

Earning a Living with Online Auctions



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INTRODUCTION

With the ever-changing environment in the work place and the ups and downs of the economy, there are many people who are facing an uncertain job market and are looking at home base businesses to either supplement their income or replace their full time job:

- Those with an entrepreneurial spirit who would like to venture out on their own and use their skills and experience to directly benefit themselves rather than an employer.
- Those who are unemployed.
- Those who are underemployed, lacking the education or experience to improve their situation.
- Mothers whose income after paying baby sitters is not enough to cover expenses, and they prefer to provide the care for their own children.
- Stay-at-home mothers who are committed to the nurture and care of their families, but desire to supplement their husband's income.
- Retirees who are not able to live on their retirement benefits.
- Senior citizens who can't afford to retire, but are not able to keep up with changing technology or find it difficult to work in the traditional job market place.
- Those with illnesses or disabilities who find it difficult to work outside the home.

The Internet is no respecter of persons.

The Internet has become the largest medium in the world, larger than radio, larger than television. The average American spends 100 hours per month on the Internet. Worldwide online population is approximately 600 million and is projected to be 945 million by the year 2004. U.S. online users have increased from 137 million last year to almost 169 million this year.

The explosive growth of the Internet has opened up significant opportunities for an average person with limited resources to learn new skills and then to use those skills to make an income. The Internet is no respecter of persons. It doesn't care what country you live in, what your ethnic background is, what religion you belong to, whether you are rich or poor. The Internet provides a level playing field where a small one-person operation can compete with giant corporations for the sales dollar. In a few short years, the Internet has changed the way companies run their business.

For someone who is willing to spend the time learning, with very little start up cost, there are many opportunities to make money on the Internet.

There are reasons to consider Online Auctions.

We are pleased to provide you with information about the innovative and promising business opportunity of selling products using Online Auctions.

There are over 100 online retail auction sites where the global retail sales will soon surpass the trillion-dollar mark. One reason for the explosive growth is that trust in Online Auctions has improved every year. More and more people are becoming comfortable with buying and selling via Online Auctions. Other reasons for increased popularity are:

- It allows buyers to buy items at perceived bargain prices without paying for advertising and other corporate overhead expenses.
- It allows significantly more sellers to sell items without marking up their costs to cover corporate overhead expenses.
- It turns shopping into a type of competitive game.
- It gives buyers a sense of involvement.
- It allows individuals to buy products they can't buy locally.

eBay, an Online Auction site, is the largest Internet site in the world and has:

- Over 8 million unique visits a day.
- Over 1 million auctions end every day.
- 75.3 million registered users.
- 34.1 million users who have purchased or listed at least one item in the past year.

The stay-at-home Online auction business has become a significant and prosperous business venture for many individuals desiring to operate a business from their home. In fact, there are more than 150,000 individuals using eBay sales as their primary income, and many more individuals who supplement their income by selling items through eBay and other Online Auction sites.

There are no guarantees.

Starting a new business involves an investment of time and resources before the venture can begin to provide income, and there are no guarantees that it will be successful. It depends upon your initiative, your creativity, and your skills. An Online Auction business may not make you an instant millionaire, and it may not be an exact fit for your particularly needs. On the other hand, it may be just what you are searching for. You won't know until you have studied it carefully.

Is an Online Auction business right for you?

This booklet will give you a brief overview and will offer some practical suggestions on how to increase your sales and to improve your chances of success if you decide to get into the Online Auction business. We suggest that you review the information provided to see if this new business is for you.

If your review of this booklet sparks a greater interest, we recommend, as an important second step, that you study carefully the help section on the eBay website found at www.ebay.com. Follow the secondary links found in the “[Getting Started](#)” link, also take the guided tour and the interactive tutorial found in the “[eBay Education](#)” link of the help section. This will help you become familiar with the terminology and concepts associated with online auctions and provide you step by step instructions on how to buy and sell items in an auction.

There are also many published resources (internet search engines, local colleges, community development offices, SCORE and local bookstores) that will provide additional information on eBay and other Online Auctions. Ask a friend or neighbor who has participated in an auction site to walk you through the process. After learning how to buy and sell, we highly recommend that you actually buy one item before you start selling. This will help you learn the techniques of the seller and better understand the side of the buyer. We also recommend that you sell one item on an auction site. Actually buying and selling an item become the most important step in your investigation. This will confirm that selling products through an Online Auction is something you would enjoy doing and are committed to making this type of business a success.

