

Successful eBay Selling Strategies

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In previous **GuruGrams** and **Blatant Opportunists**, we've looked at a number of **eBay** related topics. These have included **My Ebay Secrets**, **Son of eBay Secrets**, **Imaginative Images**, **Step-by-Step Image Prep**, and **My eBay Photo Secrets**. Along with **The Live Auction Scene** and others in our **Auction Help** library.

What I thought I'd do here is go over some of the stuff that seems to be working towards my successfully running a nearly full time **eBay** selling venture. Let's look at some of the concepts...

Offer unique products not available elsewhere.

If competitors offer the same product you do, the laws of supply and demand are **certain** to cause one seller to panic and totally trash the final selling prices. Your first and foremost defense against market trashing is to be the **sole source** of the items you sell on eBay.

Until our recent sellout, we were eBay's foremost supplier of **water soluble swimsuits**. Other items that continue to do well are our mint **nuclear holocaust fashion accessories**, quality test equipment, specialty medical items, tinfoil hat liners, high end telecom parts, **dimpled chad**, and industrial sensors.

Be a manic and evangelical expert in those products.

Only sell stuff that you thoroughly know. Items that you feel **extremely** strongly about and have centered your lifestyle on. Strive to have your **companion website** become the **definitive resource** for those items. Avoid the deadly trap of overestimating value of items you are not familiar with.

The key test is whenever you are approaching two total strangers, the one fervently whispers to the other "Whatever you do, don't mention (your specialty)".

Maximize your personal value added.

Everything you do on eBay should have a goal of gaining the highest possible prices over the longest possible time. You do this by spending more time and effort on the things you are good at. Perfecting ad copy, photo images, product cleaning/testing/refurb/upgrade, quality packaging, and prompt delivery.

Always seek out a minimum 30:1 sell / buy ratio.

Most eBay prices are well **below** wholesale, and wholesale buying involves quantities that are **far** beyond what can be sold on **eBay** in a reasonable time frame at reasonable risk without utterly trashing prices. Thus "buying wholesale" and reselling on **eBay** is almost always a hilarious joke. One that is **certain** to cause you grief. Especially if you have competitors.

A successful eBay venture simply does not permit paying for your merchandise. Instead, you **must** seek out extreme distress situations. Always work towards a 30:1 or higher sell/buy ratio. Thus, for a \$20 item on eBay, you should never pay more than sixty seven cents. **This will typically translate to paying between one-sixth to one-third of a penny on the original dollar.**

Note that the sell/buy ratio is **not** your profit margin! Some items will never sell, some will be defective, some will need major refurb, and some will be outright disasters. Not to mention storage and hauling charges. Or the time and money involved in actually running a serious business.

It used to be that you could buy for a penny on a dollar, sell for a dime on the dollar and possibly (with extreme effort) make as much as a nine percent profit in the process. But **eBay** clearly prohibits such lavish excesses.

The merch MUST have taken a STAGGERING hit in value!

The **eBay** buyer is looking for a tremendous bargain. So are you as an eBay seller. There simply is not enough room in the cash flow pie to allow whoever is selling you the merchandise to make a profit. At least not one based on the actual value of the items being sold.

Sources that seem to work well for me include **privatized military surplus**, rural community college auctions, **dotbomb failures**, and business bankruptcies. Uh, obviously others on **eBay** are doing well with yard sales and Grandma's attic. But these are unlikely to end up as high volume sustainable sources. Except possibly on a total lifestyle basis.

A key rule: **If more than five percent of your buy offers are accepted, you are paying way too much.** Naturally, you can make up for this by making offers on **twenty times** the amount of stuff that you could possibly move.

Always aim for a 21 day payback.

If you cannot pay for your items in 21 days, the chances are you will **never** be able to do so. Should you reach your 30:1 sell/buy ratio, this means that you only need to sell a little over **three percent** of your inventory immediately.

For several reasons, a **last in first out** policy makes a lot of sense. You are unlikely to forget about something if you deal with it **now**. Forgotten junk has a way of piling up and burning storage and interest costs. Try to have **all** of your primary long term inventory **fully paid for** and completely written off. Storing dollars in disguise that you owe somebody else makes no sense whatsoever.

The minimum profitable eBay sale is \$19.63.

