



8-Steps to

IMMEDIATE

eBay™ Profits

By

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SmartHomeBusiness

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Dimes-2-Dollars

8-Steps to IMMEDIATE eBay Profits

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Please Don't Steal From Me!

Scot Dantzer
Philadelphia, PA
November 1999

Dollars-2-Dimes

TABLE OF CONTENTS

*NOTE: Click on the page number to view that section. The sections labeled **in blue** are internet links. These special additions will open in your internet browser window.*

NAVIGATION.....	6
The Colors	6
Sizing	6
Icons	7
Turning Pages	7
INTRODUCTION.....	9
The Auction Megasites	11
Databases...Organizing your business	14
Email Software	17
The Listing Schedule	19
THE EIGHT STEPS - ON ONE PAGE	20
STEP ONE - RESEARCH RESEARCH RESEARCH	21
The “I’ll bet this is worth something” Approach	21
The Professional Approach	21
Before you jump headfirst	23
Know What Sells	26
Meanwhile, Back at the Research	27
Paper Auctions	29
STEP TWO - EMPTY THE JUNK DRAWER	32
What Sells?	34
What is that Junk?.....	35
STEP THREE-OPEN YOUR AUCTION.....	37
Absolute or Straight Auctions	37
Reserve Auctions	37
Dutch and Yankee Auctions	38

Private Auctions	40
Restricted Auctions	40
Determining the Auction Length	41
New User Registration	42
STEP FOUR-SELL IT, BABY!	44
THE AUCTION LISTING (a.k.a. The 'Ad')	44
The Title	45
The Features Listing	46
The Benefits Listing	47
Photos	48
Selling With Your Listing	49
Benefits	50
Features	51
EBay's 'Featured Areas'	51
Shipping Charges	52
Payment Options	52
Personal Check	53
Money order/cashier's check	53
Credit Cards	54
Third Party Billing (with real time processing)	54
HTML Auction Listings	56
Keep It Simple	57
Advertising Your Auction Online	59
Advertising Your Auction Offline	60
STEP FIVE-FOLLOW UP. NOW!	61
KNOW YOUR BUYERS	61
Email Questions	62
FOLLOW UP	63
STEP SIX-GET THE FEEDBACK.....	64
FEEDBACK	64
The Follow Up Email	64
STEP SEVEN-FIND THE DEALS	68
Buy Low	68
Sniping	71
Shilling	71
No Out of Pocket Money	72
Act Fast	73
STEP EIGHT-SEE STEP ONE.....	75

GLOSSARY76

NAVIGATION



This manual, in Adobe .PDF format, should be readable on nearly any computer with the Acrobat Reader.

If you believe your copy of this manual is defective, send any email to info@smarthomebusiness.com and describe the problem

The Colors

A [blue underlined link](#) (with an “[http](#)” or a mail address) is an internet hyperlink.

This will open a web page in your web browser (i.e. Internet Explorer or Netscape Navigator). You must be connected to the internet for these links to function.

Other colors such as [red](#) and [blue without underlines](#) are used simply for emphasis and variety. These are not links.

The Acrobat format also offers the reader several viewing options. Feel free to experiment with the setting until you find one that lets you read this manual easiest on your monitor.

Sizing

The sizing controls are found at the bottom of the viewer.



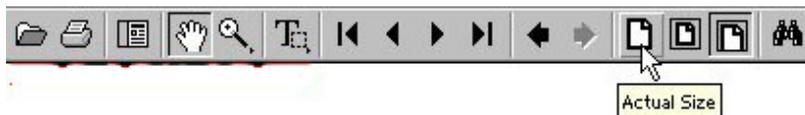
Click on the icons on the left to resize the screen. You can also specify a number for more precise magnification.



You can also magnify the screen by selecting the magnifying glass icon, then clicking the page to magnify.

Icons

There are three icons in the top icon menu. Click on all three to select your preferred viewing option.

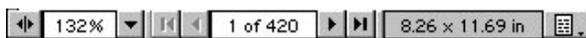


Turning Pages

Use the arrow keys on your keyboard to turn pages. You can also use the 'wheel' on your mouse if you have one.

You can also scroll through this manual using the scroll bars on the right side of the screen.

Or you can use the icons on the bottom navigation panel or specify a particular page for viewing.

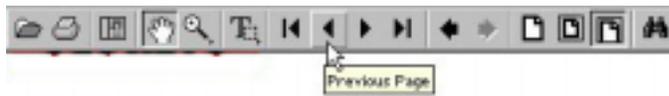


There are also icons on the top of the viewing screen that will allow you to view

The first page



The previous page



The next page



And the last page.



INTRODUCTION

Welcome to the profitable world of online auctions!

A world where small (and huge) fortunes are made almost **overnight**.

A world where anybody, regardless of

- Location
- Background
- Finances or
- Professional experience

...Can start profiting immediately with little or **no upfront money**.

A world where you buy for **pennies** on the dollar and sell for **10 times** your cost **in 7 days**.

Anybody can make small or LARGE amounts of cash...**whenever you want...** and the process is incredibly simple.

The only equipment you need is:

- A personal computer
- An Internet connection
- The information you'll get in this valuable book
- Links to great sources of cheap, quality merchandise (which you'll find in my **AuctionMaster Toolkit**)
- And a mailbox or post office box for receiving your merchandise and **CHECKS!**

You don't need the best or fastest computer in the world (though a fast modem or cable/DSL high-speed connection could help)...

or even have to be a computer whiz...

The only initial investment you'll need to get started is your

- Time, and the
- 'Junk' laying around the house

And the invaluable and time-saving information you're about to read in this manual.

You'll discover how to take this junk...

and turn it into CASH...

That you can use to...

MAKE MORE CASH!

In this manual, we'll examine:

- **How** to pick the right products
- **Where** to find the best deals online and
- **How** to create an auction listing on eBay that attracts bidders and brings in the highest possible sale price

We'll also look at some of the kinds of products you want to avoid, AND how to build your inventory with NO out of pocket cash

And How to Build a Self-Supporting Home Based Empire with eBay Profits...

A business where you buy your inventory for **dimes**, and sell it for **dollars**...Anytime you want and as often as you like.

The information in this manual is NOT classified...it's a simple step-by-step approach to **buying low**...

and selling HIGH.

Follow the suggestions I make throughout this manual and you are virtually guaranteed to multiply your investment many times over.

We'll also look at some tricks the pros use to command these high prices.

Before we start, let's take a look at

The Auction Megasites

There are **hundreds** auction sites, with more popping up everyday. In this manual, I suggest that you use these megasites (specifically eBay) to sell your inventory...but **not necessarily** for buying it.

I'll come back to this point over and over again...the high traffic at these sites will drive the prices of desirable items up. That's good for the seller...

But NOT for the buyer.

You will use these sites to research your inventory and to estimate a range of selling prices. Certainly, if you find a great deal on the megasites...**JUMP** on it!

Otherwise, use these sites only for research and for selling.

Here are the mega sites:



eBay

<http://www.eBay.com>



Amazon

<http://amazon.com>



Yahoo

<http://auctions.yahoo.com/>



Excite

<http://auctions.excite.com/>

And there are **hundreds** of auctions that cater to specific interests and industries. These sites are a wealth of online bargains that can be sold on eBay for many times your cost.

We'll take a look at why we want to sell almost **exclusively** on eBay later on in this manual.

The competition is fierce at eBay, and your chances of getting that great deal are much greater at a smaller and less traveled auction site. High numbers of visitors can drive the price up quickly.

This is great if you're selling...

...Not so great if you're buying!

LINK.....