After your investigation, if you decide to proceed in setting up an Online Auction business, we recommend that you study more carefully the suggestions found in this booklet and try to implement each suggestion that you feel is appropriate. Take advantage of the online “help” sections in the auction site to fully implement the suggestions found in this booklet. Study the auction rules and policies found in the help section. Learn from the successes of others. Take time to develop an effective plan. By implementing the appropriate suggestions found in this booklet and other sources, you will dramatically improve your chances to be successful in this new business endeavor.

WHY AN ONLINE AUCTION?

There is small financial risk for start-up.

- Most business owners need to pay expenses for a retail site, utilities, insurance, telephone systems, computers, copiers, lighting & displays, signs, security, wages, benefits, advertising (such as the yellow pages), etc. However, if you are running your own Internet selling business, you don't need to worry about most of that.

You can work from home.

- You can work from the comfort of your own home. Whether you are employed, unemployed, a retiree, a stay at home mother, mobility-challenged, or someone seeking new opportunities, an Online Auction business could be the solution for earning additional income.
- Through the Internet, geography has become irrelevant. For centuries, people have migrated to cities if they wanted to engage in commerce. Now, with the Internet, you can live anywhere you please, as long as you have electricity. In fact, with laptops, you don't even need to be home.
- We never have to leave our homes to make money. This can improve family life in a significant way.

Your auction business is ALWAYS open -- but you don't have to be.

- Because the Internet will carry on your business without you, you can keep your full-time job until you are ready to quit. There are people earning thousands of dollars a month in Online Auctions. There are others who are content with a few hundred dollars a month. It all depends on your personal goals.
- List your product, and then you can go about your other business. It is not like a retail store, or an office where you must be there in person with set hours. Let the auction do its job and direct your energies toward other things.

The amount of time you spend is entirely up to YOU.

- You can spend an hour a week or ten hours a day on your auction business. Your success is dependent upon your creativity, diligence and strategy. You control the amount of time needed to be successful.

INTERESTING FACTS ABOUT eBAY

- eBay is known as a place to find hard-to-get, out-of-date or overstocked items. As a result, eBay shoppers are more price and promotion oriented.
- Over 2,000 bids are placed on antique and artwork every hour.
- Over 600 antique diamond jewelry pieces are sold every week.
- Over 30,000 clothing, footwear, & accessory items are sold every day.
- Over \$190 million in photography items are sold each year.
- Over \$38 million in crafts and needlecrafts supplies are sold each year.
- A craft item is sold every 9 seconds.
- A scrapbook item is sold every minute.
- Over 375 die-cast toy cars are sold every hour.
- Over 100 Barbie dolls are sold every hour.
- Even though eBay is the largest of the auction sites, there are still hundreds of sites that are selling and buying items every day.

There are some really unusual items for sale. Here are some examples:

- ————— •
Elvis Presley's dental records.
- Seeds from a 933-pound pumpkin.
- The skull of a Tyrannosaurus Rex.

A Success Story.

A family of five began an eBay business selling bubble cushion shipping material to others on eBay. Now they sell over 65 variations of 9 products from bubble cushioning to stretch film to rolled shipping film and boxes. They process over 17,500 orders annually, (7,500 of the transactions were from repeat customers). The family delivers two semi-tractor trailers full of bubble-wrap each week, and they have customers all around the world,

BASIC REQUIREMENTS

- The time necessary to successfully start a new business. More time may be required as your business grows.
- An Internet-connected computer at your residence.
- Sufficient operating capital for inventory, supplies and shipping.
- A good work ethic.
- Commitment and follow through.

WHAT SHOULD I SELL?

The first thing that all Internet auction sellers worry about when they are just starting up is: "What should I sell?"

The best way to answer that question is to identify what's already selling well on the auction sites. Find items that are unique, in good shape and have a demand.

An auction is the purest kind of marketing in existence. It allows you to experiment with an item, expending minimal effort and receive almost immediate feedback. The market is huge and growing everyday, and once you have learned the system, you have instant access to it.

There are certain items that are forbidden to sell and others that have restrictions on the sale. Carefully review the Prohibited and Restricted section found under the "Help" tab on the auction site. Some examples are:

- Alcohol
- Animals and Wildlife Products
- Counterfeit or Illegal items
- Fireworks
- Homemade Food
- Offensive Material
- Tobacco
- Weapons and Knives

Practice selling rarely used items in your garage, your attic, or wherever you keep things you do not use regularly. You can sell almost anything you discover in good condition, but gain some experience before you commit significant resources.

