

New CEO hopes to right eBay's ship

Fee structure changes irk eBay merchants

By HEIDE B. MALHOTRA
Epoch Times Washington D.C. Staff

Online auction retailer eBay, Inc. recently announced that it was re-vamping its fee structure and making other changes to combat fraudulent sellers.

Overall, four changes were implemented—including fee reductions, seller rewards, tweaks to customer feedback and general trading issues. eBay will also make its trading standards tougher for dishonest sellers and buyers.

Last week, the company decreased upfront nonrefundable vendor fees, called Insertion Fees by 20 to 50 per cent for selling products and services over its online sales platform.

Alas, the commission that eBay takes after products and services are sold has increased. The final sales cost to online sellers has increased from 5.25 per cent to 8.75 per cent for sales of up to \$25. For items between \$25 to \$1,000, the commission is 3.25 per cent.

"We are serious about making eBay easier and safer to shop," said John Donahoe, eBay's President

and CEO-elect in the press release.

Vendors boycott

eBay vendors subsequently announced a boycott. But was it successful? According to "eBay boycott begins, to uncertain effect" on CNNMoney.com, the effect was minimal—only 3 per cent fewer listings. The article suggests that even this number is suspect due to normal sales "fluctuations."

A survey carried out by AuctionBytes, a blog for eBay sellers, 90 per cent of 1,640 people surveyed believe the new eBay feedback system to be unfair to vendors. AuctionBytes' Ina Steiner suggested that sellers in the past usually refrained from boycotting because of not wanting to lose out on business, and many vendors needed eBay to make a living, in the article titled "Is eBay Boycott for Real?"

"This year is different, however, eBay is making changes that cause many sellers to question whether they'll be able to depend on eBay for a living going forward," Steiner said.

Postings on AuctionBytes showed that eBay vendors agree that changes needed to be made,

but they felt that eBay tried to pull wool over their eyes. The company lowered initial fees for listing the product by a mere fraction, but increased the final fees substantially—with an overall net increase in fees.

Many eBay merchants are looking at other options, including Amazon.com, Google and Yahoo. Another option being considered is moving to online classifieds, such as Craigslist.org (which is 25 per cent owned by eBay) and LiveDeal.com that are free of charges and include forums on various topics. The only source of income for those Websites is advertisements.

eBay's growth potential

On Mar. 31, long-time eBay CEO Meg Whitman will turn the reigns of a company that has reached maturity over to John Donahoe.

Growth for the Internet giant has stalled, as total goods for sale in 2007 increased only by 4 per cent over 2006 and there are not many active new users, according to a Knowledge@Wharton (KW) report titled "For New CEO John Donahoe, It's eBay's Game to Lose." KW is the publishing arm of Wharton School of Business and the University of Pennsylvania.

eBay made some wrong business decisions, said Professor Raffi Amit of Wharton, such as acquiring Skype, an Internet-based tool for making telephone calls, instant messaging, file transfer and video

conferencing, for a whopping \$2.5 billion.

"In 2007, eBay took a \$1.4 billion goodwill impairment charge—an acknowledgement that a particular acquisition didn't generate the value initially expected—related to the Skype deal," according to the KW article.

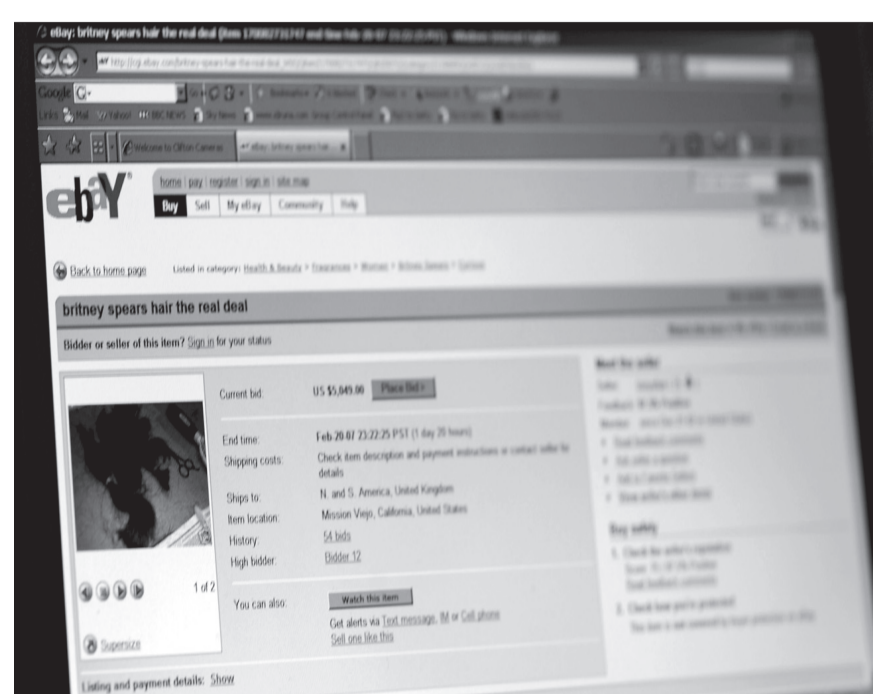
To turn eBay's fortunes around, CEO-elect Donahoe announced the fee changes in hopes of bringing in more revenue. Donahoe had obtained the advice from Marianne Wolk, an analyst at Susquehanna Financial Group, who suggested that eBay charge higher fees once a sale is complete and not when the product is listed on eBay.