It never ceases to amaze me when someone buys something for a dollar, sells it on **eBay** for three, and assumes they made **any** profit at all, let alone 200%. Prison wages are far higher than such a transaction. A detailed analysis on **why \$19.63** is the magic sales floor number appears in **MOREEBAY.PDF**.

Low selling prices also tend to have proportionately higher shipping charges and far more buyer hassles. In general, we find that buyer complaints are **inversely proportional to the cube** of their total cost.

You are highly unlikely to be able to keep ten dollars on a \$19.63 sale. If you plot the **hyperbolic** curves of income versus profit involved, you will find they all go to hell in a handbasket below certain threshold values.

Which is why you must...

List at least seventy eBay items at once.

If you truly can clear a net-net profit of ten dollars per item (highly unlikely but theoretically possible with a \$19.63 minimum sale), 70 items listed for 7 days each will clear at the rate of 10 per day. If you are very lucky, perhaps 7 of these will actually sell on current listing. Producing a daily income of \$70, or somewhere around \$21,000.00 per year. A figure right at poverty level and not all that much above prison wages.

A more detailed analysis appears in **MOREEBAY.PDF**.

Stay away from known problem categories.

A good rule is to **never sell anything you feel bad about**. If the item is less than perfect, describe its problems in detail or flush it. Or trade it to **another seller**.

You also should strictly avoid scam associated products. **Never** buy or sell a laptop or computer on **eBay**, and certainly never any cellphones, plasma tv's or other high end electronics. Similarly, avoid videogames or similar products that appeal to problem buyers such as younger teenagers or druggies. Or add-on memory or any version sensitive installation that a clueless buyer **will** screw up. And, of course, customer pissing-off trash items like downloadable eBooks full of the usual "not even wrong" poorly arranged misinformation.

Also risky are collectibles with highly subjective condition grading. Naturally, you **never** list auction items that are **certain** to get pulled. Such as **any** Microsoft software or bogus Disney or rock concert items. Or items that are normally licensed rather than sold. Or **any** personally recorded DVD or CDR that you do not own written exclusive IP rights to **all** content.

NO foreign bidders/buyers/transshipments!

If you run a pizza delivery service and try to go too far, you end up with cold pizza, excess road time, and arguments over the anchovies. Similarly, if you are a success with domestic sales, there is no need whatsoever for more expensive and more problematic foreign ones. If you are a failure with domestic sales, then foreign sales will not help you in the least.

After many years of careful trial, we found that foreign sales are not even remotely worth the extra time, confusion, costs, bureaucratic kowtowing, dishonesty, and hassles they cause. Life is simply way too short for such an utterly pointless endeavor. In addition, certain of our suppliers contractually forbid us from reselling to foreign nationals.

VISA / MC / Paypal only!

eBay success demands **wham, blam, outthere** instant closures. Checks and money orders have long been far out of the mainstream. And may attract felons, societal misfits, flakes, troublemakers, and other undesirable problem buyers. But the really big downside of checks and money orders is that they convert an instant and sure closure into something that may or may not happen at some unspecified future date. COD's, of course, are beyond the pale.

Paypal is very popular and actually slightly cheaper than your own VISA or MC merchant accounts. And, of course, far less expensive than checks or money orders when all costs are fully considered. Were this not obviously true, there would not be any Paypal or VISA/MC in the first place.

But we have found a major hidden benefit to your own VISA or MC merchant accounts over Paypal: The average buyer does **not** usually insist on a to-the-penny exact shipping quote. Thus, prepacking and several communication steps can be eliminated with VISA/MC, greatly simplifying closure.

Limit terms and conditions to TEN words maximum.

The purpose of your **eBay** item description is to describe your item. Long and arcane terms and conditions clearly label you as an undesirable seller. And one to be avoided at all costs.

Eschew neologisms.

Clearly state your revenue neutral shipping charges.

There is only **one** meaningful definition of "actual shipping costs". "Actual shipping costs" are any and all expenses the seller incurs over and above physically handing the item to the buyer. It is very important to exactly state your shipping costs in your offering and to **never** pad these charges beyond what is reasonable. Nor attempt to use them in any manner as a revenue stream.

