

# Going, going, gone: eBay Auction Site—A Personal Account

by David Steiner

Recently, I decided to sell a piece of my professional video equipment. Initially, I posted it in trade journals and on Web sites that were dedicated to video professionals, but after getting no response to my ads in over 2 months, I decided to try a different venue—eBay (<http://www.ebay.com>). I wasn't convinced that I would have any success, since this was a specialized piece of equipment that I was selling, and eBay seemed to be a site that, in my mind, was dominated by Hummel figurines and computer equipment.

Well, that couldn't have been farther from the truth. After typing every conceivable noun into eBay's search engine, I discovered that eBay has successfully transacted auctions on just about everything!

I completed the eBay registration, and began to create my ad. eBay gives new users a \$10 credit to try out their service. After the \$10 limit has been exceeded, you are not allowed to post any auctions until you've selected a method of payment. In my case, I decided to use a credit card, so I would be billed automatically at the end of each month. eBay also accepts checks.

## The Auction

I posted a description of my item and selected a 7-day auction. Users can choose either a 3, 5, 7, or 10-day auction. I also had to decide how much my video equipment was worth.

eBay provides a feature called "reserve pricing." This is a price that is only known to the seller, and is the minimum that the item can be sold for. If bidding never reaches the reserve, then the auction is null and void. All you lose is a placement fee of \$2 or less plus a fee for using the reserve feature. Note that eBay veterans dislike the reserve. They consider it "not in the spirit" of a true auction.

I linked my eBay "ad" to a digital picture of the item on my own Web site, and my auction was underway. During the course of the auc-

tion, I received quite a few email inquiries about the condition of the equipment and other questions.

## And the Winner Is...

Lo and behold, at the end of the seven days, it sold for the price I was asking, which, incidentally, was more than I expected to get for it.

The transaction was relatively effortless. After the auction ended, eBay sent me the email address of the winning bidder, and instructed me to contact him. We corresponded by email and phone, and worked out the logistics of shipment, payment, and insurance. Never having met the buyer, I opted for C.O.D. Fedex with payment in Money Order.

As I've become more familiar and comfortable with eBay, I now accept personal checks from buyers who have earned good "feedback points" from other users. Feedback points are the best way to decide if you're dealing with a trustworthy seller or buyer. On items valued over \$1,000, eBay recommends using their escrow service for a small fee.

The total cost of my advertisement was a \$2 placement fee, plus 1.25% of the selling price. The commission percentage varies according to the price of the item. Considering that most consignment houses were going to charge me between 5% and 15%, it was a real bargain.

## Market Research

eBay generates about 1.5 billion page views per month, making it a great choice for selling items of diverse price range. eBay also gives users plenty of valuable information about sellers, buyers, and the past selling prices of items. For example, suppose you are selling a widget. You can go into the search engine, look up what widgets have sold for over the past 30 days, and get an idea what yours may be worth. You can call up the user names of all the bidders for a previously sold item, and can also retrieve their email addresses. This fea-

ture is great for finding out if there is an interested market for your product.

I've also checked into other auction sites such as <http://auctions.yahoo.com> and <http://auctions.amazon.com>. Both sites have similar features to those of eBay, but with fewer users.

After the initial success I experienced, I was hooked. I've recommended the site to several friends, who have also become avid users. And my wife has much more respect for the stuff I've been collecting in the basement. 🖱

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## Auction-Related Sites

### Auction FAQs

<http://www.frii.com/~afs/ebay> This is a site written by eBay users and has tips on how to bid, how to sell, etiquette, etc.

<http://pages.ebay.com/aw/tips-search.html>

This is a help site within eBay that explains how to search the site for the items you're looking for.

### Some Auction Sites

UBid Inc. (<http://www.ubid.com>) will auction industrial equipment. (<http://www.cahners.com/ubid/ubid.htm>)

Sun Microsystems (<http://www.sun.com>) will auction off used Sun equipment on its site. (*Industry Standard*, 8/16-23/99, p.30.)

AuctionWatch.com (<http://www.auctionwatch.com>) aggregates auction-related information and provides value-added services for buyers and sellers. Offers free image hosting for sellers.

### Auction Technology

Open Site. Get free white paper, *The Web Auction Revolution*, at <http://welcome.opensite.com/126> (register).

### Escrow Service

i-Escrow (<http://www.iescrow.com>) is an escrow service for online purchases. Escrow companies charge about 5% whether or not the sale goes through.