- Consider focusing on items that cost more. If you make \$1 profit on a package of greeting cards, you must sell 2,000 packages per month to make \$2,000. In addition, you have to include time, packaging and

shipping. If you earn \$200 profit on a used car engine, after shipping costs, you only need to sell 10 items per month to make the same profit.

- Another technique is to sell items in bulk. There are sellers that buy clothing from department stores, sort them by size and gender, and sell them in lots. Others buy pallet loads of new children's clothing from closeout dealers, sort them by size, and sell them in lots of 5 or 10 pieces.
- There is a good market in auctions for "vintage" hi-fi equipment, cameras, old computer hardware and so on. One might buy a quantity of reel-to-reel tapes at a garage sale for \$20-\$30 and sell the items separately on eBay for a total over \$200.
- Be creative. Find a unique item that is in demand and then specialize in that item. Find a niche market, learn everything about it, and work it over and over again, until you become an expert. Once you have mastered one niche market, then expand on it or find another niche market.
- Remember, buyers are looking for a bargain. People like the convenience of being able to shop in the comfort of their home, and they love the excitement and suspense of bidding. But, it is the potential bargain that makes them bid on your products. Visitors who look at your auction listing have to see your product as a real deal, whether it is for a low or high-priced product.
- **WHERE DO I FIND PRODUCTS TO SELL?**

This is the second most frequently asked question by newcomers to the Internet auction business world.

There are sources everywhere. It's just a matter of knowing WHAT you are looking for.

In general, your best sources will be OFF the Internet.

Why? Because if you can find a terrific source of discount CDs on the Internet, so can your customers. And why should they buy from you if they can locate the merchandise for themselves? On rare occasions, you might be fortunate to purchase on the Internet a quantity of items at a bargain price and resell them at a profit, but this will be rare. Don't limit yourself to buying off the Internet.

Get to know your community and region. Look for wholesale outlets and local manufacturers who are looking for other outlets for their products. You could be living next door to a gold mine of profitable goods.

Most power sellers rely on only a handful of suppliers.

To understand why, let us look at the natural progression that most sellers go through (visualize yourself doing this):

First, they sell one-of-a-kind items that they find at flea markets, yard sales and other local outlets. These aren't repeat products --simply isolated items that attract their attention.

Then, many get **Auction Fever**. They are having a wonderful time and begin to see the potential profits to be made in the auction game. So they begin searching for merchandise that they can sell again and again. Finally, the majority of sellers begin to specialize. When you get to this stage, you don't need forty-seven suppliers, but only a few reliable ones.

It is critical to your success that you find manufacturers or merchants you can count on, who deliver on time, whose merchandise is as advertised, and who value you as a partner. Evaluate a supplier before you risk your auction reputation selling their goods.

There are some auction sellers that do not follow this path because of special knowledge or circumstances. For example, if you have a hobby collecting and trading baseball cards, you are familiar with the industry and sources of supply and what trading cards are in demand. Use that knowledge to find great deals and to describe the items for sale.

Or perhaps you have a business already, and want to promote that business on the auction sites. Your merchandise categories are already chosen. There are many businesses that have discovered the awesome power of auctions and sell their merchandise this way.

In selecting items to sell long term, choose items that you have a natural interest in and would enjoy promoting and selling. As you get more involved in the auction game, you will probably be looking for more products to sell, in higher quantities, and offerings in many different categories.

Please remember this important principle. Your profit comes from selling items for more than your cost to purchase, store and ship them. Your buyers are looking for bargain prices, therefore, you must find items to purchase at super bargain prices in order to cover your expenses and still make a profit.

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GUIDELINES

There are additional guidelines to follow when you begin to think about goods or merchandise for your Online Auction business:

Test the market with small quantities.

Begin by selling one or two items at a time. Ensure that there is a strong market for them before you buy larger quantities. One advantage of an auction is that you receive feedback very quickly. In as little as three days, you can know if your product is going to sell or not. If your items sell well, sell more. If your sales are not well received and you think you have a good product, change some of your variables to see if you can turn it into a success. For example, maybe the item would do better in a different category. Or maybe the content of the listing description needs a little reworking to better highlight the benefits of the product.

