

# The eBay Phenomenon

Uh, it seems I got this neighbor. Who, in her nine mile drive from her home computer to her work computer, simply *has* to stop in here to go online and check her *eBay* bids. Seems she buys these old scuffed pieces of cardboard. At twelve to a hundred dollars each. Extreme? Yeah. But there are apparently lots of others who are equally addicted.

Like it or not, *eBay* has fundamentally changed how things are going to be bought and sold. Forever. Concepts such as "store" or "middleman" or "markup" or "distributor" or "business hours" or "authorized dealer" are fast becoming quaint anachronisms. As are the fundamental meanings of "price" and "value".

*eBay* is certainly *not* a get-rich-quick scheme. For it can easily become an obsessive time waster and a horrendous money sink. But with care, I've found it to be a fun and useful additional revenue stream. Provided you learn the insider secrets and spend the needed time and effort to master this dramatic and dynamic new marketplace.

## An Intro

Let's see. You'll find *eBay* at, of all places, [www.ebay.com](http://www.ebay.com) It started out as a way to resell empty Pez Dispensers but quickly got totally out of hand. *eBay* is by far the largest and most successful of the new web auction sites. You only need an email web access to buy in the zillions of ongoing auctions that typically last three to ten days. To sell, you'll also need a valid credit card and either your own web site or some other online place to stash photos.

Controls to keep the game honest include an elaborate feedback network which assigns ratings and comments to both buyers and sellers. Plus some new escrow and online purchasing options combined with aggressive enforcement of the rules. *eBay* profits by charging the seller a listing fee and a percentage of the selling price. These vary with value and success, but are typically just under five percent.

Online tutorials and forums at [www.ebay.com](http://www.ebay.com) should get you started. There's also a new *eBay* magazine.

## Photos and Art Images

For virtually all items sold online, it is *unthinkable* not to include at least one decent "photo". And I've personally found that going far out of my way to provide world class "photo-illustration hybrids" can double prices.

Contrary to popular belief, *eBay* does *not* store photos for you. All *eBay* gives you are *links* to photos that are located elsewhere on the web.

"Elsewhere" can be an *images* folder on your own web site, space borrowed from another site, or a special stash offered by various online services. The best format choice is either JPEG or the new JPEG2000

A program such as a FTP (*file transfer protocol*) utility may be needed to place photos onto your website. Ask your ISP for exact details. I use John Junod's *FTP-32 Client for Windows* found at [www.ipswitch.com](http://www.ipswitch.com)

Your *first* photo in any *eBay* listing is provided "free" in their listing process. When requested, this automatically gets added to the end of your ad copy. Should you want more than one photo, you have to use HTML to insert it in your text. You can either use a creation utility, or else simply use the magic incantation...

```
<IMG SRC=yourpixurlgoeshere>
```

There's at least six ways to get your photos into your *eBay* photo stash...

- Scan an existing photo print or slide.
- Convert film to JPEG at processing time.
- Use a better quality digital camera
- Try a video camera and capture card.
- Directly high resolution scan the object.
- Draw from scratch using graphics software.

I overwhelmingly prefer the direct scanner method. At least for my electronic test equipment and similar subjects. Mostly because you can easily get *hundreds* of times the resolution. For stunning lettering and fine detail.

Most any photo can get greatly improved by spending some time with it using PC-based graphic tools. Obvious things to try are decluttering your background (a slight mottling works best with JPEG), cropping, sharpening, resizing, or varying the brightness and contrast.

While *Adobe Photoshop* is the obvious biggie here, I seem to do just fine using plain old *Paint*. Helped along by the *ImgViewer/32* shareware from *Arcata Pet* Details on all these techniques are found in [IMAGIMAG.PDF](#). Dozens of examples by way of my [AUCTION](#) website button.

How much "retouching" is acceptable? I feel *the more the better*. Provided you do not go past the point where you are being deceptive. A snappy and contrasty pixel-locked "photo" that clearly labels each and every knob function on a piece of test equipment can be a prime selling tool. On the other hand, spending ten hours of retouch time on a one-time \$17 item may not make much sense. Unless you do so as a skill building process for bigger stuff later.

I've actually gone and completely relabeled panels when the depth of field or resolution wasn't good enough. And I feel there is nothing at all wrong with my doing a virtual "Sherwin-Williams overhaul" before the real one.

### Promoting the Goodies

Even if there are zillions of eBay buyers, it is naive to believe that very many of them will magically come to you and your offerings. Promotion is the key...

**Select categories and keywords carefully**– At present, things called "circular slide rules" sell ridiculously better than things called "motors". Popularity of other categories and keywords constantly change. Always make sure there is traffic in your chosen category and always explore alternate keywords and categories that may be more productive.