Internet Auction List - [The most complete listing of online auctions available](#)

<http://www.internetauctionlist.com/>

.....

Again...We'll get to know these secondary, smaller auction sites well...

... but not necessarily as buyers

But As Sellers

Databases...Organizing your business

If buying and selling on auctions is something you plan to pursue on a large scale, you need to **organize your activities** and keep your records in a database.

Businesses of all sizes use databases to track their sales and marketing activities, track their sales and customers, and manage the large chunks of data that will help get the next sale.

As an online auction pro you need to **consider yourself a businessperson** and do the things businesspeople do to run their companies efficiently and profitably.

You should make it a goal to **never** have to search to find the answer to any questions related to your business...

The answer will be in your database.

A database will allow you to fill in your buying and selling activities into fields that you can sort. This will help you to track

- Your auctions
- Your buyers
- Your suppliers

...and all the other vital records related to your business.

Setting up a database is very easy using any one of a number of popular software programs like:



Symantec Act

<http://www.beyond.com/AF38113/PKSN105112/prod.htm>



Microsoft Access

<http://www.beyond.com/AF38113/PKIN053417/prod.htm>



Microsoft Excel

<http://www.beyond.com/AF38113/PKIN053403/prod.htm>

Or you can keep **very detailed** notes in a word processing program like Microsoft Word.

If you use a word processor, try to keep your information contained **within cells** that you can manipulate and sort. You want to be able to sort your infor-

mation by any one of the fields listed below. The simplest way to do this is to use a cell-based application.

Create a set of fields that will let you monitor your auctions from start to finish.

Make sure you create fields for:

- **The Item**
- **Auction lot number** (the number assigned to you by eBay. Also make note of the URL of the selling page.)
- **Listing date** (the date the auction starts)
- **Closing date** (the date the auction ends)
- **Listing fees** (the fees eBay charges you to run their services.)

SIDEBAR.....

EBay's Fee Schedule

<http://pages.eBay.com/help/sellerguide/selling-fees.html>

.....

- **Purchase cost** (the cost to you)
- **Reserve/minimum bid**
- **Final bid**
- **Final value fee** (the fee you pay eBay)
- **Buyer information** (name, email, address)

- **Payment method** (and details)
- **Shipped date**
- **Shipping, handling, and insurance fees**

...And any other relevant information to help you track your sales.

By keeping a database you'll be able to sort the fields in any way you wish and have an **instant snapshot** of the profitability and progress of your various auctions.

Remember to:

- Enter and maintain these listing **every time** you start or close an auction
- Keep up with your entries **daily** or as your sales progress.

Email Software

Since your business will be conducted entirely on the internet, you will need to get your hands on a full-featured email program.

Any good email application will allow you to set up folders to store and sort your important messages, and filters that will automatically send the messages to the appropriate folder.

Certain software packages will also automate several routine tasks such as automatically responding to certain types of messages.

TIP

Your goal, as an online businessperson, will be to automate your business as much as possible. Luckily, there are tools available that will make this a relatively painless process.

Visit my **AuctionMaster Toolkit** at:

<http://smarthomebusiness.com/auction/toolkit/index.htm>

Currently, I use these **two software** programs to manage, filter and store my business-related emails:



Pegasus Mail

<http://www.pegasus.usa.com/>



Mailloop

<http://www.marketingtips.com/mailloop/t.x/33226>

In most cases, Microsoft Outlook or Netscape Communicator will be good enough to start with. As your sales pick up you will want more of the automa-

tion features provided in the higher end programs.

The Listing Schedule

You will need to **schedule your time** for the various tasks that need to be taken care of on a regular basis.

While this may seem unnecessary at first, as you build your auction business the routine daily tasks will begin to overwhelm you.

Once you have your workable scheduling and automation processes setup you will save yourself **hours** in administrative duties.

Set up a schedule to:

- List all of your auctions on a particular day
- Prepare your ads on a particular day
- Run to the post office or local pack n' ship on a particular day

Remember, like any business...

...the money you make is determined by the amount of time and effort you put into it. Like they say, your key to success will be to “**work smarter, not harder.**”

In other words, to make a “job income” you need to treat your online auction business like a job. Except its a

A job you can do in your pajamas, and at your leisure!

THE EIGHT STEPS - ON ONE PAGE

Here it is..**all the secrets** in one single page.

The rest of this manual will walk through each **individual step** and provide some very valuable insider sources for making the **highest possible** return on your investment.

In fact, follow these eight steps...and you'll build your bank account with **NO** investment whatsoever.

1. Research Research Research

Discover what kinds of products sell on eBay and get the **highest bids**

2. Empty Your Junk Drawer

Sort through the clutter around your house and identify the pieces that have **resale potential**

3. Open Your Auction

Register your **inventory** with eBay...and make it look great!

4. Sell it, Baby!

List your items to generate interest, excitement and the **highest possible winning bid**

5. Follow up. Now!

Get the money in your hands...**tonight**

6. Get the Feedback

Next to the money, the **most important detail**

7. Find the Deals

It's payday. Now go out and begin building your inventory with items that you buy for **pennies on the dollar**

8. See Step One

Take your new dimes and turn them into more dollars

STEP ONE - RESEARCH RESEARCH RESEARCH

There are two distinctly different approaches you can take with the auction game.

Either one has potential. One has much greater potential.

Try to guess which one!

Approach #1:

The “I’ll bet this is worth something” Approach

This approach that involves finding **any kind of cheap product** wherever you can. It could be at a garage sale or yard sale, or you could even find it in the trash.

I’ve found great things just sitting on the street corner here in Philadelphia!

Take your trashcan gems and post them on eBay. You might get a few bucks. This is how I started.

This is a good approach for the casual seller who is unloading household clutter...and a **good way to get started** with no out of pocket expenses.

You might occasionally get a few surprises that generate a decent selling price. This is fine if you are **NOT** interested in working toward a secondary (or primary!) income on the internet.

Approach #2:

The Professional Approach

Take a serious business-like approach to the whole game and use proper

planning, execution and follow up to ensure that you'll get the **highest possible return** on your investment.

Which makes more sense?
That depends on how much money you want to make.

There are people who make **thousands of dollars each** week (or any week they choose) on eBay. They research their market, they research their products, and they know how to sell.

The 'secret formula' to this kind of success has two parts:

1. Buy Low

2. Sell High

You might say to yourself...“Where’s the secret in that?”

The secret is in knowing where things could go wrong before they do. For instance....no bidders. That’s an auction gone wrong!

The other part of the secret is to know how to **make things go right**.

You could go out and buy something you think would be a good seller. Maybe you’re so certain that you buy **100 of them** and never sell a single unit. You Lose Money!

What went wrong? You didn’t know your market or your buyer.

The only possible way to Sell High is to **sell items people want to buy**.

Determining what these items are before reaching for your wallet is the topic of this chapter.

Before you jump headfirst

...into the world of online auctions, think about the areas that interest you or the areas in which you have experience or knowledge.

Think about:

- Your Job
- Your Hobbies
- Your Education
- Your Interests
- Your Skills
- What you do in your spare time

Then take that a step further and ask yourself

“What would a person with my background, my interests, and my hobbies buy at an online auction?”

Answer that question, and you’ve taken a **giant leap** toward identifying a group of people that’s at eBay...right now...searching for the same kinds of products you would be.

In this manual I suggest you take this approach and **be your customer**.

When you are your customer

You know what your customer is looking to buy...

And how much he’s willing to pay for it.

Then it’s a simple matter of finding these items at a bargain price, and using my techniques to list the auctions in a way that drives the price up.

