

THE TEN MOST FREQUENTLY ASKED QUESTIONS ABOUT STARTING on eBAY®

By Bob Hamilton

This guide contains the ten most frequently asked questions that we receive regarding starting and growing an eBay business.

HOW DO I GET STARTED ON eBAY®?

This is usually followed by concerns about how complex and time consuming it is to start! What to do to start on eBay is a concern that is shared by many newbies. Not to fear! eBay provides great step-by-step help through the registration process. It will only take a few quick minutes. It costs nothing. Before you know it, you will be on your way! To get started, simply click on this Link that we provide for your convenience. [Start on eBay](#).

Don't forget to register for PayPal at the same time. You will find that PayPal is a quick and easy way to pay for purchases. It is also the means of payment that the vast majority of our buyers prefer when they are paying for purchases. [Sign up for paypal!](#)

HOW DO I IDENTIFY MY AREAS OF INTEREST FOR eBAY?

Do what you like and work is more fun! We've all held jobs that we disliked, right? There is no reason that you cannot have the added benefit of doing something that you absolutely enjoy as you make money with your online auction business.

One of the most important things that we recommend to everyone who wants to start an eBay business is to take the time to identify and then examine their areas of interest. Once those areas of interest are identified, look for ways to turn them into the basis for your eBay business.

I love what I do. In fact, eBay is the most exciting business that I have ever owned. There are several reasons that I can say this. However,

one of the most important is that our business is built around some areas that are of interest to me.

Since we are focused on so many areas of business, I must explain further. Those areas where I have less interest are areas of strong interest for my daughter. Since this is a father-daughter business, we both are able to be involved in specific areas of personal interest. It has really worked for both of us.

HOW DO I NARROW DOWN TO A SPECIFIC MARKET AND MARKET NICHE?

Now we are getting into the nuts and bolts of creating a successful online auction business!

The trick is to know what you enjoy and have a strong interest in doing. Combine what you enjoy with the results of your market research, and you have done everything possible to set yourself up for success!

Whether you are a train collector, a scrap booker, or you simply love you pet, there is a potential market awaiting you. Just conduct the research required to determine if products in that specific area will sell. After you see that there are sales in your chosen area, begin to narrow down further to the specific product groups that tend to sell best.

I always think of my efforts to determine a specific market niche to be much like a funnel. The funnel is largest at the top. In fact, if you were to attempt to use a funnel that was that large at its smallest point, it would be of very little use. The funnel needs to taper down to a smaller size to be of use to you. Working down to a market niche is much the same.

For example, the pet market is huge! It is like the top of the funnel; too big to be of use! Within the pet market, however, there are products designed for specific pets and pet interests. The challenge is to narrow down to those more special areas. Maybe you are a cat or dog lover. As you begin to examine the marketplace for cats, you will find that it is much smaller than the entire pet marketplace.

However, even the cat marketplace is huge! There are products associated with feeding, training, grooming, housing, showing, toys,

and more. There are even products focused on specific cat breeds. The list goes on and on.

The challenge is to narrow down to a smaller, more specific portion of the market. Further research may show that cat toys are a hot market, and one that you are interested in being involved in. Now you are down to the niche that will be your starting point.

WHAT SHOULD I SELL?

After getting down to the specific market niche, you are on your way!

Can you guess one of the biggest questions on everyone's mind as they examine the eBay opportunity? That question: What should I sell? Usually it is followed by concerns about where to locate products after determining what to sell.

What to sell is a problem for all eBay sellers. If you are like us, you will start with a single set of items. Soon your business will grow to the point that you need to add products. Many times we have examined the marketplace to determine the right products to add to our eBay auctions and our eBay store.

We always begin by determining what is popular with buyers. Often we start with key word searches from a wholesaler who provides their top 100 searches as part of their monthly newsletter. We then take their top 100 and conduct a key word search on Yahoo!.com. We combine those two lists to develop a top 100 of our own.

