

Roy, Lauren

Subject: Ebay [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED

ACCC Classification: SEC=UNCLASSIFIED

EXCLUDED FROM

From: Administration [mailto: **PUBLIC REGISTER**]

Sent: Friday, 20 June 2008 2:11 PM

To: Adjudication

Subject: Ebay

Good Afternoon,

I would like to register my concern with the changes with Ebay to the Paypal only payment option.

I run a small start up Internet Webstore. We carry high quality but reasonably priced lingerie, skincare, jewellery and Boudoir specific lines. As a very small business, part of our focus was to grow the business using Ebay as our jumping off point, to attract customers and build up through traffic to our site.

Since the introduction of the Paypal only debacle, it has become patently clear that businesses such as mine are being effectively ruled out of this, as a cost effective form of advertising. This is for a number of reasons.

1. By utilising Paypal I am effectively paying 3 sets of fees on each sale.
 - a. Listing Fee
 - b. Final Value Fee
 - c. Paypal value Fee (calculated on the overall sum of both the Purchase Price and Shipping Cost)
2. By utilising Paypal it is necessary to send all items through Registered Post. Otherwise I cannot be considered eligible for the Seller Protection Program. This means I need to charge more for postage - and buyers do not wish to pay for extra. They come to Ebay looking for deals.
3. On an average item:-

Coset - purchase price \$16.99 (Wholesale) Listing Price \$25.99 Registered Post Price \$7.70 that means the buyer is now paying \$33.69 of that I have paid a listing fee of at least .75c + other costs (around 10c), then a Final Value Fee (5.25%) is \$2.54 approx. and Paypal fees then take a further \$3.23 This means the fees are now \$6.50 before any profit margin can be factored in.

With the use of other payment systems (eg Direct Deposit.) I do not pay a fee for receiving payments. Thus my fees are reduced to approx \$3.00 increasing my viability.

As a result of the Paypal debacle I am listing on Ozton which does not have the same level of interest. I cannot attract as many sales as I could have through Ebay. I am further hamstrung with this as I am unable to sell the smaller ranges that would have been suitable for overseas sales through Ebay as my account is situated in Australia. That makes growth even harder from my perspective.

I do believe that the Paypal issues are designed to ensure that the larger businesses that deal with Ebay have a better chance and is an attempt to weed out the market through the squeeze mentality as well as deepen their treasury through the growth of fees and the enforcement of Paypal only when Ebay own Paypal.

I believe that this is blatantly anti - competitive in thought and deed and hope that the ACCC choose to ensure that the right of small businesses in this matter is upheld. It is only through the ability to make educated choices for ourselves that we can grow our businesses and become competitive in the current marketplace.

I thank you for the ability to address this issue from my point of view and hope that this will make a

difference.

Best Wishes

Nicola Pitt

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