TIP

To list an auction means that you are selling an item or quantities of an item. When you fill out your seller form on eBay you are listing your auction.

The **listing** is the ad that you create to build interest and get bids. It helps to think of the auction game in these terms...

The auction is your sale. The auction listing is your ad. Remember this since much of the information that applies to advertising applies to your auctions, too.

Many people get started in online auctions by becoming an expert on a particular type of item.

To begin this way, pick a theme and stick to it. Your best chance of success will be to select a theme that interests you, since you will be the expert.

In fact, that's a little trick to success in any business. You must be passionate about your topic...this passion shows in your work, your letters, and your ad copy.

For instance, if you decide to sell Elvis merchandise, there is a whole world of books, clothing, cd's and memorabilia that appeal to the Elvis fan.

Stick to the Elvis theme and eventually you'll get a reputation as "The Elvis Guy". People will start seeking you out for Elvis-related products.

In other words

SELL WHAT YOU KNOW!

Once you get settled in your theme begin searching the internet for products that relate to your theme.

For instance, an antique automobile enthusiast might be interested in items such as books, calendars, clothing, toys, memorabilia...you name it.

These kinds of items are available **very cheaply** on the internet...

...If you know where to find them.

In the coming chapters (and on the **AuctionMaster Toolkit**) we'll look at some of my secret sources of quality merchandise at rock bottom prices.

Use these links and search out products related to your chosen theme. List your discoveries by

- **Product types**
- **Product manufacturers**
- **Prices or price range**

Then visit eBay and begin searching for your chosen products and other related items...just to get a feel for the demand for your these types of items.

Don't forget to search by manufacturer's name...this will narrow your search results and might give you some additional ideas of what's available and what's being sold.

RULE #1 OF AUCTION PROFITS.....

The price you paid for the product doesn't matter...

It's How Much It's Worth to Somebody Else!

.....

Remember, the internet is a world of **niches**.

Pick a theme-any theme- and there is a group of people on the internet who are passionate about it.

Sooner or later...

They ALL come to eBay.

Why not have something they can bid on?

Know What Sells

I have a friend who makes **a killing** by hitting the flea markets every weekend looking for very specific products that he's discovered a market for.

He will generally pay under \$5 for these items and sell them for **up to \$400** on eBay!

What's he selling?

Antique telephones (by the way, they're worth much more if the original phone number tag is still fastened to the rotary dial).

He's identified a product that has a **built-in market**, and discovered how to reach that market on eBay.

How did he make this amazing discovery?

He accidentally stumbled across it on eBay!

This friend buys and sells at flea markets nearly every weekend. When he has trouble moving a particular item, he lists it on eBay to recoup his investment.

Imagine his **surprise** when he was looking to unload a few old telephones..

...and found that there was a group of people who were scooping them up as **fast as he could list them.**

Now he knows the types of phones people are looking for, and how much they generally pay.

He regularly turns **a few dollars into a few hundred dollars** whenever he feels like...from this accidental discovery.

And that's the point of this first step. When you do a little research you stand a much better chance of making these great little discoveries.

Identify a healthy niche like this...

And you work when you feel like it!

Imagine the income possibilities if you could invest under \$100 in 'junk' inventory and turn it into **thousands** over the course of 7 days...

These kinds of profits are very realistic...and easily obtainable following the suggestions in this manual.

Meanwhile, Back at the Research

Think about an area...any area...that interests you.

It could be:

- Antiques, collectables or memorabilia
- Home Electronics
- Music or Musical Instruments
- Computers or Software

Or Even Antique Phones!

Make a list of the different kinds of...

- Makes
- Models
- Manufacturers
- Related Items...anything that's even remotely related to your original items

Then take that list and begin your research...You're trying to determine the:

- Demand
- Availability
- Final Bidding Price (or value to the buyer)

You'll probably be surprised in a few cases to find that **nobody** is interested in an item you thought would sell well

and

An item you thought was a dog is **in high demand**.

This is why you're doing this research **before** you invest your first dime in inventory. You never know what you'll find...until you begin looking.

LINK.....

Search for these items using the special links found at my:

AuctionMaster Toolkit

.....

Once you've located a few sites that sell the kinds of items on your list...

...Bookmark them

These bookmarks will come in handy later when you're ready to invest in your inventory.

TIP.....

If a particular auction listing has a website associated with it...go there too. I've found a lot of liquidators that try to move their back stock on auctions.

You might be able to get a better price by buying directly from the seller's site...or you at least have a chance of 'haggling' a better price out of them.

.....

LINK.....

What else are people looking for? Visit **EWanted.com** for a different kind of auction. You'll find people asking for items they'd like to buy on auction.

While you might not find the kinds of prices you'd like to get, you will get some ideas of what's in demand. Find a demand...and provide the solution!

<http://www.ewanted.com/allcateg.cfm>

.....

Paper Auctions

Try a few paper auctions before jumping in. This will get you accustomed to the process **without inventory**.

Pick an item from your list and find it on a smaller auction or at a wholesaler's site.

BONUS.....

Visit my [AuctionMaster Toolkit](#) for great secondary auction and wholesaler/liquidator deals



Follow the bidding in your paper auction.

This is a **crucial** first step in any investing plan (and if you begin to stock inventory, this **is** investing). The results of your paper auction will help you **forecast** the results of an actual auction...

Without spending a dime on inventory.

Make a note of the final sale price..[Pretend you're the buyer.](#)

Then go to eBay and follow auctions for similar items...[Pretend you're the seller.](#)

Would you have made a profit?

If the item made money, you're just about ready to grab your credit card.

If the item lost money, try this exercise a few more times until it is profitable on paper. If you never seem to make money on paper...

Consider:

- A new Theme
- A new Product
- A new Supplier

...But whatever you do...

Don't invest any money until you can profit on paper first!

Playing the online auction game is like any form of high-risk investing or gambling...

You stand to **multiply your investment many times over...**

Or you could loose your shirt (and end up with a garage filled with junk that nobody wants to buy-at any price!)

STEP TWO - EMPTY THE JUNK DRAWER

Ready to get started? Good.

Step two is to empty your

- Junk drawer
- Garage
- Crawlspace
- Attic...

...anywhere you have things stored that might be valuable to somebody.

When you go through these items ask yourself whether you really need to save them any longer. If not, move 'em out! **This is your seed money to build your business.**

This is a great no-cost way to get started, and in most cases you'll be shocked at the value of your 'junk' to someone else.

One man's garbage....

Starting your auction project with household clutter offers two big advantages:

- You begin building your inventory capital with no out of pocket money and
- You make room to walk in your storage areas!

In my first auctions I literally sold some of the contents of my junk drawer... things I meant to throw out or give away...

...When I eventually got the chance to sort through it.

At the time eBay was just beginning to catch on and it occurred to me that this might be a better way to clear out the clutter.

Was it ever...to the tune of over \$300 dollars!

I'm sure you have clutter around your house, too.

Time to go through it and begin listing some of these items on eBay. You might be as surprised as I was to learn **the value of your junk**.

Plus, when you sell them off on eBay:

- You get familiar with the auction process
- You learn about the kinds of people who buy on auctions
- You discover what buyers are looking for
- AND, you get some money to begin building an inventory of items you identified in the first step of this manual

...Plus you also get your first rush from watching your bids climb in the final minutes of the auction! But be careful....

It's addictive!

In the case of my junk drawer, I found that certain guitar parts are very valuable to people outside of US. These particular parts are **nearly impossible** to get in their own countries.

And I had quite a few junk guitar parts in my junk drawer.

