

### **Are you selling as much as you could?**

Every month we work with a variety of eBay sellers to answer the question, “Are you selling as much as you could?” Sellers often think eBay is an unlimited market and if they simply post a product, buyers will come. Experienced sellers know better, but even they may be leaving money on the table. Here’s a step-by-step guide to understanding if you’re selling as much as you could.

#### **Step One: Market Size**

The first question to answer is, “How big is my market?” Although it’s attractive to think that your market could be all of eBay, your real market is the eBay category or categories where you sell. For example, let’s say I sell drawer pulls. My market is found by drilling into the eBay categories of Home & Garden > Building & Hardware > Cabinets & Cabinet Hardware > Handles & Pulls. Note: if I sold knobs in addition to handles and pulls, then I would combine the two categories to find my market size.

Using Deep Analysis, select the Handles & Pulls category using the handy category picker. Then click on Data Estimate to find out the total number of auctions in the category. In this case, 6967 auctions. Next, set the number of auctions to the closest level which includes the entire data estimate number. In this case, 10,000 auctions. Then click Start and let Deep Analysis crank away.

When the results come back, the findings tab will show a total sales figure. In this case, \$36,312.58. This is my market size for this category on eBay over the last 30 days.

#### **Step Two: Where am I in the Market?**

Once I know the market size, the next logical question to ask is am I seller number one, two or ten? To determine this I need to know roughly the number of auctions I listed, number sold and sales for the past 30 days. You can use the eBay Seller feature in Deep Analysis to find out if you don’t know. Note: set the category to match your market size category.

I start by clicking the Seller tab in Deep Analysis. Then sort by Total Sales (click the sort twice to make top sellers appear at the top.) Now I have sellers in my category ranked from number one in sales onward. I find it easiest to scan the sales column for the approximate sales number, then compare # of auctions and auctions with sales to find the exact match. The number on the far left will show the category rank by sales.

#### **Step 3: Now what?**

Let’s say I am the number 3 seller in the category. Am I selling as much as I could in that category? The obvious answer would be no. However, the obvious answer is not always correct as we all learned years ago taking the SATs. If we look at the Seller tab in Deep Analysis, sorted as we did in the last step, we may notice in the Number of Auctions Column that seller number 2 only had two large lot sales. That could be a temporary seller liquidating old stock. Not a great comparison for my brand new inventory.

By looking more closely at seller number 1 I see “seller flame out” in action. This is when a seller lists lots of products very aggressively but only sells a small percentage. In this case, the Auction Success Rate will be significantly lower than the average (See the Findings tab) and the number of auctions will be significantly higher than other top sellers. My advice if this happens to you is not to match their listing volume or you may find yourself in the same boat. But do try to stand out with fewer perhaps feature or highlighted ads and maintain sales while you wait out their crash.

So, even though the sellers above me represent a small amount of additional sales volume, I might find more growth potential in the sellers listed below me. I pick out healthy sellers by looking for those with an auction success rate at or above the category average (see the Findings page) and whose sales volume is fairly robust. Deep Analysis gives some valuable statistics on these sellers including number of listings, average selling price per auction and per item. Here are a few things I try to glean from that information:

- \* Am I running fewer listings than then competition? Perhaps I need to boost my listing volume.
- \* Is my competition selling more items per auction? Perhaps I'll try dutch or multiple quantity listings.
- \* Do I have a lower auction success rate than my competition? Since I know there are many reasons for that, I'll first check other sellers' listings on eBay and see what's changed.

Then, I'll come back to Deep Analysis and dig into the Report tab to see what specific tactics I can use to adjust my strategy and gain more market share.