Once you have decided what to sell, shop around for the best quantity pricing; determine where you are going to store your inventory and how you will ship the items sold.

Know your costs.

This is absolutely critical! Develop a checklist of all your costs involved in the sale and track those costs carefully. Multiple fees apply to Online Auctions, so an understanding of these fees is important. Review these fees in the “fee” section of the auction site.

The only cost you cannot know in advance is the “final value fee.” This is a fee that some auction sites like eBay charge you based on the final sale price (i.e., the amount of the winning bid). However, you can get a reasonable idea of your final sale price, and therefore the “final value fee”, by looking at similar items that have already sold. If something is worth \$25, you cannot realistically expect someone to pay \$100. (Sometimes this will happen -- but don't count on it).

Concentrate on only one or two categories.

The best approach would be to master one category first. A limited number gives you the time to research and keep up-to-date on each particular category, without producing a lot of stress.

As you grow with experience, you may stick with two or three categories so that you can specialize and become a recognized expert in your selected areas of interest.

WHERE DO I FIND CUSTOMERS?

Access to the market is easy.

The Internet has become the largest shopping mall in the world. The auction sites have already spent their time and money to attract millions of customers.

Take advantage of their hard work. They have the traffic and the buyers. All you have to do is show up with a great product at a great price, present your product in an effective way and provide great customer service.

How much interest (which translates into traffic) is there for Online Auctions? Consider this information...

- Out of the top 20 Web players (spring of 2001), nine of these have auction sites -- Yahoo, Microsoft, Lycos, Excite, eBay, NBCi, CNET, Softseek and Amazon.
- eBay alone has over 200 million page views each month.
- 15% of the millions of Internet users have at least looked at auctions.
- eBay has sites in 12 countries and is targeting South America and the Pacific Rim while Yahoo auctions in 19 countries -- both are continuously expanding. This makes international selling a real possibility for the small home business owner. You can sell your products in France or Australia as easily as you can in Kansas.

Marketing is inexpensive.

Out of the nine giant sites mentioned above, only three of them presently charge any money to list items (eBay, Yahoo and Amazon), and their fees are very modest. Even the most expensive site, eBay, charges a maximum \$3.30 to list items, excluding a listing for a house or a car.

Other fees apply only if you "sell" your widget, which means you can keep your operating costs to a minimum. The fee is not based on the number of potential buyers who look at your merchandise as is typical in traditional advertising. On the auctions, you pay the SAME fee whether 10 or 10,000 people check out your sale items.

Traffic to your site is targeted.

This means that those who visit your site are interested in your items for sale. If you are selling computer parts, buyers interested in sports autographs will not be

looking at your sale items.

Bottom line is: For a small cost, Online Auctions attract a huge volume of targeted customers who are actively searching for the products or services they want.

There is no e-business that is easier or more affordable than auctions for the small or home business owner!

MAKING THE SALE.

Write attention-riveting listings.

Internet auctions attract a large volume of potential customers who are **actively** searching for what they want. That's the best kind of traffic. Of course, there are lots of other sellers competing with you for the attention of all those eager buyers. How can you stand out from the crowd and draw potential buyers to view product listing?

The listing is your key marketing tool. It is the title and description that will catch the buyer's attention and cause them to choose your product.

One key is to write attention-riveting advertisements or listings that attract potential buyers and clearly describe your products for auction. Your goal as a seller is to sell your items for the HIGHEST possible price. Here are some suggestions for preparing your product listing that will help you do that:

Be Knowledgeable. Auction listings are allowed only a relatively small number of letters and numbers to get the message across. Do not ramble in describing the item for sale. The better you KNOW YOUR PRODUCT, the better you will be able to write about it -- with enthusiasm, conciseness and impact.

In addition, KNOW YOUR BUYER. There are certain keywords and ideas that will be easily recognized and will motivate your potential buyers. Understanding your visitors' needs and wants will make it easier to find those powerful words.

Understand your customer's **mindset** and write to your targeted audience.

Is your product sensitive to age or gender?

What makes your product unique?

If there are products similar to yours being offered on the auction, can you compete on price? ●—————

Practice writing your listing. Like all skills in life, writing profitable listings requires practice, tweaking, and editing until you get it just right.

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When you first begin, keep your listings simple. As you gain experience, your content will reflect your growing awareness of your market and what your listing needs. Potential customers will be able to identify themselves in your listing.

