

Successful eBay Buying 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.

I also just did a **Successful eBay Selling Strategies**, so I thought I'd also put together a companion something on **eBay** buying. Although I am primarily an **eBay** seller, I did seek out input from several manic eBay buyers as additional research. We'll also mention in passing that the **alt.marketing.online.ebay** newsgroup is an extremely useful resource for eBay buyers and sellers.

Let's look at some of the key concepts...

Understand how proxy bidding works.

eBay **always** uses a **proxy bidding system**. In which you specify your **maximum** bid value. It is very rare for a buyer to actually pay their proxy bid price. They usually will either win the item for considerably less money or else will lose the auction to another higher bidder.

eBay prices normally advance in **bid increments** that are based on the **current** auction value. Typical bid increments are fifty cents for \$5 to just under \$25, a dollar for \$25 to just under \$100, or \$2.50 for \$100 to just under \$250.

For instance, say an auction opens at \$20 and you proxy bid \$79.43. The price stays at \$20 and if there are no other bidders, this will be your final cost. The next allowable bid must exceed \$20.50 (current bid plus one increment).

If a new bidder comes in at \$37.85, the increments will ratchet up to \$38.85 (their bid plus one increment) and you will still be the high bidder. If a new bidder comes in at \$137.85, the increments will ratchet up to \$80.43 (your proxy max plus one increment), and the new proxy will be the high bid.

Should the seller have a reserve price, the auction advances in bid increments till the reserve is met, and then jumps to the reserve price. Proxy bidding then continues in the normal manner. Note that the **second** highest bidder determines the final award price.

One of the consequences of proxy bidding is the **illusion** that you "lost" an auction at the last second by a quarter or a dollar or another small amount. In reality, your opponent's proxy max was probably a lot higher. You have no way to tell by how much you were outbid. **If someone is willing to pay more than you do, it does not matter in the least when they do so!**

All of which leads us up to this fundamental and most crucial eBay buying rule...

Proxy bid your max ONCE very late in the auction!

Bidding early in an auction simply telegraphs your intent and attracts others to bid against you. Continually increasing your bid is even dumber, because it starts pissing contests. Instead, you decide what the **absolute maximum** is that you are willing to pay and bid it. **ONCE!** It doesn't particularly matter whether your bid is five minutes or five seconds from auction closing.

With this strategy, there are only **two** possible outcomes: You will either be overjoyed at winning or laughing yourself silly over that stupid epsilon minus that paid too much for the item. This strategy is also utterly and totally immune to shilling, sniping, and other price building or item grabbing ploys.

Always bid based on your TOTAL cost.

Your final price will pay for the item, for shipping, for handling, and possibly state sales taxes. **Always add all these items up and set what you are willing to pay to the total.**

If an item is worth \$78 to you, it should not matter in the least whether this is \$1 for the item and \$77 for shipping or vice versa. Just be sure to include **all** of your **actual** costs in your maximum bid price. **Be sure you know ALL delivery charges!**

Ask questions BEFORE bidding.

If accepted, a high bid becomes an enforceable contract under the Uniform Commercial Code. By law, you are **not** permitted to negotiate further after the auction closes. **What you agreed to is what you agreed to.** If you have **any** questions about shipping and handling charges, delivery times, or the item condition/history/features, or whatever, **always ask before you bid!**

Bid odd amounts just above buyer resistance thresholds.

Since tie bids are possible and the earliest bidder wins, it usually pays to bid odd penny amounts on any auction. Further, many items will have **buyer resistance** thresholds. Prices above which others are reluctant to go. Typical "ain't gonna go there" thresholds are \$20, \$100, and \$200. Thus, a bid of \$103.27 is **much** more likely to win than one of \$98.24.

Research the item history on eBay.

eBay has all sorts of powerful **search features** that let you find price histories and interest levels. Be sure to use "search titles and descriptions" rather than titles only. Remember that only "completed items" represent the final prices. Auctions in progress will usually have **much lower** than final bids.

Be sure to try name variants (such as "GR", GenRad" and General Radio) and non-obvious terms and descriptive names. Note also that **the value of certain items changes dramatically**, depending on whether they are new in box with all docs, like new, clean used, tested, untested, broken, parts only, or scrap. The value of collectibles can be extremely sensitive to condition and exactly what is offered with them. A poor layout, bad or missing photo, awful description, or wrong category choice can also trash a final selling price.

Research the item off eBay.

Some people are purposely willing to pay far more on **eBay** than off. Especially if it saves a trip to a distant city. Or they want it now. Or if they get caught up in a bidding frenzy. Or see value others do not. Thus eBay may not necessarily be the best deal around. Especially if others have warranties, guarantees, or much better customer support.

Your usual starting point for a web info search is **Google**. Or you can pick one of the other search engine links on **my website**. And **Amazon**, of course, is useful for establishing the value and popularity of books,

Try to find the "blue books" of value. And their related "price finder" websites. But note that price info may be anything from out of date to outrageously wishful thinking. Published catalogs of electronic test equipment typically show prices at three to five times street. Industrial catalogs such as **Grainger** or **McMaster-Carr** can also be helpful.

Your starting point on automotive items is always the **Kelly Blue Book**.

Research the seller.

Find out as much about the seller as you can before bidding. Start off with their **feedback comments**. A few negs by themselves are inevitable and unavoidable (a "perfect" eBay seller is highly suspect), so the question to watch for is how well and how gracefully the seller responds to negs. Also get their sales history as far back as you can go.

Next, check the seller's overall vibes. How clear and clean is their layout when compared to the norm for the item? How good are the photos? How much **useful** info is provided? Are tutorial and data links available? Next, check out their **About Me** page to learn whatever else you can about them. Finally, you can go to their **companion web page** and see what they do in real life.