**Make your title characters count**– Try to get as many of the wannabuy "hot button" words into your actual title as you can. Use as many of those 45 available characters as possible. Carefully study the competitive offers.

**Always use the gallery**– It only costs a quarter more, and it exposes your photo thumbnail to thousands. Do be sure your gallery photo is unusual and interesting when shown in a smaller size and at a lower resolution.

**Exploit newsgroups & newsletters**– Usenet newsgroups that have a .*marketplace* or a .*swap* in their name welcome for-sale info. Most of the other ones these days will tolerate a *brief* commercial announcement, provided that (1) Your subject is *always* preceded with FA: as in *for auction*; (2) It is relevant and tightly targeted; and (3) It is a *brief* and an *accurate* announcement of the availability combined with a simple link. Never post more than one commercial message per group per day. Never post to more than three groups in one message. Try to also post useful technical content as well. More details in [NEWSGRP.PDF](#)

**Provide forward and backward links**– eBay does not want you linking to other online auction sites. But a simple and brief backward link to your home page which happens to be offering other items for sale is usually allowed. A link can be added by inserting this HTML code...

```
<A HREF=yourlinkurlgoeshere>link description</A>
```

... in a suitable place. Going in the other direction, there should be a large **AUCTION** button prominently on your own web home page. Along with lots of ongoing mentions on your *what's new?* page.

**Watch your end-of-auction timing**– You get the best price whenever three or more snipers foolishly try to outwit each other in the last three seconds of your auction. Thus, you'll want to carefully arrange *when* you post and the length of your auction to *make sure closing time is reasonable*. Allow for time zones and whether the buyer is at home at night or at work during business hours.

**Monitor your web logs**– There are several methods to track which of your eBay items attract the most interest, but the easiest I've found is to simply monitor those web logs that your ISP is supposed to be providing you. That *WebTrends* software can directly extract your visit count. Or else you can use my utilities at [www.tinaja.com/weblib01.html](http://www.tinaja.com/weblib01.html)

**Use all of the other eBay profile raisers**– Post and receive feedback, striving to keep a perfect rating. Make creative use of eBay's *About Me*, *my eBay*, and *safe harbor* features.

### Mining the Seconds

The most productive way I've found to work with eBay is to try and have lots of identical items. You then offer these one at a time over and over again. Forever. Reposting an item is a fairly trivial process. For this to get up out of the nickel-and-dime category, you can *mine your seconds*.

Note that a 30 listed item inventory on a ten day auction schedule releases three items per day. If these can return an average of \$100 each, you are talking a gross cash flow of well over \$100,000 per year.

Your first ploy here is to simply ask your winner how many they want. More often than not, they will take two or three. Or all you have.

eBay rules say your normal auction description is not supposed to offer more than one item at a time. So watch those plural words. But website and newsgroup promos can mention that your item is available in quantity. *Important exception*: If you have cornered the market in an obscure and perceived-as-rare collectible, *NEVER* mention you have more than the very last one in the world. And *never release your "rare" items more than once a month at most*.

After your winner takes as many as they want, you then email your remaining *higher* bidders. Thank them for their auction participation and mention you just happen to have a few more of these on hand. Most higher bidders welcome such an email. But avoid emailing bottom feeders.

Mining those bidder lists of *other* sellers is generally a no-no. But if you have an unusual and high ticket item up for grabs, *rarely* mentioning that it just went up for auction to those with serious interests might be appropriate.

### Some Guidelines

Here's a few eBay insider selling secrets...

**Offer unique products**– Providing the same stuff that all of the other sellers do makes no sense at all. So, be sure to sell unusual sole source items. *Offer only the items that you thoroughly know and understand*. Items that seem to work well for me are quality older test equipment, sensors, water soluble swimsuits, scientific gear, and nuclear cold war memorabilia. But do note that a four ounce radiation calculator is easier to ship than a 4300 pound load bank.

**Accept VISA and Mastercard only**– First, because this will enormously simplify your out-the-door shipping charges. Second, because online payments demand it. Third because this is by far the fastest. But most of all because nearly all problem customers are foreign or will try to dink around with money orders or checks. Use UPS where and when possible. Avoid using the post office.

**Aim for a 30:1 margin**– eBay works best whenever you're providing lots of personal value added on to items having exceptionally low acquisition costs. Ideal sources are mil surplus skidded lots or distress auctions. You can click on the **AUCTADV**, **DRMO**, or **LEVYLAT** buttons on my website or *Auction Advisory* magazine for useful sources. Exploit inefficient markets. If you hit on more than *five percent* of your auction items, you are paying too much.

