBay.

3. Ugly: With eBay and PayPal fees, you could lose 15% of your revenue.

But knowing that can also help you price your items for eBay. Since it's likely that other eBay sellers are experiencing the same selling fees, this can be taken into consideration when pricing items. Also, view competitor items on eBay to help gauge appropriate pricing to make a profit, even with the eBay seller fees.

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Calculating Your Selling Fees with eBay Fee Calculators

When using calculated shipping with eBay, it's important to understand as a seller how the shipping rates are calculated.

eBay has a formula of “ship from zip code” x “ship to zip code” x “weight/dimensions of the product” x “shipping rate” that eBay has established with the selected shipping service.

Calculated shipping with eBay does not allow for the seller to use shipping rates with selected shipping services outside of the rates that eBay has established. However, in some instances this could be beneficial — eBay may have negotiated lower shipping rates than the average seller could get on their own.

Below are a few links to eBay calculators for some of the eBay markets. If there is an eBay market not listed below, typically a Google type search will assist in locating an eBay calculator for a specific eBay market.

- [U.S.](#)
- [Australia](#)
- [Canada](#)
- [UK](#)

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Conclusion

Selling on eBay can be a very exciting and profitable business. But it's very important for sellers to ensure they've done their due diligence in understanding eBay seller account fees, hidden upgrade listing costs, and ways to improve SEO without having to sacrifice profit.

In addition, understanding how eBay works to protect both sellers *and* buyers is very valuable to help ensure a profitable eBay selling business.

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