KW feels that merely changing fees and tweaking its business structure are not enough. eBay has to go back to the drawing board, change its strategies and come up with some innovative approaches. "eBay has to be more aggressive and think about strategic planning five to 10 years down the line," said David Hsu, Professor at Wharton in the KW article.

Surfing eBay

At first glance, the new eBay homepage looks a lot less cluttered. The layout looks simple and the Website is easy to read and navigate.

The seller dashboard is difficult to handle for the novice eBay user. It's unknown why the toolbar is needed in the first place.



A computer screen displays a page from online auction site eBay with the locks of Britney Spears' hair for sale. BRUNO VINCENT/GETTY IMAGES

The announcement description on eBay's Website is full of qualifiers. To be eligible for "vendor rewards," the merchant has to meet certain conditions to receive rewards. There are pages and pages of conditions and not all are in the same place—it's just too bad if you think you qualified, but missed a qualifier because it wasn't easily found.

For example, PowerSellers—

eBay vendors with 98 per cent positive feedback and at least \$1,000 per month in gross sales for three consecutive months—can earn up to 15 per cent in fee discounts if they maintain a "star" rating of either 4.6 (up to 5 per cent discount only) or 4.8 (up to 15 per cent discount). The rating covers quality of item, item description, shipping time, communication and shipping and handling charges.

Is Canada ready for president "Obama"?

By RADCLIFFE DOCKERY
Special to The Epoch Times

The federal election in the United States is not until November 2008, yet the excitement surrounding the candidacy of Barack Obama is electric. While we up here in Canada snore at the prospects of our own election, the results of the US election may have a bigger impact than either of our two main political parties.

The most obvious impact will be the potential election of an African American to the most powerful office in the world. This will fundamentally change the face of world politics and inspire new generations of leaders. However, for Canadians who tend to believe that

we are more open minded than Americans, it will send shockwaves through our nation.

From our last count, there is one black elected official in the Ontario Legislature. Federally, there are at best 3 out of 308 seats filled by blacks. On top of that, reports from Stats Canada and the Conference Board of Canada have shown that black males are most likely to experience challenges in career progression. Relate this to an environment that tolerates a major Canadian newspaper publishing cartoons that implies the sambo image from the southern US—and Canada again could be faced with an embarrassing scenario if Barack Obama wins.

When former Conservative candidate, Mark Warner was fired by the party, it was stated by Tory

headquarters that they had no idea he was black. Yet, we see white males in Georgia, Alabama and Nebraska voting for a man named Barack Obama. How will Canadian leaders in Foreign Affairs, Trade and the premiers relate to a black president of the United States when in our own nation, black males tend to be stereotyped as criminals or somewhat less competent?

The impact will not only be social but will also be economic. According to the CIA, 5 of the top 11 fastest growing economies in the world are African or Caribbean. South Africa is a member of the G20 and nations such as Botswana, Angola, Ghana and Rwanda have experienced solid economic growth. American companies under a Barack Obama could experience stronger ties to African

nations, thus expanding business opportunities. Senator Obama has already indicated that NAFTA will be re-opened under his administration, which could trigger American organizations to look for new import/export partnerships outside of North America.

An Obama Presidency will immediately improve America's image abroad allowing a more favourable trade environment for American organizations. We already see an example of Canada outdated policy towards Africans in Angola, where there are hundreds of American companies flourishing. While Export Development Canada provides our companies with no useful information about how Canadian companies can flourish in Angola, the 2nd fastest growing economy in the world.

Barack Obama is inspiring people from all walks of life—in particular, young people and of course those of African descent. An Obama Presidency will have a huge social/political impact on Canada. And of course, there are serious economic implications for Canada, in particular for manufacturing provinces such as Ontario and Quebec.

When the Human Resources Professional Association of Ontario reports that 74 per cent of Ontario companies have no staff dedicated to diversity issues—it means that we have a problem. It is time for Canadian businesses and political leaders to start taking diversity as a serious economic issue.

Perhaps, the election of a black president of the United States will be the trigger to recognize what Dr.