This changed my whole view on the process.... I can get these types of items for **pennies on the dollar** and they're worth a lot to people who can't find them near their homes.

TIP

Regardless of where you live, there are things that people outside of your community simply can't get at the prices you can...this is a great opportunity for you as an eBay seller.

Another advantage of starting with items you find around the house is that you begin to build credibility in the auction community and begin to **accumulate positive feedback points**.

If you have any intention of selling quantities of items on eBay, your feedback will become much more important.

For instance, eBay does not permit you to sell in a Dutch auction until you have **10 favorable feedback points** under your belt. A Dutch auction is one where you sell multiple identical items...for instance 100 sets of baseball cards.

We'll talk about Dutch auctions later in this manual.

Sell 10 things from your garage...

...And you're ready to make the leap into buying and selling in lots.

What Sells?

- Collectables
- Trends
- Electronics
- Memorabilia
- Hobbies

eBay is a marketplace for **impulse buys**. Typical eBay buyers fall into two separate categories:

- The pros (like you!), and
- People with a little extra time and cash to play with. They go to eBay to look for toys.

Later in this manual we'll look at how you sell to these different groups.

What works for one group usually won't work for the other

Remember what I said about knowing your buyer???

People will generally buy things they want before they buy things they need..so **popular culture, gadgets and nostalgia** are always BIG sellers on eBay.

TIP.....

Want to know what REALLY sells on eBay? Ask a kid!

A few years ago it was Power Rangers, recently it was Backstreet Boys merchandise. These days its Pokemon, next month... Who knows!

It's not the 12 year olds that are buying at auctions...it's the parents and relatives. If you have children, you surely understand just how BADLY they must have the newest toy.

.....

What is that Junk?

Keeping all of this in mind, what kind of items did you turn up in your storage areas?

Chances are **someone is selling something similar**, and this will give you an idea of whether or not people are interested in buying...

And how much they're willing to pay.

It will also help you determine the auction category that is most appropriate-

and the category that draws the most bids.

For instance

Suppose you're selling an antique camera. Do you list it in "**antiques**" or "**photo equipment**"?

Search eBay for all mentions of "camera" and take note of some unusual categories they turn up in. Today there are over **2,800 categories** and growing.

Then look at the number and value of the bids.

You might be surprised that an antique camera might sell better in a different category than you originally thought.

A little research will help you narrow down your options.

STEP THREE-OPEN YOUR AUCTION

So you've got some items put aside from your storage-space treasure hunt. Now it's time to [convert it to cash](#) on eBay.

There are a few different types of auctions on eBay, and each follow a slightly different set of rules.

We'll look at how to list your auction to draw traffic and high bids in the next chapter...for now let's get familiar with the auction types.

Absolute or Straight Auctions

A straight auction is the mental picture most people have of auctions.. You have one item for sale and bidders compete for the high bid.

In most cases (especially when you start out) straight auctions will be the best way to sell.

Reserve Auctions

In a reserve auction, the seller will not accept any less than x dollars for the product. The seller determines this price when listing the auction.

The reserve price is **kept hidden** from the bidders until the reserve is met.

As a rule of thumb, most seasoned bidders are turned off by a reserve price, so avoid this where possible.

A good way to sidestep this sticky predicament is to keep your inventory costs **as low as possible**. Picture a price you'd like to get for the item, and then set your starting bid at roughly half that price.

We'll look at this in more detail in the next chapter.

Dutch and Yankee Auctions

Dutch and Yankee auctions are similar in that you are selling a 'lot' of identical items through a single auction. A 'lot' is a quantity of identical items.

SIDEBAR.....

Liquidators usually sell their inventory in lots. The lot could be a dozen, a gross (12 dozen, or 144 items), or any other quantity.

.....

While some auctions offer either or both, eBay does **not** allow you to sell in Yankee auction.

In both Dutch and Yankee Auctions, bidders can bid on

- One
- All, or
- Any quantity

Of your lot.

The difference between the two is how the final price is determined.

In a Yankee auction

Each bidder gets their products at the **price they bid**. The highest bidder will get his bid quantity at his price. The next highest bidder will get his quantity at his price. And down the line until the quantity is gone.

In a Dutch auction

The final price for all bidders is determined by the *lowest successful bid*

For instance:

Let's say you are selling **10 items and 10 people bid** on one each.

Each one wins one item at the price of the lowest bidder.

There were only 10 bids, so the lowest is the winning bid.

But what if there were more bidders than items?

If 30 bids were made for 10 items...

the **10th highest bid** (which is also the lowest successful bid...since there were only 10 items) sets the final price, regardless of what the highest bid actually was.

If the highest successful bid was \$10, that is the final price paid by **all bidders...**

...even if the highest bid was \$100

In a Dutch auction a single bidder can also bid on quantities.

Suppose you have 10 items and...

- **The high bidder bids \$10 on 8 of them**
- **The next highest bidder bids \$5 on 5 of them...**

The final price will be **\$5** since that's the lowest successful bid.

- The High bidder will get 8 units at \$5 (even though he bid \$10) a piece
- The next highest bidder will get the remainder of the lot (only 2) also at \$5

In a Dutch auction, bidders have the option to accept or decline partial lots...

So even though bidder #2 bid on 5 items, only two are left. He can have those two, or decline all together.

The only way to guarantee you'll get your quantity is by placing the highest bid.

LINK.....
Dutch Auctions on eBay
<http://pages.eBay.com/help/basics/g-dutch-auction.html>
.....

Private Auctions

In a private auction, the names and email address of bidders are kept hidden from each other. This provides an extra bit of security for the buyer since only the seller knows his identity.

Restricted Auctions

Restricted auctions are used for selling adult-oriented merchandise. They are restricted against minors.

Determining the Auction Length

To determine your auction length, start by deciding when you'd like the auction to **end**. Then it's a simple matter of working backwards.

eBay will let you preselect an auction length of 3, 5, 7 or 10 days.

You can cancel an auction at any time, but keep in mind that the bidding usually begins to pick up steam in the final days of the listing.

If the auction runs out and there are no bids (or the reserve isn't met) you can relist it again for free.

TIP.....

If an auction runs too long, it might get lost in the shuffle.
If it's too short it might not generate any steam and disappear too quickly.
In general, it's best to let auctions run for at least a week.

The listing will run during a weekend, when Internet traffic is generally higher.

.....

Here are a few considerations to keep in mind when determining your auction length.

- Sunday is generally considered to be the best day to end an auction
- Some sellers prefer the ten-day option. The benefit of this length is that if you list on a Thursday evening, your auction will be listed through two weekends.
- If you start and end a seven-day auction on a Sunday, you'll get a full week and a full weekend's worth of exposure.
- Saturdays and Sundays tend to bring out more bidders. See to it that your auction runs through at least one weekend...preferably ending on a Sunday.

Also, people who take three-day weekends are away from their computers on Fridays and Saturdays.

By ending an auction on a Sunday, though, you can still catch folks who have been away for the weekend but **go online** when they get home on Sunday.

In most cases you never want your auction to end on a Friday.

You'll lose that weekend surge at the end of the auction when the bids are at their peak.

There's one major exception to this...students.

EBay's research showed that items targeted at students did better when the auction ended on a Thursday.

Why's that?

Because the **weekend starts on a Thursday** night for most students. You won't find them spending too much time on auctions during the weekend.

New User Registration

OK...you're ready to list your item on eBay.

In order to transact any business on eBay, you must register with them.

LINK.....

eBay New User Registration

<http://pages.eBay.com/services/registration/register.html>

.....

In the registration process you will provide eBay with your

- Name
- Address
- User name
- Email address
- and credit card information.