With the combined information we move to eBay, which has some great tools for marketplace research. We always examine completed listings for our newly developed top 100 list.

Using marketplace research, which costs very little given the quality of the information, we start our investigation. We can access up to 90-days of historical completed item data on eBay. That data includes such information as demand, buying and selling trends, the number of completed auctions, top searches, average starting prices and average sold prices.

Armed with all of this data, we can then determine the products that we wish to add to our eBay arsenal. We move from determining potential products to sell to actually identifying where to obtain those products.

HOW CAN I BE SURE THAT THERE WILL BE A DEMAND FOR THE PRODUCTS THAT I SELL ON eBAY®?

There are no guarantees about the actual demand that you will find for your product or products. However, if you have thoroughly investigated before you start, you are most likely going to be amazed at the demand for your product.

We always invest the time to examine the market and the level of interest for our products BEFORE we start. We recommend that you always do the same. While some sellers may operate on the premise that you can sell anything on eBay, or that one person's junk is another person's treasure, we do not. (In all honesty, we need to state that we have truly found very few products that will not sell on eBay. However, the prices commanded by some were not high enough to make them viable profit-makers.)

The rules that I use for determining product to sell include:

includes:

✓	There needs to be strong interest AND demand for the product. I research to ensure that customers are ready, willing and able to buy products that I sell at auction.
✓	There needs to be a problem that my products solve. For example, in the cat toy example, I may find that internet searches for catnip toys are at the top of the list. Potential buyers may be seeking toys that provide the excitement of catnip for their feline friends. Possibly catnip searches include a focus on natural catnip. I may then decide to focus my efforts on catnip toys that are made with natural products only.
✓	I finally examine completed auctions to make sure that these products will sell. If I find that there are many completed auctions with no sales or final prices that a below the price I will be paying for my catnip toys, I will examine other products within the category. However, I might also find that the many searches for natural catnip toys equate to a high percentage of sales at high prices. I then know that I am working my way to a market where customers have the money to purchase my products.

My first auction offerings might become a small selection of natural catnip toys. (Notice: I have some of the ideas for my auction listing description as a part of the research!)

HOW DO I USE THE COMPLETED AUCTION FUNCTION ON eBAY®?

Once you have found a potential product, the next step is to examine completed auctions. eBay is great about making this information available. The function that you use is 'Completed Listings'. It is as simple as checking to see if anything has sold in your selected product area.

To use the completed listings function, you login to your eBay account. This can be done from any page. Simply go to the "Advanced Search" link. (Found in the upper right hand corner.)

Next enter your product. Be sure to check the "Completed Listings Only" box. Sort by "Price: Highest First". The results will show all listings that have ended in the past 15-days.

If the price shows in GREEN, it is an item that has sold. RED denotes items that ended without a sale. You will be able to determine auctions

that sold and did not sell, as well as final sale prices. I also use this information to gain a better understanding of the total sales quantity of a particular item. (Sale price and quantity sold are both important pieces of information to me.)

HOW DO I FIND SUPPLIERS FOR THE PRODUCTS I SELL?

Locating products is where the real fun begins for us. It is at times like looking for a needle in a haystack. That is especially true when we are trying to add 'hot' products to our offerings. We know that we can locate almost anything, but for the 'hottest' products, the price that we will be required to pay will mean no profit.

We always start by examining our main suppliers. To make it onto our main supplier list, we have a set of criteria which includes:

includes:

√	Products Must be in Our Core Sales Areas
√	Product Quality is as Represented
√	Customer Service Must be Outstanding
√	Reasonable Prices

√	Prompt Delivery
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√ Products must be in our core sales areas – for a supplier to be on our list, they must handle products that are within our core sales areas. For us that is baby supplies, high-end domestics, and electronics. Every supplier must be able to support at least one of these core business areas, with other ‘great deals’ as a bonus. We purchase and then pass those ‘great deals’ onto our customers.

