

12 January 2016



Simplified pricing on the way

Trade Me has announced plans to change the pricing for members listing and selling goods in its General Items marketplace. The new pricing will come into effect on 1 February 2016.

Trade Me's head of marketplace Stuart McLean said: "We're simplifying the success fees for sellers, and making sure we still deliver excellent value for our members."

He said the key changes included free photos on each listing. "We're removing the fee we've been charging sellers keen to have more than one photo on their listings. We want to encourage our members to include lots of images as we know this improves the buying experience and makes it more likely that an item will sell. This change is good news for everyone who uses Trade Me."

Another piece of good news was the move to "zero success fees" on items selling for \$1 or less. "We want to encourage more activity at this end of the marketplace and we think that if sellers are prepared to take a risk on a \$1 sale, then we should come to the party too," Mr McLean said. "In 2015, around 439,000 items sold on Trade Me for \$1 or less – about 4 per cent of all items sold – so it is a meaningful change."

Trade Me is also removing the 50 cent minimum success fee, after taking on board feedback from members. "This was an aspect of our pricing that our sellers were particularly annoyed about so we've removed it," Mr McLean said.

The other significant change was the removal of tiered success fee pricing for items that sell for more than \$200. Mr McLean said research had shown that many Trade Me members did not understand the current tiered pricing structure. "We're making things simpler by keeping the success fee unchanged at 7.9 per cent, but getting rid of the tiers. We're also keeping the maximum success fee of \$149 in place."

Mr McLean said the upshot of the new success fee structure was that 20 per cent of items would be cheaper to sell, 74 per cent would be unchanged and 6 per cent would be more expensive.

He said the average sale price of an item on Trade Me was about \$60 and, under the new pricing structure, this item would incur an unchanged success fee but the seller would no longer pay a fee for including multiple photos on the listing.

The pricing changes do not apply to listings on Trade Me Motors, Trade Me Property or Trade Me Jobs.

-ends-

More information:

Trade Me site announcement: trademe.co.nz/community/announcements

Contacts:

Media: Paul Ford, paul@trademe.co.nz
Investors: Colin Rohloff, investors@trademe.co.nz