They will use your card to deduct their fees, so be sure to have a few dollars available on your card.

There is also some additional and optional information on the registration form.

You can choose to leave these fields blank without affecting your registration approval.

When you've completed your registration you will receive a detailed email message that will contain their **rules and regulations**, and important links to their site. You will receive this message almost immediately after registering.

Once your registration is confirmed (usually in a matter of minutes) you're ready to list your items for sale.

LINK.....

eBay "Sell Your Item" Form

<http://cgi5.eBay.com/aw-cgi/eBayISAPI.dll?ListItemForSale>

.....

The listing form is very straightforward, but there are a **few tricks** to making the most of your auction listing.

We'll go over some of these tricks in the next chapter of this book.

STEP FOUR-SELL IT, BABY!

So you've found some jewels in your junk drawer, or you've found a great deal on a product, its arrived at your house and you're ready to go.

Now it's time to sell it on the auction block.

Selling items on eBay is called "Listing an Auction." When you list, you're **creating an advertisement** for your item, so you've got to sell it

THE AUCTION LISTING (a.k.a. The 'Ad')

Make sure you follow some of the simple rules to creating effective ads, including using:

- A benefit rich title
- Bullet points
- A call to action

LINK.....

There is an ever-growing list of ad copyrighting resources available at the AuctionMaster Toolkit. Refer to it often until you feel comfortable writing a killer ad for your items.

AuctionMaster Toolkit

.....

The Title

Remember, your auction sales are just like any other kind of sale...

You need to develop an **attractive and compelling reason** in your auction listing to get a buyer.

The first thing your customer will notice is the **title**, or headline, so put some thought into this.

If your headline draws a lot of bidders, it will naturally drive the price up.

What are your bidders looking for?

- They're either looking for a very specific product (as in the case of collectables) or
- They're looking to gain pleasure, solve a problem or avoid pain.

You've got to explain how buying your product will give your buyer **one of these benefits**. And you've got to start off with the title.

For instance, if you were trying to sell a tax savings software package, which headline would work best?

“For Sale-Turbo Tax Software”
or
“Slash Your Tax Bill With This Amazing Tool”

Notice how the second example presents a **clear benefit** to the buyer, and action words like “Slash” are always a nice touch.

The goal of the headline is to get bidders to click on your product and **read more**.

BONUS.....

Visit the [AuctionMaster Toolkit](#) for advice from some of the biggest names in advertising copywriting in creating your titles and ad listings.

.....

Pepper your headlines with words like:

- CLEARANCE
- LAST ONE
- UNIQUE
- VINTAGE
- NO (or LOW) RESERVE

...To build interest in your item listing.

Once you've got your buyer's attention, there are **two ways** to effectively list (or advertise) your product.....Yet another reason to know your products and buyers!

The listing is the 'ad copy'. This is where you've got to sell your item to the bidders.

The Features Listing

If your product is a collectable that **only a collector** would be interested in, then focus on the features/specifics of the product.

For instance, if you are selling model railroad items, the buyer won't be interested in how much fun the item is.

They want to know...

- The year
- The make
- The serial number
- The condition of the item

In other words...

...The specifics

A feature-rich listing won't appeal to most casual buyers, but remember **you're not selling to them...**

...You're selling to a collector. In a features listing, don't bother hyping your item. This will probably turn off the serious collector. And you already know this because...

You know your customer!

The Benefits Listing

If you're selling to a more general audience, your best approach is to focus on **benefits rather than features.**

For instance, if you are selling a bread-making machine, the benefits might be:

- The great smell in the house
- The wholesomeness of home baked bread
- The compliments from your family

This kind of product doesn't necessarily draw the kind of bidder that's interested in model years and such...

...They want the benefits they get from buying the product.

TIP.....

Visit the product manufacturer's website and take a look at how they sell their product. They've spend plenty of money researching the most effective way to sell their products.

Base your ad on theirs (without stealing it, of course).

.....

Photos

Wherever possible, use a picture with your ad.

You can take your own photo with a digital camera, 'borrow' one from the manufacturer, or scan the product from your desktop scanner.

This suggests to the buyer that:

- The product actually exists
- The product is in good condition
- The product is the right color, size...and is what the buyer expects
- You run a professional business and are interested in making the sale

Although eBay will let you post pictures with your listing, you must provide the photo from your own web site...

...They **won't** store it for you.

If you have your own website, simply **upload the photo to your site** and enter its address in your listing form.

If you don't have your own website, there are several companies that work with

eBay to host your photos.

LINK.....

EBay's "Put Your Image On The Web"

<http://pages.eBay.com/help/basics/phototut-3.html#webpace>

.....

These companies will charge you from \$.50 to \$2.00 to help you place your photo on eBay.

TIP.....

If you need a website to store your photos, use your 'free website' that comes with most internet service providers (including AOL).

Or visit my **AuctionMaster Toolkit** for a complete list of free Web Sites.

.....

Selling With Your Listing

The one thing that never ceases to amaze me is the overall blandness of most of the listings you find on eBay.

Remember, the bidder is looking at your ad because they WANT TO BUY the product...

... and you're trying to sell it for as much as you can possibly get.

YOU'VE GOT TO SELL IT, BABY!

LINK.....

The art of writing a compelling sales letter is a lot easier than it sounds. In fact, Marlon Sanders has an Amazing Formula that teaches you to do just that...and his formula is the best I've seen.

Visit **Higher Response Marketing** at
<http://higherresponse.com>

.....

Benefits

In your listing, just like in the headline, you want to focus on the benefits to the buyer.

To use our tax software example...

...You're not selling software, you're selling all of the things the user will enjoy with the money he saved using it...

Things like:

- **Vacations**
- **New cars**
- **Debt free lifestyle**

You get the picture. To put it another way...

You don't sell drills...You sell holes!

Features

Once you've convinced your buyer he **needs** the benefits of your product, focus on a few features.

For example:

Does your software run on Windows or does it run on 85% of all computers in the world?

Does it interface with Quicken or does it fully integrate into the leading financial management applications?

Again, the bidders are there to buy...

So Sell it, Baby!

EBay's 'Featured Areas'

You can pay an extra fee to have your item come up on the **first page** of a particular category, and pay even more to have it appear on the home page.

LINK.....

EBay's Featured Auctions Options

<http://pages.eBay.com/help/sellerguide/selling-feat.html>

.....

Featuring your auction can cost as much as \$100!

Are your sure it's worth it?

Appearing in a featured section will **theoretically** expose your bargain to a greater number of people...

...in my experience anybody who is looking at eBay will [search for it before browsing](#).

Save your money! (Unless you've measured greater results from featuring your item)

Shipping Charges

Don't forget to be specific about the shipping charges in your listing...

...Especially if you plan to sell to **international customers**. You have the option to restrict your auction to the US or regional listing in the listing form.

Don't expect your buyer to know that shipping will be extra...[spell it out](#) and be specific about how much you will charge.

Check with your local post office about the different shipping options and charges.

I generally mark up this charge by a dollar or two depending on the kind of item I'm selling...

...This is the "handling" in shipping & handling.

Payment Options

List, in no uncertain terms, the kinds of payments you will accept from the winning bidder.

Personal Check

By far, this is the **least desirable** option. If you must accept a check, make sure to deposit the check and **wait until the payment clears** before sending the order.

State this clearly in your listing.

You can also opt to charge an **additional fee** (\$15 is standard) for bad checks. Just be sure to put this in your listing.

While this additional fee will be difficult to collect from someone who writes bad checks...

...It may discourage bidders who have no intention of paying for their merchandise.