Note that this can cut both ways. A sloppy and sleazy eBay offer may represent an outstanding buy from a newbie or an utterly clueless seller. Or it may be a red flag warning you to run away.

Research other buyers.

On highly competitive items with a bunch of "regular" buyers, it may pay to find the history of who you are competing against. Some buyers lowball bid and then always fold. Others will pay anything for the item and simply will not be outbid

Knowing who you are bidding against and how to deal with them can save you big bucks and hours of wasted time.

Take your time on any big ticket item.

Most items on **eBay** are **not** unique. Chances are good that something cheaper and closer will shortly come along. Unless you absolutely have to have something right now, do an unsubmitted "just pretend" bid or two before you do any serious buying of anything more expensive. Prices on **eBay** tend to drop with time. Especially when additional sellers glom onto an unrecognized opportunity.

Think twice about distant heavy items.

Shipping charges usually increase sharply with distance. **UPS** adds expensive surcharges above 75 pounds and 130 inches girth+height and won't even accept anything at all above 150 pounds and 150 inches girth+height.

Above that, you are probably into custom **MBE** charges or truck freight or moving van rates. These start off outrageously expensive and then get insanely worse with packing, loading/unloading or residential address charges. **Picking up a heavy item yourself can sometimes pay for a free vacation.** Doubly so if commercial crating or packaging can be eliminated. **U-Haul** trailers can be a real bargain.

But the best solution of all is often to wait till something closer shows up.

Think three times about foreign bids.

Foreign bids have all sorts of scam and ripoff opportunities that go way beyond simple misunderstandings. Unless the item is exceptionally small and light and way beyond unique, the chances are you will be much better off by bidding domestic only.

If you must bid internationally, **always make sure foreign bids are permitted by the seller.**

Ask for the reserve price.

If a reserve price exists on an eBay auction, always ask the seller what the reserve is. **If the seller does not tell you, do not bid.**

VISA/MC/PayPal are your best payment options.

The two big advantages of credit card payments are that your **eBay** buy will close **much** faster and that you can later contest a buy should it go bad. If you cannot qualify for a credit card, use a debit card instead.

Avoid the Dutch "n-1" trap.

A typical Dutch auction will often close at the opening price. If not, then the **lowest** qualifying bidder price sets the price that **all** bidders will pay.

There is a hidden and deadly trap in Dutch auctions that most buyers seem blissfully unaware of. **Bidding on all "n" items forces your high bid price!**

For instance, say a ten item Dutch auction opens at one dollar and nobody else bids. If you bid two dollars to be reasonably sure of winning, the first nine items will cost you a dollar each, while the tenth one will cost you **eleven** dollars!

The rule is to **never bid on all "n" Dutch items.** Always bid on "n-1" or fewer.

Auction interference is auction interference.

If you attempt to "warn" others about perceived "problems" in any other **eBay** auctions, it is **you** that will get hung out to dry. Under both eBay rules and the Uniform Commercial Code, these are actionable offenses collectively known as **auction interference**. Same goes for posting **anything** specific about another eBay member in **any** public forum. Or for tampering with another auction by making nonserious or ultimately retracted bids.

Similarly, the **only** individuals permitted to complain about photo or text copying violations are the legitimate owners of the IP themselves. More on this is found in **MOREEBAY.PDF**.

To me, it is sad that anyone would even want to pull stupid stunts like this. It is usually a sign of someone who had milk poured over their jello once too often in the third grade.

Never buy a laptop on eBay!

Sadly, certain **eBay** categories are rife with frauds and ripoffs. Laptop computers in particular often seem to involve nondelivery, credit card harvesting, off eBay diversion, or various assorted Rumanian mafia scams. Or simpler stuff like rebate recycling, dropped screen pixels, cracked cases, an obsolete or undesirable model, unassignable software, or a short battery life.

Unless you are an expert capable of doing your own laptop repairs, it makes a lot more sense to buy a laptop from a more conventional source that includes a guarantee and a warranty. Other pricey electronics (especially cellphones, LCD projectors, and plasma tv's) **may** involve similar risks.

As usual, the rule is "**too good to be true**" offers ... are.

Don't sweat feedback.

Feedback is completely voluntary and is largely an unneeded and irrelevant sideshow. Many sellers provide feedback only **after** the buyer reports receipt of an item. Anything earlier is a serious disservice to other **eBay** sellers.

As a buyer, you are free to post feedback whenever and wherever you like. But **never** post a neutral or neg until **after** you have emailed the seller for resolution.

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

Never beg for feedback.

Asking for feedback is thoughtless, rude, and obnoxious. It also pisses sellers off. The usual outcomes are that you **will** get negged, blocked, and possibly even banned from **eBay**. Chances are that if you have not received any feedback, you do not deserve any.

The desirability of automatic eBay auction extensions lies somewhere between Herpes and AIDS.

Sniping is the holiest sacrament of the **eBay** religious experience. Please do not shit on the altar.

Clearly **eBay** ain't broke and does not need fixed. People snipe because sniping is fun, and the dollars spent for fun contribute directly both to eBay and their sellers success. Newbies mistakenly fail to bid their max. Then they compound their stupidity by failing to realize that they were typically outbid by way more than a bid increment or two.

You are outbid because the other bidder was willing to pay more. It does not matter in the least when they do so!

As we have already seen, a 100 percent defense against sniping is to **bid your proxy max once very late in the auction.**

For an example of how maddingly infuriating automatic bid extensions are, try one of the **Government Liquidation** auctions. For optimum bidding, you have a seventeen nanosecond wide window precisely 42.227384 minutes into the last auction hour. While such a ludicrousity may ease GL's server crunching or crashing, it has no place whatsoever on **eBay**.

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.

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