- **Learning from others** is another key to successful listings. Spend time on auction sites looking at listings of items similar to yours. Evaluate their strengths/weaknesses. Are they highlighting a feature or benefit that you didn't think about? While you are not allowed to copy the exact wording from another listing's description, you can use ideas and formats from successful listings.

- **Photographs are a must.** One or more clear and well done photographs of your item for sale will add professionalism and impact to a listing. Buyers want to see what they are purchasing. If you host your own website and have photographs available, the auction site has instructions you can follow to link your photographs to your listing. As an alternative, auction sites will provide a photograph service for a fee where they can store your photographs and make them available for your listing. You have the responsibility to take the photograph of your product with a digital camera or scan an existing photograph and save it in a file to be linked to your listing.

If your item is damaged, definitely take a close up picture of the damage so that people can see the extent of the damage. If your item is brand new, take a picture of the tag or box that shows that it is brand new.

Instructions for alternative ways to handle photographs are available on each auction website. Find competing listings that are using photos. Jot down comments about those photos to identify ways your listings can be improved.

SELLER'S TIPS

- **START TIMES.** Your auction will end at the same time as your start time. Therefore, schedule your auction to end at the time most people who would buy your item would be on eBay. Most people are on eBay on the weekends between 11:00 a.m. and 2:00 p. m. Pacific Time. Use a start time within these hours unless the demographics of your target market would require a different start time.

- **DURATION.** Unless you need a fast sale, use a 10-day auction period. If you start your auction on a Wednesday or Thursday, you will include two weekends in your auction period, with your auction ending on a Saturday or Sunday. If you choose to end your auction on Sunday, it is recommended that you complete your follow up work on Monday to avoid working on Sundays.
- **TITLE.** Use all 45 characters allowed for the TITLE. Use CAPS, symbols and eye C@tchers to have your TITLE stand out. Find the “hot words” used by eBay users by doing a search. There is a feature that tells you what the most popular “hot words” were last month. Don’t waste precious space with useless descriptions like “Awesome” or “Wow”. Nobody searches for an “awesome” beanie baby.
- **AUCTION DESCRIPTION.** List every detail that will help your item sell, but don’t get too wordy. Be honest in your description. If there is damage, explain it fully. People will be more inclined to buy, knowing the extent of the damage.

Use keywords, mention similar items and compare your item to more notable or familiar items. Keywords and other details can be used by potential buyers in a search.

Include in the description your email address, your return policy, and payment policy, shipping and handling fees and whether the shipment will be insured. Try to anticipate questions a potential buyer might have as they review your listing. After your listing is completed, you may receive emails questions from potential buyers about your items for sale. Always answer these questions immediately, and then consider adding these answers to your description. This will save you time in answering the same question from other potential buyers and will make your description more productive and complete.

You have a choice of two different formats to prepare the Title and Description for your listing: a word processing format or an HTML format that is commonly used on web pages. The HTML format will give you a greater variety of options for font sizes, shapes, colors and textures. If possible, learn how to write in the HTML format or have someone familiar with HTML help you prepare the Title and Description. This can really spice up your description and will increase your sales.

Consider using your own logo and other distinctive features that will give all of your auction listings a similar appearance. Once you have completed your unique Title and Description, save it in the “Notepad” software where you can copy and paste them easily into future listings. The “Notepad” software is simple word processing software that is part of the initial software package included with almost every computer hardware system.

Have the description well organized and formatted in a clean, attractive manner so that information and reasons to buy are easily seen.

- **CATEGORIES.** In order to find categories to list your product in, go through a search on eBay for the same or similar products to yours and see what categories others have been listed in. Start selling with one category to keep it simple, but if the sales are not satisfactory, consider listing in a second or third category.
- **PRICING.** Before you set the price, do research to find the value of your item. Look up a completed auction search to find out the prices of the same or similar items sold during the last ninety days. Get a feel for what your item is worth.

You have the option of setting a Reserve Price, which is a price below, which you will not sell. Weigh carefully the value of setting a reserve price because there is a fee involved. If you set a reserve price, you pay a fee that is refunded only if the reserve price is not met. But if the item is sold, there is no refund. The reserve price fee may not be worth it.

Weigh carefully your pricing strategy. Consider starting with a lower bid price. The lower price will attract more bidders, which, in turn, will attract additional bidders who will come to your listing site to see why there is so much activity. Most people search for an item with the lowest bid, and your item will show up more often. On eBay, if you attract 30 bidders to your auction, you will get a “hot” icon added to your listing, which will attract even more bidders.

