

Make money on eBay

<http://www.ebayreports.com>

How to Sell Your Crafts at Online Auctions

Make money on eBay and other auction sites online. They provide a hot opportunity for your craft sales. Many artists report most of their Internet revenues spring from working with online auctions.

Register to become a seller at Ebay.com, the largest and most popular auction site with over 1.5 billion page views per month.

One huge advantage of getting your products up on Ebay.com is that they already get the traffic you want so badly - like 12 million customers or more.

You may be able to take advantage of your auction pages' traffic. However, Stoney of Island Illusions emailed me that Ebay has now tightened their policies of linking to outside sites. They will only allow you to link to your web site IF the sole purpose of the page you're linking to is to provide the potential bidders with more photos and/or information about the item or items you are auctioning on ebay.

Once they have arrived to your auction related page, many of these new visitors may click through to your home page.

Marketing via auctions requires time and study in the start-up phase. Later in this report, you will learn how to locate and use software exists to automate the time consuming tasks of posting auctions and recording results.

It's a good idea to check out other craft items selling on the auction sites. Study the search engines at Ebay.com and the other auction sites so that you understand how they work. Don't give up the first few times you run auctions and get poor results. It takes time to get a feel for how they work.

The auction phenomena is as much art as it is science and because online auctioning is still a relatively new phenomena in business, you may find yourself discovering selling techniques that no one else has used.

Types of auctions

Absolute auction - Products are sold to the highest bidder regardless of price. There is no minimum price set.

Minimum bid auction - In a minimum bid auction, a minimum price is set that you, the seller will accept for your product. This minimum amount is shown clearly on the auction page for bidders to see.

Reserve auctions - A reserve price is a specific price that you will absolutely not sell lower than. Bidders are aware there's a reserve price, but they do not have access to what it is. To win the auction, the bidder have submitted the high bid and must meet or go beyond the reserve price. Typically, when the reserve price is not met, the seller does not make the sale and the highest bidder is not obligated to buy. In general, reserve auctions are not to your advantage. A reserve price is hidden to the bidders and is an amount you predetermine the bidding must meet to win. Most people avoid reserve price auctions because they have no idea what the value of the piece is. Start your prices at the lowest amount you will accept. If the item doesn't sell, start again at a lower price or list different items.

Dutch auctions - This type of auction is for selling multiple copies of the same item. An example would be 10 mugs, 17 sets of earrings or 25 pattern books. Sellers list an opening bid or minimum price along with the number of items for sale. Bidders enter the price they want to pay and the quantity to buy. All winning bidders pay the same price—the lowest successful bid.

Private auctions - This kind of auction protects a buyer's privacy. Bidders' email addresses are not displayed on the item or bidding-history screens. When the auction ends, the seller is the only one who knows the winner. Private auctions can't be tracked by the bidder and so, are less popular.

Costs of selling on auctions

As a seller, you pay an insertion fee to list your item on an auction. Insertion fees range from \$.25 to \$10 or higher. When the item sells, you will be charged a value fee which ranges from 1% to 5% of the selling price.

To get your item listed in bold print or as a featured item, expect to pay additional charges. I recommend you avoid spending extra money in the beginning on listing features such as bold letters. Most people will find your auction because they are searching for keywords related to your product. You might attract a few viewers from a feature listing, but your most likely prospects for placing bids will be searchers looking for specific items.

Each auction is different in their fee structure, so read their terms carefully before starting.

How to get started

The following steps will get you to started on the auction sites. You may also want to take a look at what other craft artists are doing on Ebay.com as examples.

1. Draft a benefit laden description of your product. Gather all your images and text descriptions. Use graphic bullets to emphasize each benefit or feature.
2. Determine your minimum selling price. You may have to experiment at first. Learn what prices people will start bidding on. If you need help on pricing your craft work for wholesale or retail markets, [click here](#).
3. Set up an account with the auction site. Each site has easy to follow instructions to guide you through the process.
4. Create your page(s) at the auction site(s) using your text descriptions and images.
5. Link to your website if your auction prices are not lower than prices shown on your Web catalog.