Many buyer hassles can be avoided by stating your shipping costs in pounds of weight, rather than dollars. Our own policy is to charge what UPS charges for the package, plus the prorated UPS truck stopping charge estimated from the previous week's volume. Plus a small amount extra. We feel that such items as shipping tape or the time spent recycling free bubble wrap and boxes should be internalized as normal business expenses.

We overwhelmingly prefer **UPS** over USPS priority mail for everything over two pounds. The really big advantage of UPS is that you simply dump the stuff in your front yard and it magically disappears into a big brown truck. No travel, no waiting in line, no bureaucratic ass kissing. To further ease hassles, we use flags that the UPS employees dearly love but their supervisors utterly detest.

NEVER ship without tracking and insurance.

Always use a first rate shipping method that sends the item promptly and reliably to the buyer. Cheaper postal classes are **guaranteed** to cause you grief.

Always include tracking and insurance with your shipping. The really big reason for this is that the "Is it here yet?" types can now hassle somebody else's website rather than your email.

Be sure to **promptly email the buyer with the tracking and shipping info.**

Relatively high shipping charges on small items can be gotten around by encouraging buyers to "start a tab", and thus combine shipping on several of your items at once. But promptly flush any buyer that tries to nickel and dime you over shipping options.

Never list anything on eBay that you cannot hold extended at arm's length.

You can think of shipping charges as a tax or a bribe or mordita or bakeesh or whatever. Stuff that the buyer pays for but you never receive. Anything that weighs over, say, 25 pounds will cost you a lot to ship and will be an expensive and annoying pain to properly package.

Note that normal UPS limits are 75 pounds and 130 inch girth+height. Premium charges apply up to 150 pounds and 150 inch girth+height. While both the **UPS Stores** (formerly MBE) and **FedEx** do offer trucking services, these quickly get outrageous. At least here in Thatcher, if something has to go as truck freight, you can assume a minimum of \$800.00 in charges and ten weeks delivery.

Extra charges, of course, for residential addresses, crating, shrinkwrapping, or any loading or unloading.

But do note that **UPS** has cheaper and little known "hundredweight" service. Which is a great bargain **if** you can split a heavy order up into several lighter boxes all shipped at once to the same address. See the **UPS Website** or see our **Auction Help** library page for further details. Or the **Intershipper** comparative rate service.

Fully account for ALL of your expenses.

It should go without saying that accurate business records are a must for the quarterly IRS taxes you will be paying. A state tax stamp is also a good idea. Since such an exemption certificate quickly pays for itself if most of your buys are local and most of your sales are out of state.

Most eBay sellers do not have the faintest clue what their true business costs are. If you are not including your **pro rated water bill** (and similar obscure items) in your cost analysis, then the chances are overwhelming that you are making far less on eBay than you think you are.

Another key test is the **Leavenworth Ratio**. Specifically, if you compare your net-net-net profit against the hours spent getting those profits, how do they compare to the going prison labor rate at Leavenworth or Folsom? I strongly suspect that the Leavenworth Ratio for all of eBay is less than unity.

The more you tell the more you sell.

An ancient sales adage for sure. Accurate descriptions are a must on eBay. Carefully research your products back to the original manufacturer and give both detailed specs as well as links for further support. But stay focused and factual.

Always understate condition and value.

Make every title character count. Cutesy poo **L@@K, WOW!** and similar inanities are a big no-no. Be sure to include name variations, such as GR, General Radio, and GenRad in your descriptions. But **absolutely no garish backgrounds, music, animation, or similar annoyances.**

The exact category usually does not matter too much, but making sure your item has the right name and description for the right buyer is crucial. As ferinstances, a "pen plotter motor" will not sell at any price, but the identical "laser lightshow galvo" will fly on outta here. Similarly, astronomers snarf up voting booths, while quilters and felters are your prime market for water soluble swimsuits.

Tightly link to your own website.

A companion website is an absolute must for **eBay** success. One that holds continuing product sales at moderately higher prices. And one that has lots of "free stuff" in the way of genuinely useful and unique tutorials or other buyer assistance. Such a website also clarifies when and where eBay fees are due.

The object of the game is to set up a two way funnel. One that sends **eBay** buyers to your website and website visitors to **eBay**. Hopefully with gain both ways.