Martin Luther King called the "Urgency of Now". To truly address this issue—Canadian businesses and policy leaders have to stop the rhetoric surrounding multiculturalism and begin leveraging our diversity as a competitive and social advantage. The Canada of today can not be ready for a President Barack Obama until it begins to take its own black population and ethnic diversity seriously.

Radcliffe Dockery is the President of HigherEye Training & Consulting, a Global Business Diversity company that provides skills development and consulting for Public & Private sector organizations looking to compete in Diverse Markets at home and abroad. To learn more about how Radcliffe can assist your organization, contact him at (416) 855-0072 or vision@highereye.com

China financial information rules violate

WASHINGTON (Reuters)—The United States and the European Union could file a joint complaint against China at the World Trade Organization over how Beijing regulates foreign financial information providers, the top U.S. trade official said Monday.

"We continue to be concerned about the situation that China has set up where the regulator is the competitor in terms of financial information. We believe that is totally inconsistent with their WTO obligations and don't see any evidence that they're going to fix the problem," U.S. Trade Representative Susan Schwab told Reuters in an interview.

Both Washington and Brussels

object to rules that Xinhua, the Chinese state news agency, issued in September 2006 to preclude foreign companies from directly providing financial information to Chinese clients.

Instead, foreign companies such as Reuters Group PLC, Dow Jones and Bloomberg, must go through Xinhua, which is also China's domestic regulator of financial information services.

"The EU shares the concern and we are definitely looking at the possibility of further litigation, litigation on this. I would just say on that, 'stay tuned,'" Schwab said. "The industry is very concerned and we've talked to all the players..."

Schwab said the United States was also considering other new WTO cases against China, but did not elaborate.

However, she took issue with a charge made by the Democrats that the Bush administration has not been aggressive enough in taking cases against Beijing to the WTO.

The United States won a "huge" victory against Chinese government subsidies at the WTO and settled two other cases involving semiconductors and kraft liner board before getting to the litigation stage, Schwab said.

U.S. trade officials also have confirmed a recent win against China in a case that challenged that country's treatment of foreign auto

parts. That ruling is expected to be made public in the next four to six weeks.

Washington is also pressing forward with two other cases aimed at reducing piracy and counterfeiting in China and lowering that country's barriers to imports of legitimate films, music, books and software, Schwab said.

It's always preferable to resolve trade spats without going to the WTO because filing cases is expensive and time consuming, as well as unpredictable, she said.

"Where we've felt the only way to address the problem is to file cases, we've filed cases," Schwab said. "I don't like filing cases unless I'm pretty darn sure I can win them."

Bigger returns on your RRSP

JUSTUS PARMAR
Special to The Epoch Times

It's that time of the year again—the season when thousands of Canadians are considering this year's Registered Retirement Savings Plan (RRSP) investment before the February 29 deadline.

Many older investors take a conservative approach to invest their RRSP since it is generally intended to provide income and financial security in retirement. Younger growth oriented investors, on the other hand, allocate a greater proportion of their RRSP to equity investments because historically stocks have outperformed bonds.

The average return for Canadian stocks of 8 per cent to 10 per cent per year compares to about 6 per cent to 8 per cent per year for a diversified basket of bonds since 1960. Over time, it is easy to see the potential of investing in equities.

Directed vs self-directed - which is right for you?

In directed RRSP's your investments are limited to GIC's, Canada Savings Bonds, and a selection of mutual funds. The level of investment advice you will receive from the advisors will be limited to the products that they are allowed to recommend you. Often times your investments can be based on your answers to a standardized questionnaire.

With self-directed RRSP's you

can work closely with your advisor and have access to virtually unlimited products for your investments. You can hold GIC's and Canada Savings Bonds, a much wider variety of mutual funds, stocks, bonds, and even gold these days. There are very few investment products that you cannot hold in a self-directed RRSP. The only pitfall may be the fees associated if you only have a minimal dollar figure to invest.

Think globally in your self-directed RRSP. Canada comprises roughly 3 per cent of the world equity market. In other words, 97 per cent of global equity market opportunities are outside of our borders.

Many investors allocate a portion of their equity investments outside Canada because over the long run, international equities have outperformed Canadian equities. For instance, \$10,000 invested in the S&P/TSX Composite Index at the beginning of 1980 would have grown to \$103,149 by the end of 2004. The same amount invested in the MSCI EAFE (Europe, Australia, and Far East) Index and S&P 500 Index would have grown to \$156,247 and \$246,225, respectively.

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PUBLIC NOTICE

Take notice that Mark Parillo; Home address; 428-550 Queens Quay W., Toronto, ON, M5V 3M8 declared to the Registrar of Civil Status to be the father of Trizana Maria Chin; born on 20/05/1975 in Montreal and daughter of Angela Parillo.

Therefore, the undersigned requests of the Registrar of Civil Status register his name as father of Trizana Maria Chin on the act of birth of the latter and whose surname will be modified to read as follows: Parillo.