6. Decide which categories your item falls under - there should be several. Determine other areas your customers will visit and list there, too.
7. Save all the above info in a spreadsheet or database file or one of the software programs described later in this chapter.
8. Enter the auction site's "sell your item" page and fill out the appropriate forms. Each auction will require you to register as a seller with your own ID, user name and password.
9. You will get a confirmation page or email with a number for each auction you are posting. Write this number down or enter the number in your spreadsheet or software for tracking auctions.
10. When your auction closes, contact your winning bidder or bidders, usually within three business days. Confirm the final cost, including any shipping charges, and tell them where to send payment. When the bidder sends in payment to you, send them your item.

More tips for selling on auctions

- Try listing your items as both regular auctions and dutch auctions to see which type of auction produces more sales and higher profits.
- Don't close your auction down early just because there are no bids. Many bidders wait until the last minute to bid.
- Make your emails to potential customers friendly and it will help you create a larger group of customers. A friend of mine who sells computer parts via auctions as a full time business tells me that because he has personalized his email responses to bidders, he has built up a regular base of customers who email him regularly with requests for new offers.
- With some auctions you may be able to contact losing bidders by email and offer them a product at their high bid. You know they wanted the item because they took the time to bid. Creating a database of your bidders emails provides you a list of potential customers for new products, sale items and announcements. However, avoid this on Ebay as it is against their policy. (Thanks to Deborah Spence for this update.)
- Mail invitations to your auctions to your existing customers by email or post cards. Offer free shipping, discount coupons off future auctions or purchases from your Web site, free promotional giveaways and any other promotional scheme that would motivate visitors to check out your auctions or Web site.

Choosing categories to list under

List your items in as many categories as possible. Doing so will maximize the number of bidders you get which in turn, drives up the bid price. Take some time to peruse the categories at the major auction sites. You'll probably come up with several ideas just browsing.

Don't limit yourself to categories under which your items obviously seem to fit. Look for more areas where customers go who would buy your items. For instance, if you produce handmade photo albums, one category to list under would be "Collectibles."

One way to come up with different possibilities is to take your important keywords that describe your craft and create a list of related terms. I use an online service called [WordTracker](#) that has helped me come up with words and phrases people are using in actual searches.

The more general the category, the more likely your auction will get lost. Try to get into specific categories. For example, say you make metal sculptures of dinosaurs. You would probably get bids listing under the following categories:

Collectibles: Crafts: Handcrafted Arts
Collectibles: Animals: Dinosaur
Collectibles: Animals: Reptile
Collectibles: Animals: Fantasy
Collectibles: Animals: Wildlife
Collectibles: Animation Art
Collectibles: Art: Fine: Sculptures
Collectibles: Metalware
Collectibles: Decorative
Collectibles: Science Fiction: Godzilla
Collectibles: Miscellaneous

Although auction sites have their own search engine under which buyers search for what they want, users are likely to go to one of the category headings first and continue narrowing their search before they use the search engine. This means the category heading is your first group of potential bidders.

For example, in an [Ebay.com](#) auction you would list silver jewelry under the main category "Gemstones/Jewelry." Then you could further target visitors within that category by listing under "Jewelry: Silver: Designer, Signed."

Bidders will also come from your item description which contains keywords, buyers search for. Therefore, construct your item's description using your most important keywords. Since searchers will follow the category headings toward "Jewelry: Silver: Designer, Signed," there is no need for you to include those keywords in your description. Instead, you might write a description with keywords like "sterling", "necklace", or your name as the designer. This method of listing allows you to get the most lookers from an efficient use of keyword descriptions.

Most auctions have feedback ratings for buyers and sellers. Feedback ratings, positive ones that is, are the most important way of conveying trust to the potential customers who don't know you. For sellers, you can check up on your bidders to see if they have a history of not paying after winning bids.

Top auction sites

The following is a list of the major auction sites. Each site has its own rules but once you become familiar with how one online auction works, you will find it easier to post to other sites.

<http://www.ebay.com>

<http://www.ebayreports.com>

<http://www.amazon.com>

<http://auctions.yahoo.com>

<http://www.auctionport.com>

<http://auctions.lycos.com>

<http://www.haggle.com>

<http://www.biddingtons.com>

Because of the rapid changes in the Internet industry, it pays to keep up with trends and reviews of auction sites. Check out the following sites that offer newsletters and articles:

<http://www.auctionwatch.com>

<http://www.auctiontalk.com>

<http://auctiontribune.com>

<http://www.internetauctionlist.com>

Auction software

To be successful with auctions, you must post multiple auctions and post frequently. Multiple posting by hand would be a logistical nightmare so here are alternatives that will save you time and money.