Naturally, you should have an eBay **About Me** page. On which you provide your full address, strong links to your website, the needed FDA info if you are into anything medical, and a clear statement of your IP rights for **VERO**.

You can visit our website [here](#) and our bargain pages [here](#).

Avoid pissing contests.

It is usually a good idea to offer a fifteen day inspection privilege (buyer pays all shipping) on higher ticket items. Say \$79 or higher.

Our policy is to refund product cost only on our very rare returns. Unless it is reasonably clear that we had an item or description problem. Then we refund all buyer costs. Often without actual return of the item.

We have found that **an early offer of a prompt refund usually guarantees the sale will stay sold**. Note that our **only** adjustment is a prompt refund. **Never negotiate or offer a partial refund!** Once an adjustment needs to be made, the buyer gets permanently blocked. Gone. History, Outtahere. Regardless of fault.

Should someone steal your photos or description, you work through eBay **VERO** rather than making any direct contact. Exit stage left.

The surest way to avoid a tug-o-war is to not pick up your end of the rope. Remember that the other person **will** have the last word. All you can do is determine when and where that last word will take place.

Should there be lesser complaints or arguments, simply and briefly restate your policy or terms. Note that customer questions and complaints are a welcome blessing in disguise because they tell you shortcomings in your approach, your market, your items, your terms, and your descriptions.

Evaluate ebay options carefully.

A lot of the **eBay** extra charges are simply not cost effective. Especially the more pricey ones. Special placement charges are ego trips rarely worth their cost. That dime for a ten day listing is worthwhile if you have a one-of-a-kind item for a specialized audience. The gallery is not worth a quarter, but it **is** often worth a quarter to get the gallery image into your page listings.

While the eBay Power Seller status does give some minor advantages, you should **never admit to being a power seller**. Nor should you ever use the power seller logo. Power sellers are viewed with universal disdain by most ebay buyers.

The only thing eBay buyers hate worse than a reserve is a high opening price. Reserves also get **outrageously** expensive on big ticket items. But a low reserve can prevent BIN stomping or to set a bare minimum floor. **Reveal your reserve if asked, but never volunteer it**. We often use Buy It Now, set to 130 percent of our regular closing price expectation.

On a new and pricey item with unknown economics, we often will list first at a much higher opening and BIN price and then drop accordingly. It is rather disconcerting to have your BIN grabbed the instant it appears on eBay. Meaning you charged way too little.

Naturally, you **never end an auction early** Virtually always, you will get a better price by letting the offer completely timeout. BIN's largely stop these attempted ripoff email offers.

Treat newbies with respect.

At least for our items, we find **more** interest and **fewer** problems with zero or low feedback buyers. In fact, many industrial buyers come to **eBay** just for our items. Everybody has to start out as a zero feedback buyer sometime.

If you are having problems with newbie bidders, this strongly suggests you are selling the wrong items in the wrong way to the wrong people. And need serious rethinking.

Respect the IP rights of others.

Needless to say, **you should never use another eBay seller's images and descriptions without explicit written permission.** Thanks to eBay's **VERO** and **NODI** programs, you **will** get immediately shut down and may get permanently barred from eBay.

Note that in the US, **all intellectual property is automatically protected by copyright law the instant it appears in tangible form.** The only way you can be sure you are not violating the law is to have a signed written release contract from the IP source. **Never assume something is in the public domain!** The odds are utterly overwhelming that it is not.

Should your own images or ad copy get ripped off, the needed forms and methods appear in **MOREEBAY.PDF**. A secondary defense when your own website images are linked is to use substitutes. A suitably clad individual pioneering new methods of animal husbandry is often appropriate.

Use both a scanner and a 5 megapixel camera.

Higher resolution digital cameras are strongly recommended for eBay because (a) it takes four Bayer filtered camera pixels to make one image pixel, (b) image post prep such as rotation or distortion correction should be done at the highest possible resolution, (c) cropping to subject throws away most of your available pixels, (d) there are all sorts of anti-aliasing and other advantages working 2X final size, and (e) the advances in higher resolution digital cameras in the last few weeks have been utterly amazing.

A scanner offers resolution way beyond the best of digital cameras when and where its use is appropriate. Besides offering perfect and hassle free lighting. Be sure to use a better grade scanner, though. The ultra cheap models sometimes have far too little depth of field.