Only accept checks from buyers in your country...do not accept foreign checks of any kind.

BONUS.....

You can also accept checks online FREE by using the "Checker" software. Download your fully functioning copy at:

<http://smarthomebusiness.com/Downloads/Checkr.exe>

.....

Money order/cashier's check

Money orders and cashier's checks are **as good as cash**, and should be your number one method of payment.

The down side is that paying with these methods requires an extra effort from the buyer. In most cases, this will not discourage bidders but be sure to **accept other forms of payment** as well.

The key to getting your money quickly is to make it as easy as possible for your buyer to pay you. Some buyers will be happy to send you a **money order...others won't want to make the effort.**

Credit Cards

With the explosion of ecommerce, just about **anyone** can get a merchant account to process credit cards.

Why not accept credit cards as payment for your items?

Of course there are monthly fees and usage fees associated with credit card merchant accounts, so be aware of the cost of maintaining a credit card account.

LINK.....

I use and recommend 1st Commerce for your online (and offline) credit card processing. Visit this link at the AuctionMaster Toolkit for a special offer from:



1st Commerce

<http://1stcommerce.net>

.....

Third Party Billing (with real time processing)

eBay is currently trying out a new system called **Billpoint Online Payments**

that will process credit cards on your behalf...

But will charge a small fee for using the service (a percentage of your selling price).

This is a good option for sellers who don't want the **extra expense** or trouble of setting up their own merchant account.

As I write this, Billpoint Online Payments are only available to users within the US.

LINK.....

Billpoint Online Payments

<http://pages.eBay.com/help/buyerguide/bp-overview.html>

.....

If you're selling big-ticket items, or are uncomfortable with your buyers, you can also accept payments using escrow accounts.

The buyer pays the escrow service, which holds the money until the buyer **receives and accepts** the merchandise.

Once the merchandise is approved, the escrow service releases the money to the seller.

Of course, they charge a fee for their services.

In fact, you'll find that any third party that provides any services that help you sell and get paid faster will cost you a small portion of your auction profits.

This is why it might be to your advantage, depending on the size of your operation, to be able to provide these services yourself for the small monthly cost.

LINK.....



iEscrow.com

<http://www.iescrow.com/>

.....

HTML Auction Listings

Have you noticed some listings on eBay look like websites?

That's because eBay (and many other auctions) let you paste your HTML code into the ad submission form.

Huh?

What the heck is HTML?

HTML is the computer code that makes a web page look like a web page.

In the past web designers had to write the code by hand, but thankfully technology has caught up...

...Today you can get '**drag n drop**' html programs for free on the web.

In fact, Microsoft **Front Page** is a standard component of the newer versions of Internet Explorer...

And Netscape Communicator includes **Composer**

Both of these programs are free and very powerful.

LINK.....

Internet Explorer with Front Page

<http://microsoft.com>

Netscape Communicator with Composer

<http://netscape.com>

.....

Creating your page is very simple and you can learn to do this on either of these programs **in an evening**.

Then posting an HTML auction listing is a simple matter of:

- [Viewing the html code in the composer window](#)
- [Selecting all the text](#)
- [Copying the text to the clipboard](#)
- [Pasting it into your submission form](#)

LINK.....

I've provided quite a few links to html programming advice on the **AuctionMaster Toolkit**

.....

Keep It Simple

If you try to get too fancy with your page design, you run the risk of your page not appearing correctly on eBay. Remember the K.I.S.S. Rule...

Keep It Simple, Stupid!

When you design your pages in HTML, you can place your photos **where you like** on your listing (instead of the bottom of the page).

You can also include **internet links** to your other auctions and your personal or business website.

Take advantage of this free advertising.

Plus, why not take your HTML listing and post it on your website as its own web page with a link to your auction listing on eBay?

Simply design your page as you would for the auction listing, then post it on your personal website. If you don't have a website, visit my **AuctionMaster Toolkit** for a list of FREE website providers.

Advertise this page separately from your auction listing in relevant

- **Newsgroups**
- **Discussion Boards**
- **Search Engines**
- **or anywhere a potential buyer might be lurking**

TIP.....

I use Aesop Marketing's Swiss Army App to effortlessly post my pages to over 20 search engines and nearly 2,000 online classified sites.

Download the FREE version of the Swiss Army App

http://www.roibot.com/s.cgi?IM7956_campaign

.....

And here's the **greatest online advertising secret** I can share with you.

Ready?

Advertising Your Auction Online

You can announce your auction (or your complete list of current auctions) in **every email you send.**

Email programs have an option called the 'signature'.

You can create your signature and tell your email program to put it at the bottom of every email you send.

Check the help section of your email program for 'signature.'

Write your signature like a **short classified ad.** For instance:

This Week on eBay - Inkjet Cartridges at unbelievably low prices!
<http://your.ebay.auction.address>
Hurry, Auction ends November 25!

Now every time you send an email, you're advertising your auction.

Of course, you will need to change this signature every time you start or finish a new auction, so why not create a website that serves as a catalog for your ongoing auctions?

That way, you just need to advertise your catalog site, which has links to your auctions on eBay.

Now each time a new visitor comes to your site, you can send him **right to your eBay auction listing.**

Remember, the address of your auction page is the same as any other web address (although a bit longer and more confusing)

You can copy that address onto your website, into your emails...wherever you like. And if you create an auction catalog on your website, you can link to it from your auction listings by **creating your listing in HTML.**

Pretty neat huh?

All of this linking may seem a bit confusing if you're not familiar with creating web pages, but it is very easy once you get the hang of your html software.

Advertising Your Auction Offline

This is not always appropriate, but if you are selling something rare, unusual...in other words...

Newsworthy...

Send press releases to daily newspapers, radio shows and TV talk shows announcing your unusual auction items.

A single mention in a regional or national broadcast can bring **millions** of visitors to your auction in a matter of hours...

And send the bidding through the roof.

For instance, recently somebody tried to auction a human kidney on eBay, and everybody was talking about it. It turns out it was a hoax, but **millions of people** rushed to eBay to see the auction.

If you are selling something that you think might warrant press coverage, by all means...

Take advantage of this free advertising!

There is some material on using the press to get millions of dollars in free publicity in the **AuctionMaster Toolkit**. But keep in mind that your auction will only run for 10 days maximum.

If you plan to use the press...do it in the beginning of your auction.

STEP FIVE-FOLLOW UP. NOW!

KNOW YOUR BUYERS

eBay is a miniature version of the world.

The people you deal with will be mostly nice, friendly, honest folk, and...

...There will be some bad apples in the bunch.

Happily, eBay makes it easy to check up on your bidders through the **feedback forums**.

LINK.....

eBay Feedback Forum

<http://pages.eBay.com/services/forum/feedback.html>

.....

You can also click on the number next to the bidder's name on your auction listing.

This will take you to his personal profile. From here you can view:

- **Feedback**
- **Comments**
- **His own auctions**

...And all the information stored on eBay relating to this particular buyer.

If you see something scary...

Think twice about doing business with him.

On eBay you have the option of blocking bids from a particular bidder

Take a look at the bidders feedback...do they pay for their purchases...does it take them a long time to cough up the cash?

TIP.....

You can also see your own personal feedback, activities on your auctions, and everything related to you on eBay by clicking on "My eBay"

.....

Email Questions

Inevitably you will get questions emailed to you from prospective bidders.

In fact eBay provides a link from your auction page that lets the bidders do just that.

Depending on how the bidding is going you might want to **wait a few hours** to respond.

If I've got the answer the bidder wants, typically I wait **until another bid comes** in to answer it.