- **FEATURES AND LISTING UPGRADES.** Some auction sites offer extra Features and Listing Upgrades, which are tools to help your listing receive greater attention. There is a fee for each Feature or Listing Upgrade and it may be worth it. The following are examples from eBay:

The **GALLERY** feature is used to increase the visibility of your item when using multiple pictures by placing these pictures in more places for the potential buyers to observe. The cost is \$.25. The multiple pictures are placed in the gallery and a picture icon is placed next to the title of your auction so that someone browsing can see what you are actually selling without opening up your listing site. Statistics from eBay show that when using the Gallery feature, you will increase your price by 11% and will increase the number of bidders by 15%.

The **BOLD** listing upgrade makes the title of your listing darker so that it stands out when compared to the titles of other listings. The cost is \$1.00. eBay statistics show that the BOLD feature will increase the final price by 25% and increase the number of bidders by 23%.

The **HIGHLIGHT** listing upgrade puts a color band or shading around your auction and the cost is \$5.00. Statistics show that this feature increases the final price by 11%.

The **FEATURE PLUS** listing upgrade cost \$19.95 and puts your listing in a featured spot at the top of the listing category you are in. Statistics show that this feature will increase the final price by 47% and the number of bidders will increase by 65%.

The **HOME PAGE** listing upgrade costs \$99.95 and puts your listing in a featured section on the Home Page of eBay. Statistics show that this feature will increase bidders by 58%.

A description of Additional Features and Listing Upgrades are found in the seller section that provides step-by-step instructions for preparing your listing.

- **TRUST.** Online auctions involve a great deal of trust. In order to gain the trust of potential bidders, do the following:
 - Remove as much doubt, and mystery as possible.
 - Publish your shipping and handling costs up front.
 - Clearly state your check acceptance policy.
 - Be honest and up front in your description. Describe fully any problems or damage with your item.
 - Respond in a timely manner to all questions.
 - Provide quality customer service.Your reputation will become known in the auction community and will have an affect on your success as an Online Auction seller.

- **FEEDBACK.** eBay keeps track of positive and negative feedback on each auction from both the buyer and the seller, and they publish the results of the feedback from the buyer on your auction site. Positive feedback helps you gain trust from potential buyers and becomes critical to your success in selling on eBay. People will more likely buy from sellers who have a history of positive feedback, therefore, make certain that your winning bidder is taken care of and is satisfied.

Feedback is optional by the buyer and seller. As a seller, you can encourage feedback by sending an email immediately after the auction closes to the winning bidder and include a request for feedback. Include a feedback reminder in a handwritten personal note that is enclosed with each order shipped to the buyer.



If you are new to online auctions, consider being a buyer first so that you can build up a positive feedback rating. This positive feedback rating for you as a buyer will help you when you become a seller.

- Offer the use of an escrow service for high price items. Make sure you and the bidder come to an agreement as to how to pay for it before the auction closes.
- To reduce the risk of a bidder claiming that you never sent the goods, use the Confirmation or Tracking service offered by your shipper. Always carefully pack the item to be shipped so that the buyer receives it in good condition.
- Consider alternate spellings of your product in the description field. For example, if you're selling a lawn mower, write it as one word "Lawnmower" and two words "Lawn Mower". This will improve the chance of finding your listing site through a word search.
- Summer is the slow time for online auctions. Sellers should save their "high end" items for the winter to obtain a higher price.
- For collectables, give as much background as you can. People will pay for a good story. Keep it short. Also consider an Authentication service. For a small fee, there are many websites where you can send your stamps, coins, sport cards, autographs and other items for authentication and receive back a

Certification of Authentication. In many cases, this will increase your sales. Some of those web sites are:

- www.psestamp.com will authenticate stamps.
 - www.psacard.com will authenticate trading cards.
 - www.psa/dna.com will authenticate any sports memorabilia.
 - www.e-igi.com will authenticate jewelry.
 - www.pcgs.com will authenticate coins.
 - www.pkbooks.com will authenticate books.
-
- If your policy is to hold personal checks for a period of time before shipping, state this in your description.
 - Accept credit cards. There are dozens of credit card services available such as Pay Pal.com.●
 - —————
 - Your e-mail response to the winning bidder should be sent as soon as possible after auction closes and should include:
 - Final Price
 - Shipping Costs
 - Payment Options
 - Time frame in which you expect payment
 - Mailing Address for Payment
 - A hyperlink to your feedback page (to encourage feedback).
 - Delivery timeframe
 - Use the Second Chance Offer option if you have a quantity of the item to sell. The second and subsequent items sold under the same auction do not include a new listing fee. See the Second Chance Offer tab in the help section of eBay.
 - Check your e-mail morning and evening. Promptly responding to bidders' questions is important.