Sometimes it is even appropriate to use **both** a digital camera **and** a scanner on the same subject at the same time. Details on this and similar techniques appear in [My eBay Photo Secrets](#).

Spend at least TWO HOURS in image postproc.

Actually taking a picture should take up less than **five percent** of your image creation time. It is in the post proc that your personal value added is strongest. Doing things like background knockout, distortion correction, pixel alignment, lettering sharpening, and such.

Properly post processed images can add **two to three times** the value to your [eBay](#) listing. Naturally, you do all your work in .BMP bitmap or in some other **uncompressed** format, doing a JPEG compression only as the final copy goes out to your ISP. Additional info appears in my [EBAYFOTO.PDF](#) tutorial.

Most dropshipping is an outright ripoff.

Newbies seem attracted to scam dropshipping services so they can avoid actually touching and handling inventory. Sadly, most dropshippers foist off outdated, overpriced, marginal, and largely unsellable merchandise to hoards of clueless competitors.

Problems with dropshipping include (a) There are way too many fingers in the pie, (b) there is not nearly a high enough sell/buy ratio, (c) identical items are offered by others, (d) your personal value added is usually sorely limited, and (e) it is **you** that gets hung out to dry on the inevitable delay or nondelivery.

A good rule is to **never sell what you do not personally own title to and physically have present possession of!** It sure is interesting to watch the predator-prey relationship on the [alt.wholesale](#) newsgroup.

A possible dropshipping exception may **very rarely** exist **if** you are providing outsource marketing services for a local craftsperson. The key questions to ask are (a) Are you the **only** person given the **exclusive** ability to sell their items on eBay? (b) Is the dropshipping source within walking distance of your home? (c) Is your sell/buy margin exceptionally high, and (d) Are you able to add substantial and unique personal value added not available elsewhere?

Palletized liquidation scams are equally useless because (a) Each pallet item has at least one problem, (b) The good stuff has long been higraded, (c) much of it may be inappropriate for eBay, and (d) shipping costs will be outrageous.

More on dropshipping and liquidation scams in our [More eBay Secrets](#) tutorial.

Consignment sales are bad news.

If you sell on eBay for a friend, you **will** lose that friend. End of story.

Those outside the **eBay** community tend to grossly overvalue their items and obscenely underestimate the time and effort needed for listing, closing, and shipping. They also tend to forget that **an eBay sale is an enforceable contract under the Uniform Commercial Code**. Leaving you hung out to dry when they fail to deliver or get a better offer elsewhere.

If you absolutely must explore consignment sales, a minimum starting point would be a **fifty percent** commission over and above a \$96 placement fee. Plus, of course, personal possession of the items to be sold before they are listed.

Don't sweat feedback.

Feedback is completely voluntary and is largely an unneeded and irrelevant sideshow. As a seller, you should provide feedback only **after** the buyer reports receipt of an item. Anything earlier is a serious disservice to other eBay sellers and eventually will end up being an outright lie.

As a seller, we will normally only neg when a warning to other eBay sellers is sorely needed.

What if you are negged as a seller? No response at all is often the best policy. Based upon the scientific principle of "the more you stir shit, the worse it smells".

If you must respond to a neg, **keep it brief, factual, and unemotional**.

As a buyer, you can post feedback anytime you want. But **never** post a neutral or neg until **after** you have emailed the seller for resolution.

eBay and Paypal fees are still outstanding bargains.

Those who grouse about eBay and Paypal charges have obviously never tried to run a brick and mortar business. Nor have they ever paid for media advertising or exposure. Or bought booth or exhibit space. Or known what it is like to deal with **real** customers face to face, day in and day out.

eBay fees remain an absolutely outstanding bargain. One that **saves** you far more than their cost. Nothing else comes even remotely close. Those who feel otherwise simply do not have a clue.

For More Help

Additional background along with related utilities and tutorials appears on our **GuruGram**, **Auction Help**, **PostScript**, **Acrobat**, **Blatant Opportunist**, and the **Fonts & Bitmaps** library pages.

Consulting assistance on any and all of these and related topics can be found at <http://www.tinaja.com/info01.asp>. As can our image development and processing services.

Additional **GuruGram** notes and **Blatant Opportunist** columns await your ongoing support as a **Synergetics Partner**.