By the time he gets to your auction, he will **need to raise the bid** to get in on the bidding.

TIP

Whenever answering email from a bidder, copy and paste the URL (the web address) of the auction in your return mail. This lets him return to the bidding with one click, rather than having to seek it out again.

FOLLOW UP

When your auction ends, both you and your buyer will receive a confirmation email from eBay.

You each have **3 days to respond** to one another to finalize the transaction.

This is where you discover the **Deadbeat**, since he'll usually ignore your emails.

TIP

Unfortunately, there's not much you can do about a deadbeat. The agreement you have with each other is a non-binding contract.

If you've got a deadbeat, give him every opportunity to respond and pay. If all else fails, you can post a negative feedback comment on his feedback page.

This scarlet letter will follow him wherever he goes on eBay.

As soon as your auction closes, write to the winner immediately to:

- Congratulate him for winning your auction
- Restate your payment rules
- Give an address to send the payment
- Give the address to your Feedback page

And don't forget to ask for the feedback.

STEP SIX-GET THE FEEDBACK

FEEDBACK

You live and die by the feedback you receive on eBay.

In fact, you need to rack up **10 positive feedback points** before you can even sell multiple items in a reserve auction.

In most cases, people won't even think to respond to feedback....

So Ask For It!

Asking for feedback is simple enough, and I do it when I send my initial contact with the winner.

TIP.....

Whenever you write to a winner, always include the link to your auction page AND to your feedback page. That way, the bidder is always just one click away from all the information he needs to complete the transaction.

Remember...you're in business. You want HAPPY CUSTOMERS!

The Follow Up Email

Here's an example of the kind of email I send to my buyers immediately following the close of the auction:

Dear ,

Congratulations on your winning bid for item number XXXX on eBay, which can be found at <http://the.address.of.the.auction>.

As detailed in the auction listing, I prefer payment via credit card or money order. I will accept a personal or company check (IF YOU WILL) but will hold delivery until the check clears...usually 10 days.

To avoid this delay, please consider an alternate form of payment.

You can send a money order (required for international customers) or cashiers check to:

Your address

You can also pay online with your check by visiting <http://the.site.you.use.with.your.free.checker.software>. I will still need to wait for the check to clear to ship the merchandise, however this method will save you the time it takes for me to receive your check. This method could cut a week from the delivery time.

You can also pay online with your credit card at <http://your.merchant.account.or.third.party.biller>.

Once the funds are processed and cleared, I will ship your item via first class mail. If you wish, I can arrange overnight or second-day delivery for an additional charge of \$x.xx.

Please respond to this message to let me know how you would like to proceed.

Thanks again.

Scot.

PS: You may not be aware of the importance of feedback to folks like us who buy and sell on eBay.

The feedback is the only gauge we have of each other's integrity and as eBay evolves, this information will become more and more important to doing business there.

That's why I will be happy to do everything I can to finish this transaction in a quick and friendly manner and will be happy to post a positive rating to your account for our transaction.

You can view my feedback at <http://your.feedback.page.at.eBay> and after you've received your shipment I would appreciate it if you could post a comment. And I will do the same for you.

Thanks again.

Hopefully your customer will respond to this message. If not, try a friendly reminder in a day or two. I will do this **every 2 days for a week** until I begin to suspect a deadbeat...

...People have emergencies, go on vacation, or simply are bogged down with their lives...

Your auction may not be the first thing on their mind.

Don't **automatically** assume you've got a deadbeat until you've made several attempts to reach him.

Typically, I will send this message before posting negative feedback:

Dear ,

I've made several attempts to contact you regarding our transaction on eBay for item # XXX at <http://> .

Yet I haven't heard from you.

I'm sure you're aware of the effects of a negative feedback rating on eBay, that's why I'm offering this last chance to respond before I submit a negative comment to eBay.

If you do not respond before (I usually give 48 hours)...I'm crying 'Rat'.

Scot

TIP.....

There's no need to get overly nasty in these types of letters...there could be a very good reason (illness, family crisis, etc.) that could be distracting your buyer. Keep it professional...

...Save the nastiness for the feedback page!



Hopefully your customer has responded to your first letter.

From there, the steps are easy:

- Get the payment
- Ship the package
- And follow up again via email to say the package has been shipped.

This gives you another opportunity to remind the buyer of the feedback deal you've made...

...And make sure to include a link to your page.

TIP.....

Make sure your buyer posts his feedback before you do.

This gives you the upper hand and an opportunity to remind him of your 'feedback deal'.

Once it's there, post your positive feedback about him. If he doesn't post within a week of receiving the merchandise, feel free to send them a little reminder.



STEP SEVEN-FIND THE DEALS

OK. By this point, you've run through the whole auction process with your items from around the house.

And have hopefully made a few dollars.

Now you're ready to take some of your earnings and **start investing in inventory**...that is, items you buy specifically with the goal of selling them on eBay.

Your key to big profits will be:

- [Buying Low in bulk](#)
- [Selling High at eBay](#)

Buy Low

Here's where we get into the meat of this manual!

The popularity of eBay has spawned an **explosion** in the online auction industry.

This is good news for us, since there is a number of mini eBay's struggling to generate traffic. As a result, the bidding is generally less competitive than eBay.

[Less traffic means less competition, which means a low price!](#)

This is where you buy your merchandise

Now let's go find those great deals!

LINK.....

Use these meta search tools to search over 400 online auctions

Auctionwatchers

<http://www.auctionwatchers.com>

Auctionwatch.com

<http://auctionwatch.com>

BidFind

<http://www.bidfind.com/>

.....

A great way to make some good money on high-priced items (without investing the big dollars) is to **sell accessories** for bigger products.

For instance, computer equipment and digital cameras always sell on eBay.

But the investment in inventory is always a bit higher than I'd want to make.

How do you capitalize on this category without shelling out the big bucks?

Sell other things the buyers of these items need.

For instance, I was trying my darndest to get my hands on some digital still cameras, but just couldn't get a good price.

Then it occurred to me.

What do digital camera owners need?

Accessories for their cameras

I took this revelation and bought 25 camera bags for under a dollar piece and sold them for around **\$20 each**.

You can always find **great deals** on these types of accessories. This is where it's most important to know the kinds of people you would like to sell to.

Another example:

I'm not a hunter, but I know plenty of people who are. I'm not comfortable selling guns (and you can't on eBay), but how about...

- **Scopes**
- **Binoculars**
- **Tree Stands**
- **Cammo**
- **Outdoor Collectables**

Another example:

Power surge protectors and battery backup units can always be bought very cheaply on auction...this is something every computer owner should have.

When bidding on an item, It's important that you **set a maximum price** you're willing to pay in your head ...the bidding may get fast and furious and can easily get out of control. You don't want to get stuck paying more for something than it can be sold for.

When you reach your ceiling... STOP!

TIP.....

Most auction sites offer 'proxy bidding' that will automatically bid on your behalf. When you are outbid, the proxy will place your winning bid for you. Check out the buyer's services area of the auction.

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Sniping

Sniping is the art of winning an auction by bidding at the **very last minute** (in most cases, in the last 3 minutes).

This gives the sniper an unfair advantage since the previous high bidder probably won't get to the site in time to raise his bid.

This is legal on eBay, but may not be on other auction sites.

The easiest way to snipe an auction is to make a note of the auction's end and **sit by your monitor**.

Keep reloading the page to stay current with the eBay clock (auction finish times are determined by their clock), and **get that bid in at the last minute**.

You can also search for 'snipe' on eBay and find several software programmers offering their sniping software products...but

Buyer Beware!

Shilling

This is not permitted on eBay or most other sites, but happens all the time.