√ Product quality is as represented – this is really about trust. I want to be able to trust our suppliers. When they tell me that a particular product is a certain way, that is exactly what I expect to see when the product arrives. When they recommend a product that I am unfamiliar with, I count on that recommendation to be true. If I cannot trust my suppliers, I eliminate them from my list. I also make sure that others are aware of problems that I have had with suppliers as a way of protect them as well. (Kind of like negative feedback on eBay, isn't it?)

√ Customer service must be outstanding – just as we work to provide outstanding customer service to our customers, we expect nothing less from our suppliers. This includes prompt replies to

questions, quick turn-around on purchases, and notification of 'hot deals' when they become available from the supplier.

√ Reasonable prices – we run our eBay business on a very tight profit margin. We need to count on our suppliers to provide the lowest possible pricing on their products. If there are ways to reduce prices, we need to know. (Often price reductions are offered for taking larger quantities of merchandise. We are usually glad to do this, especially when we are taking products that are 'hot' on the market!) The less we spend on products, the better the pricing for our customers! Everyone wins with this approach.

√ Prompt delivery – we really look for two things in delivery. The first is pricing. As fuel prices continue to increase, freight becomes a bigger and bigger part of the overall cost of merchandise. We look to our suppliers to do everything possible to keep freight costs down. (We have also started working with another business to coordinate shipments. By combining our freight, we can typically obtain lower freight costs.) The other piece of the freight equation is speed of delivery. Once we have paid for the merchandise, it is money that we need to turn around to invest in new merchandise as soon as possible. It does us no good to pay for freight and then have it sitting in

someone's warehouse. To that end, we expect our suppliers to ship immediately upon receipt of payment. We also track our incoming shipments to ensure delays are minimized.

The list actually looks much like the list that eBayers use when they decide whether to bid on products, and then whether to give positive feedback or not.

In addition to our good old standby suppliers, we have a back-up list of second-tier suppliers. These suppliers are either recommended by someone we trust, or that we have found at tradeshow, in newsletters, or through some other means. Possibly we have completed only one or two transactions, but some issue has kept them from making our main supplier list. We look to these second-tier suppliers for products when our main suppliers cannot help us.

As a part of the process, we ask each supplier that cannot furnish a desired product to recommend another source. While this rarely meets with success, we have had a few homeruns using this approach. In fact, about ¼ of the suppliers on our main list have come through this process! Always ask for recommendations. You will be surprised how often you will receive one.

If our main suppliers and second-tier suppliers are unable to provide a product, we conduct an internet search. When we get to this point, we know that we are going to be investing a lot of time not only looking for the right supplier, but also in investigation of prospects.

Before we ever deal with a new supplier we need to make sure that the supplier can provide the product that we desire. We need to work to determine a price. If all is looking positive, we ask for references before we buy. Only after checking references do we move forward with a purchase.

We are always very conservative with our first purchase from a new supplier. Too many times we have received inferior products, poor service, or other issues. As a result of those experiences we are very cautious when we start with new suppliers.

Don't forget that many online auction sellers manufacture their own products. This is another great way to do something that you really enjoy for a profit!

WHAT INFORMATION NEEDS TO BE INCLUDED IN MY ONLINE AUCTION LISTING?

This is another great question. We can all use periodic reminders about the quality of our listings. The quality of the listing can determine not only whether you receive bids for auction items, but also the final sales price that you will receive.

I believe that creating powerful listings is really an art. While many treat it like a science, with specific data and formulas being required, we try to create our listings with our buyers in mind.

The science of listings is built around the need to create a listing title with no more than 55 characters. That needs to be followed by a listing body that provides the data about the product that you are listing for sale. It is true that all of this data is required.

We feel that those are the rules that we must follow in the art of creating a powerful listing that will sell our products. We know that if we exceed 55 characters in our listing title, we have a problem. The

art of the title is to convey as much truthful information to as many potential buyers as possible. The art is knowing there are more people searching for 'bed-in-a-bag' than there are searching for 'comforter sets'. The art is creating a title that will be seen by BOTH GROUPS of potential buyers!