## SOME MENTIONED RESOURCES

**Adobe Acrobat System**  
1585 Charleston Rd  
Mountain View CA 94039  
(800) 833-6687  
[www.adobe.com](http://www.adobe.com)

**Arcata ImageViewer**  
600 F Street  
Arcata CA 95521  
(800) 822-9085  
[www.arcatapet.com](http://www.arcatapet.com)

**Auction Advisory**  
Box 61104  
Phoenix 85082  
(602) 994-4512  
[www.auctionadvisory.com](http://www.auctionadvisory.com)

**eBay**  
2005 Hamilton Ave, Ste 350  
San Jose CA 95125  
  
[www.ebay.com](http://www.ebay.com)

**eBay Magazine**  
700 E. State St.  
Iola, WI 54990  
(715) 445-4087  
<http://www.krause.com>

**Ipswitch, Inc**  
81 Hartwell Ave  
Lexington MA 02421  
(781) 676-5700  
<http://www.ipswitch.com>

**Levy-Latham**  
6263 N. Scottsdale Rd #371  
Scottsdale, Arizona 85250  
(480) 367-1100  
<http://www.levylatham.com>

**Synergetics**  
Box 809  
Thatcher AZ 85552  
(520) 428-4073  
[www.tinaja.com](http://www.tinaja.com)

**Test Equipment Connection**  
525 Technology Park  
Lake Mary FL 32746  
(800) 615-8378  
[www.4testequipment.com](http://www.4testequipment.com)

**WebTrends**  
621 SW Morrison #1025  
Portland OR 97205  
(502) 294-7025  
[www.webtrends.com](http://www.webtrends.com)

**Use "threads"**– It is usually a poor idea to repost an offer before your previous one has gotten paid for and shipped. Instead, use *product slots* that we call *threads* here at my [Synergetics](http://www.tinaja.com). A thread has continuous offerings. One thread might alternate function generators, another calculators, another accelerometers, another thermocouples, and so on. Always try to *keep all threads active all the time*.

**Be scrupulously honest**– Clearly identify exactly what it is you are selling. Warts and all. Always point out one or more minor defects. Try to slightly understate so the buyer will feel they are getting a "better than expected" deal. Obvious suggestions are to communicate often, to close quickly, clean thoroughly, pack well. Make absolutely sure their thing works before it goes out the door. Give more than the others with useful tutorials or data links. And, of course, say "please" and "thank you" often.

**Leave something on the table**– Let your buyers "steal" exceptional bargains every now and then. Offer very low opening prices on proven items that seem certain to sell well. Avoid using reserves. Or else make your reserve just that – your absolutely lowest "final offer net net bottom line" that you could possibly accept for an item. Especially on stuff that seems like it will never move otherwise. Try to get a rep for *the* place to go to get great buys. Go along with reasonable offers. Try Dutch Auctions. But make sure you understand exactly how a Dutch Auction works. Your opening *lowest* price almost always wins for all.

**Back off and smell the flowers**– Chances are if you get a surprisingly high price on an item, dozens of other sellers will immediately jump in and try to slurp off your market. Often with sleazy or shabby products. Use the eBay 30 day *search completed items* feature to make sure your market is not about to get tanked. Track long term pricing trends. If you have lots of something and they only have a few, odds

are the market will return in a few weeks. Always consider the long haul and the big picture.

**Practice creative triage**– Your junk will bury you alive if you let it. Have definite plans and storage places for your reasonable eBay offerings. But continually *throw everything else away!* Flush the losers. Wholesale them, yardsale them, let them go on eBay for a pittance, or simply haul them to the dump. Before renting a second storage unit, empty or carefully repack the one you've already got. Note that the *upper half* of most storage units are rarely used effectively. Set strict limits. Balance your buys against sales.

## For More Help

Many more details on these concepts can be found on my *Gury's Lair* web page at [www.tinaja.com](http://www.tinaja.com) Besides all our ongoing bargains at [www.tinaja.com/barg01.html](http://www.tinaja.com/barg01.html) I also do offer bunches of professional photo prep, seminars, and consulting services that can assist you with your online auction ventures. You can visit [www.tinaja.com/info01.html](http://www.tinaja.com/info01.html) for lots of further content. ♦

*Microcomputer pioneer and guru Don Lancaster is the author of 35 books and countless articles. Don maintains a US technical helpline you will find at (520) 428-4073, besides offering all his own books, reprints and consulting services.*

*Don has catalogs at [www.tinaja.com/synlib01.html](http://www.tinaja.com/synlib01.html) and at [www.tinaja.com/barg01.html](http://www.tinaja.com/barg01.html)*

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