In short, the seller will have a friend make bids to artificially drive the price up.

If you suspect a shill, check out the feedback area of the bidder and the seller. If there seems to be a lot of activity between the two, chances are pretty good you've got a shill.

While you can complain, proving this is very difficult and in my experience, just not worth the effort.

Forget about it and get out of the bidding.

Unfortunately, this can edge you out of some great deals...but get over it...it's just business!

No Out of Pocket Money

In most cases you can buy your items with a credit card, especially if you're buying from a wholesaler or liquidator.

There are two reasons to do this:

- You're protected in case you run into problems receiving the items.

Your credit card company will go to bat for you to make sure you either get your merchandise or get a refund.

- You can buy your inventory on credit and sell it off before the bill comes due.

When you get your bill, simply **pay it off** and you avoid credit charges...no money out of your pocket.

But be careful...don't overextend yourself

Remember, doing business in the auctions is a bit like gambling...

You're never really sure that you'll get your money back...

This is why I recommend building your business with items you find around the house.... then **reinvest the money** into buying new (and hopefully profitable) inventory.

Act Fast

This is where this gets exciting!

In your search for the perfect auction steal, you're going to come across a deal that's just too good to pass up.

What do you do?

You need to ACT fast

By now you've done your homework and know

- The retail value of your product
- The value of your product to the buyer

SIDEBAR.....

Remember...in an auction the worth of a product has nothing to do with the price you paid for it. It's determined strictly by what people are willing to pay you for it.



The best deals are usually on 'last year's model'

Occasionally when a manufacturer releases a new version of a product, it **liquidates the back stock.**

This isn't necessarily a bad thing, since most people will appreciate a **great deal** on something they've been shopping for...

...even if it's not the newest and greatest.

This is particularly true with:

- Home electronics
- Computer systems and accessories
- Software

When a software company develops a newer version of its product, it's stuck with a warehouse full of the previous version.

I've gotten great deals by buying previous software releases...in some cases I've saved almost **80% off of the ticket price**.

TIP

Occasionally you'll find a great deal on software that's advertised as a "backup".

This could mean that the software is pirated and being sold by somebody who simply runs a cdrom from their computer.

Reselling this software is illegal and can land you in serious trouble with authorities.

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This is why it's important to:

- Know your product
- Know its value
- Know its salability

The only way to be sure of this is to do your research up front and know everything you can about your product...like you did in step one.

Do NOT buy something simply because you think it's cool!

Be absolutely sure that there is a buyer waiting for the product before adding it to your inventory.

STEP EIGHT-SEE STEP ONE

REINVEST IN YOUR BUSINESS

Now you've begun amassing your eBay fortune, what do you do with the cash?

Like any small business, you should **invest some of the profits into making more money.**

Ideally, you've made enough to pay off your credit card (if you used it) and have enough left over to start the whole process again.

Take your profits and buy more inventory, or buy more expensive inventory... higher priced items will generally generate bigger profits.

What would you rather do to earn \$100..

- **Make \$1 each on 100 items, or**
- **Make \$50 each on 2 items?**

I think the answer's obvious. So what do you do next?

Start shopping for your next great money-maker!

GLOSSARY

“As Is”: Selling an item without warranties in regard to its condition and fitness for a particular use. The buyer is responsible for judging the item’s durability and lifetime. Also known as “as is, where is” and “in its present condition.” Typically, this is a sign that no return privileges will be granted.

Bid Cancellation: The cancellation of a bid by a seller. During online auctions, sellers can cancel a bid if they feel uncomfortable about completing a transaction with a particular bidder.

Bid History: A historical list of all the bids made on a particular auction during or after the auction.

Bid Increment: The standardized amount an item increases in price after each new bid. The auction service sets the increment, which rises according to the present high bid value of an item.

Bid Retraction: The legitimate cancellation of a bid on an item by a bidder during an online auction.

Bid Rigging: Fraudulent bidding by an associate of the seller in order to inflate the price of an item. Also known as shilling and collusion.

Bid Shielding: Posting extremely high bids to protect the lower bid of an earlier bidder, usually in cahoots with the bidder who placed the shielding bid.

Bid Siphoning: The practice of contacting bidders and offering to sell them the same item they are currently bidding on, thus drawing bidders away from the legitimate seller's auction.

Buying Up Lots: The practice of buying all quantities of an item during a Dutch auction. This is typically done for resale purposes.

Caveat Emptor: The Latin phrase meaning "let the buyer beware."

Cookie: A piece of information sent from a Web server to a Web browser that the browser software saves and then sends back to the server whenever the browser makes additional requests from the server.

Deadbeats: High bidders who fail to pay for the item they won.

DNF: Discuss EBay's Newest Features board. This is one of the more lively, if not cantankerous, message boards in the online auction community.

Escrow: Money held in trust by a third party until the seller makes delivery of merchandise to the buyer.

fdbk/fk: Feedback. One user's public comments about another user in regard to their auction dealings. Feedback comments cannot be removed or changed once submitted to an auction service.

Featured Auctions: Auction listings placed prominently on the home page and category pages of an auction service. Sellers pay for this prime placement.

Feedback Padding: One user posting fraudulent positive feedback about another user and his or her auctions.

Final Value Fee: The commission charge the seller pays to the auction service after his or her item sells.

FVF Request: Final value fee request.

Grading: The process for determining the physical condition of an item. Different items have different grading systems.

IMO/IMHO: The message board abbreviations for “in my opinion” and “in my honest (or humble) opinion.”

Initial Listing Price: The opening bid price a seller attaches to his or her auction.

Insertion Fee: A fee paid by the seller to the auction site in order to list an item for auction, calculated as a percentage of the opening bid or reserve price.

LOL: Message board abbreviation for “laugh out loud.”

Lot: A single auction listing.

Market Value: The highest price a property will bring in the open market.

Maximum Bid: The highest price a buyer will pay for an item, submitted in confidence to an online auction service's automated bidding system to facilitate proxy bidding.

Minimum Opening Bid: The mandatory starting bid for a given auction, set by the seller at the time of listing.

NARU'd: A auction user term to describe users whose memberships have been discontinued. NARU is the acronym for "not a registered user."

Neg: Short for "negative user feedback."

Net Cops: Auction users who actively attempt to report instances of fraud, such as shilling or bid shielding, to online auction sites.

NR: Short for "no reserve." This indicates in the item description line that the auction has no reserve price specified.

Opening Bid: The seller's opening bid, which sets the opening price.

Outbid: To submit a maximum bid that is higher than another buyer's maximum bid.

Registered User: A person who has registered as a member of an online auction service. All online auction services require registration prior to buying and selling.

Relisting: The relisting of an item by a seller after it has not received any bids or met its reserve price. Typically, the first relisting is free.

Reserve Price: The minimum price a seller will accept for an item to be sold at auction. This amount is never formally disclosed.

Retaliatory: The user term for retaliatory negative feedback, posted by one user in response to another user's negative feedback.

S&H Charges: Shipping and handling charges.

Secondary Market: The buyer market for secondhand goods. Online auctions serve the secondary market.

Shilling: Fraudulent bidding by the seller (using an alternate registration) or an associate of the seller in order to inflate the price of an item. Also known as bid rigging and collusion.

Sniping: Outbidding other buyers in the closing minutes or seconds of an auction.

Starting Price: The mandatory starting bid for a given auction, set by the seller at the time of listing.

Terms of Service: A legally binding agreement that outlines an auction site's operating policies. All registered users must agree to a site's terms before using the service.

User Info Request: A request for a user's background information, which provides personal information, such as a phone number.