The art of creating the body of the listing is about creating an interesting and exciting description of not only the product, but also other important information such as shipping costs. The art is in creating a listing that flows in a smooth and user-friendly order. The art is in creating a listing that answers as many buyer questions as possible. This minimizes questions that you will be asked to answer. This also increases the likelihood that viewers of your listing will become immediate bidders.

Delays in bidding will decrease the number of bidders. Some bidders will lose interest. Other bidders will move on to other seller's products. Some bidders will simply forget about your product as they await your answers to their emails.

SO WHAT ABOUT CUSTOMER SERVICE?

THIS IS AN AUCTION SITE, WHY ALL THE FUSS?

Many people ask me questions about customer service. I become concerned when they challenge the need to provide outstanding customer service. I must confess that I have even suggested that some folks might not be cut out for eBay as a result of their low regard for customer service.

I recently read a quote from a major national company's CEO. That person was trying to make the point that we no longer need to provide outstanding customer service. Other things are now more important. I can assure you that I would never own shares of stock in that company!

There is a fundamental need for great customer service in any business that provides products or services to its customers. Sure, you can ignore customer service. Sure you can provide the absolute minimums in customer service.

In my business experience, I have found that you will maintain some customers irregardless of the quality of the customer service provided. However, you will also have a lot less repeat customers! Repeat customers are key to continued business growth. Repeat customers are key to increased profitability. Repeat customers are key to online auction success.

For those of us on eBay, repeat customers make extra purchases from our eBay store. Repeat customers become the loyal customers that come to us first whenever they are seeking products that we sell. Repeat customers 'Buy It Now'. Repeat customers make extra purchases after winning an auction. They know that they save on shipping by combining products at that time. Happy customers spend money with us!

**PRODUCT DELIVERY TAKES SO MUCH
TIME. HOW DO I CUT THE AMOUNT OF
TIME I AM SPENDING ON PRODUCT
DELIVERY?**

Product delivery is a critical step in the online auction process. As such it requires the same amount of focus and energy as any other part of your online auction business.

Most buyers expect to instantly receive their purchases. If they pay you at 1:00pm on Tuesday, they want the product in their possession by 3:00pm that same day!

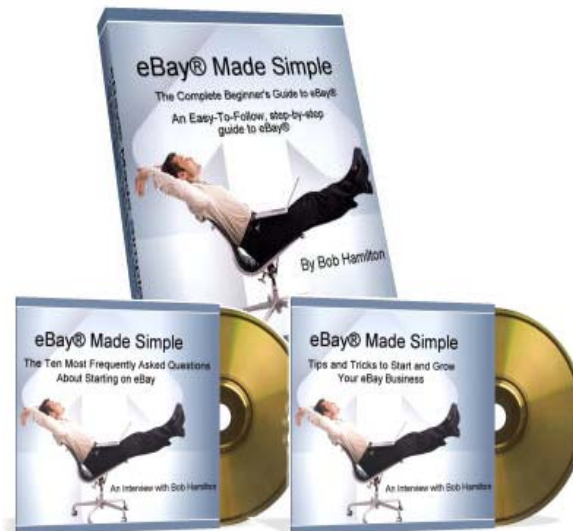
Packaging products requires the attention to ensure that you have properly wrapped, cushioned and sealed the product. Nothing is worse for a buyer than waiting several days for a new purchase to arrive only to find that the seller didn't provide cushioning for the glass vase. And now that vase, which the buyer patiently awaited, sits as a million pieces in the box!

It is also worth noting that the appearance of the packaging and the shipping materials is really one of the last things the buyer sees that is associated with you. Believe it or not, we have received many positive feedback comments about the quality and appearance of our packaging! While most comments are about our speed, customer

service, and the actual product, all positive feedback is welcomed
feedback indeed!

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