For listing multiple items or many auctions, you can save descriptions in a word processing or notebook file, then cut and paste text to the "list your auction" pages at the auction sites.

Ebay, Amazon, Yahoo and UAuction provide "bulk loaders" that use a table for loading multiple items. Other software programs accomplish bulk loading to auctions. Here is a list:

[AuctionPoster](#)

[AuctionAssistant](#)

[Auction Submit](#)
[Bidmaster](#)
[Ebay Assistant](#)
[Merlin Bulk Lister](#)
[reSale](#)

When looking at auction software, check for the following functions:

- automatic online entry of multiple listings
 - write ad copy once, then recycle it
- conduct large number of sales campaigns a day

How to handle shipping

In most mail order transactions, the buyer pays for shipping. The same is generally true for auction purchases. If you scan several listings in the auctions, you will find a variety of shipping and handling charges from various vendors. Some sellers try to raise their profits by adding on handling charges. I recommend you don't try to profit through inflated shipping costs. Auction shoppers are looking for bargains and they recognize exorbitant shipping costs.

For recovering your shipping and handling expenses, include a high enough shipping price that you are reimbursed for your postage, envelope, any protective foam or wrapping and your auction commissions.

Another approach is to include these charges in the amount you set as the opening bid price for the item and offer free shipping. Put the words "**free shipping**" in bold letters on your auction description and you will get more bids.

Try both of the above methods and track the results. If you see a measurable drop in sales where you have raised the opening bids, you may get better results from adding the handling charges into the shipping amount.

When you become adept at selling through auctions, you will run multiple auctions at the same time. Consider adding a statement on your item description that the buyer will save on shipping costs of several items if they win more than one auction. Remember that auction bidders are looking for the best deal or they wouldn't be bidding.

Insurance

Provide an additional charge for insurance. Suppose you gave your customer an option of paying \$1 for extra insurance. If your products are not easily damaged in shipping, you could earn extra money from those who elect to pay the insurance charge. The money would go into your own "self-insurance" fund. Odds are that you will always have more money coming into the fund than going out to pay for replacements.

According to Deborah Spence GlassyLady.com, who has been selling on eBay.com, "whether an item is breakable or not, it is a good idea to insist on it. The USPS insures against more than just breakage. It also insures against "non-delivery" of an item. This protects both seller and buyer. In the event an item is not received, both parties sign a statement on the claim form - the seller swearing under penalty that they shipped, and the buyer swearing under penalty that they did not receive. Many sellers will not ship without insurance. If the buyer waives it, the seller often will tell them that they will not issue a refund for non-receipt. Without insurance, the buyer could be left high and dry."

Selling supplies on auctions

When you buy supplies for making your craft, you probably look for wholesale prices and special deals whenever possible. Put your excess supplies up for sale on auction sites. This could easily grow into a profitable second income stream for you. Some craft persons are experiencing great success with this. There a lot more people making crafts than looking to buy handcrafted work. An estimate of persons involved in craft is anywhere between 6 and 10 million people based on subscriptions to craft magazines. What if you got 1/10 of 1% of those as customers for your craft supplies? That would be 6,000 to 10,000 prospects!

How price your crafts

What is the best selling price range for your work sold on auction sites? If you make something that can be sold for between \$5 and \$20, you will do well. Higher priced items do sell, but you wait longer between sales than if you have a supply of items priced \$20 or less.

What if you only sell higher priced items? On [Ebay.com's](http://Ebay.com) search page, I ran a search for the word "craft" to be found in the title and description of the auction. I specified a price range between \$20 and \$500. The results totaled 1,284 auctions, many of which had bids shown. So yes, high priced crafts sell at auction sites, too. In fact, almost anything will sell at online auctions. Just browse [Ebay.com's](http://Ebay.com) categories for examples.

For getting new customers, consider selling low cost items as loss leaders, that is, selling items at a loss in order to get customers for higher ticket items you introduce after the initial sale. A link from the auction page could lead them to your Web site. Or, include a flyer with the first purchased item when shipping it to the buyer.

If your aim is to generate direct sales with a specific profit margin, figure in all your costs and price your work so that you recover those costs. Don't forget to add in a profit margin.