- **SERVICE SECTION.** Review the Service Section for many tools and services that can help you get a higher price, reduce your costs, or make more money. Some of these services include:
 - ID Verify,
 - Warranty on Electronics,
 - Promotional fees,
 - Buyer and Seller Tabs
 - Authentication.

- **eBAY STORE.** If you are going to frequently sell high quantity items, consider setting up an eBay store with your own personal website. This will help you become part of the eBay community, which is growing at a spectacular rate and will automatically, expose many more potential buyers to your items for sale. Other auction sites have similar web stores.

- **AUCTION MANAGEMENT SOFTWARE.** When you reach a higher volume of sales, consider using Auction Management Software to automate much of the work of listing, tracking and follow up. This software can manage and monitor inventory, manage pictures, provide sales management, take care of all post sales/check out notification and payments, and order management. Here are some sites listed below:
 - www.auctionworks.com
 - www.andale.com
 - www.vendio.com
 - www.channeladvisor.com
 - www.microsoftbcentral.com.

- **POWER SELLERS.** eBay has a program called Power Sellers. When a buyer see the Power Seller icon next to a seller's User ID, they know they are working with an experienced, well-liked eBay seller. To become part of the Power Seller program, a seller must consistently sell a significant volume of items, maintain a 98% positive feedback rating and provide a high level of service to their buyers. The benefits of qualifying as a Power Seller include greater trust and name recognition, faster email and phone support from eBay, help with obtaining positive feedback and health insurance. Other auction sites have similar programs, which are designed to reward those who earn the trust and respect of the auction community.
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COLLECTING PAYMENTS AND RECORD KEEPING

A sales transaction is a simple exchange between a buyer and a seller. Your listing description should provide the terms and conditions of the sale of your item. By bidding, the buyer has accepted those terms and conditions. When your auction closes, you will be notified of the winning bidder, and then you package and ship the item based on those terms and conditions. The buyer forwards the payment in accordance with the agreed terms.

There is always a risk that the buyer won't pay for the item shipped or the seller won't ship the item after they have been paid. However, this risk has been minimized by the feedback procedure, which could put a black mark on the buyer or seller for non-performance.

When Online Auctions first began, almost every item was paid for with check or money order. Today, this is no longer the case. Almost every item is paid through online payment. We recommend this option for its convenience.

The best known and most widely used is **Pay Pal**, but there are many other choices. Some auction sites have their own payment systems. Avoid cash payments. It's still perceived as a security risk by many people and could turn off potential buyers.

Record Keeping becomes an important part of the sales transaction. If you are like most individuals, you will begin by just selling an item or two. Those first auctions are memorable and the few details are easy to remember. However, solid record keeping is important to help you monitor what is working and what is not and to track your income and expenses to determine whether your business is profitable.

The minimum information you need to record is:

- A record of the cash receipts from each buyer.
- A record of the cash disbursements and costs for each transaction.●
- The name and contact information of each buyer.●
- A description of what was sold, how much was paid, and how it was paid.●
- A shipping log recording how and when each item was shipped, tracking numbers and insurance information, if appropriate.●

- An inventory record keeping system.

With an organized system, you can keep track of your business and respond intelligently to inquiries about your products and/or sales. And when tax time comes, it is much easier to complete the tax forms.

SHIPPING COSTS

Before you list your item on an auction site, you need to decide what you will charge for shipping and handling.

There are two choices for determining shipping charges:

1. The buyer can pay the actual amount of the shipping cost which is determined after the winning bid.
2. The buyer can pay a predetermined amount.

Using a predetermined amount is how many auction sellers are able to set their prices so low. They start an auction at one cent but charge a flat fee of \$5 for shipping and handling. It may only cost a fraction of that amount to mail. However, if the item sells for a lower-than-expected price, there is some cushion built into the transaction. If the opposite happens, the extra money is profit. Generally, a reasonable shipping and handling fee is acceptable, but most auction buyers will recognize when the amount is excessive.

As you browse through different listings, pay close attention to how shipping and handling charges are handled. Keep track of the different rates for items in your category. This will help you to decide your own shipping fee structure.

SHIPPING AND HANDLING

Shipping is another critical factor in your success. If your buyer receives the package with grandmother's prize teacups in it and there are a few rattles when they pick it up, they are not going to be happy. Use sturdy shipping boxes and extra packing material to insure that your product arrives in good condition.

You have several options for your mailing service, such as the post office, UPS, FedEx and others. There are companies like UPS Store. who will pack items for you and guarantee safe delivery. This may be your best option for larger, more expensive items.

Keep costs/expenditures as low as possible. Order FREE priority mail shipping supplies on-line at: <http://supplies.usps.gov/> If you are selling in large amounts, a 20% reduction in your packing materials will mean significant dollars in your bank account.

Identify free or cheap sources of packing materials. More importantly, do some detective work and locate your own suppliers, online and offline. Do you have a local box or bubble wrap producer or Paper Company?

WHERE TO GET MORE INFORMATION

Books:

Find them at you local bookstore or click on the links below:

- [Make Your Net Auction Sell!](#) By Sydney Johnson
- [Getting Started in Internet Auctions](#) by Alan C. Elliott
- [Starting an eBay Business for Dummies](#) by Marsha Collier
- [The Official eBay Bible](#) by Jim Griff Griffith
- [Online Auctions at eBay](#) by Dennis L. Prince,

Web Sites

- <http://www.ebay.com/help>
- <http://auctioninsights.com/auction-sellers.html>
- <http://www.bcentral.com/products/cm/tips.asp?LID=32599>
- <http://www.storebusters.com/marketplaces.html>
- <http://www.homebasedbusinessowner.com/explosion.htm>

Here are some useful websites you can use to find merchandise for sale at auctions:

- www.liquidation.com - manufacturers, retailers and wholesalers convert surplus assets into cash using our online auctions and integrated services.
- www.amlinc.com - specialize in general consumer merchandise i.e., hard goods, furniture, clothing and accessories.
- <http://www.mywebwholesaler.com/> one of the largest shippers of goods being sold on auctions today!
- <http://www.wholesalecentral.com/> - Wholesale Central is the largest directory of wholesalers, importers, manufacturers, and liquidators on the Internet.
- <http://www.tdwclosetouts.com/> - worldwide distributor and exporter of Department Store Returns and Closeout Merchandise

About The Author

Harold Carey Jr. first entered the computer field in 1977. He has over 20 years experience in computer and business consulting, multimedia, technical writing, teaching, editing, typesetting, and publishing books.

In 1990 Harold worked as a contract consultant to develop a multimedia software program for the [Orange County Department of Education](#) on the [State of California](#) "Anti-Drug Gang Violence" campaign. He also has conducted computer-training class for hundreds of [Coca-Cola](#) and McDonnell Douglas, (now [Boeing](#)) employees.

In 1996 Harold left **BYU** to start his own [Internet Company](#). Within two years he created and was managing and maintaining over 65 web sites. Some of his first [web sites](#) were for the [Daily Herald newspaper](#), (one of the first online newspapers), [American Home Business Association](#), [Moxtek](#), [1-800-Contacts](#), and [Learn2.com](#) (Yahoo most informative site of 1997).

In 1998 he contracted with [Utah Valley State College](#) to do its first [online Internet courses](#). He designed and created the **Electronic Campus** and the courses Introduction to Algebra, Foundations in Algebra, and Biology.

He served as a web site consultant for [Utah Governor Michael O. Leavitt's](#) successful re-election campaign (*michaelleavitt2000.com*) and his [Muhammad Ali Sports web site](#) was featured in a [Microsoft commercial](#) "Heroes on the Internet."

He has been interviewed in [newspapers](#), on the radio and on [television](#). Harold is the author of hundreds of articles and numerous books, including "[Utah Job Guide](#)," "Starting Your Own Business," "How to earn income on the Internet," and "Earning a Living with Online Auctions."

Harold is currently an **Internet Marketing and Business Consultant** helping small and home-based businesses to effectively market their good or services. He has helped numerous Internet-only and brick-and-mortar businesses succeed in their offices and online, as well as helping larger businesses to effectively use the web to reduce costs and save both time and money.

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