

Buying and selling equipment on eBay

One man's trash is another man's treasure. This is what, throughout time, has made garage sales, auctions, flea markets, pawn shops, thrift shop, and swap meets so popular. It's no wonder, with the onset of the electronic age, online auction Web site eBay.com has flourished.

How did this all start?

In 1995, California computer programmer Pierre Omidyar created AuctionWeb, a section of his personal Web site to sell used items. The very first item he sold was a broken laser pointer for \$14.83. Astonished, Omidyar contacted the winning bidder and asked if he understood that the laser pointer was broken. In his responding e-mail, the buyer

explained, "I'm a collector of broken laser pointers." Soon after, Omidyar hired employees and expanded to include third parties. In 1997, the name was changed to eBay, after Omidyar's consulting firm called Echo Bay

Technology Group. In 1998, eBay went public and Omidyar and his president Jeff Skoll instantly became billionaires.

Besides the inherent appeal of buying or selling surplus used or new items, there are other strategic advantages of this business model that have contributed to its success. First, there are no time constraints. Bids

can be placed 24 hours a day, seven days a week. Secondly, there are no geographical constraints. Sellers and bidders can participate from anywhere that has internet access. Additionally, the bidding process can get competitive, similar to an aura of gambling. Some bidders may focus on bidding to play the "game" and win an item, instead of wanting the actual product. Also, because information is widely accessible, there are a large number of bidders which benefits both sellers – more bids means higher selling price – and buyers – finding a niche product. This networking produces a cycle of growth, attracting more buyers, which attracts more sellers, in turn attracting more buyers, and so on.

is charged. The total cost of selling an item is the Insertion Fee plus the Final Value Fee. The table on the next page explains the current fee structure.

Narrowing the focus

Fortunately, there is already an established presence for this special venue. To sort through the millions of listings, it's easy to use the search function, or browse by category. For example, if "sewage pump" is entered in the search box, it gets specific results in multiple categories for items with sewage pump in the titles. (See the "Resources" sidebar on page 62.)

Or, one may choose to browse categories. If that's the case, it's best to start with <http://business.ebay.com> to narrow the results. (See the "Resources" sidebar on page 62.)



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What's a good price?

Regardless of buying or selling, establishing an appropriate value for an item is paramount. Doing the homework and

Getting started

So how can a water system take advantage of the network? Although anyone can search and browse as a guest, a buyer or seller must register for a free account in order to buy or sell. There is no cost to the buyer other than the price of the product. For sellers, fees are paid on what is sold. When an item is listed on eBay, an Insertion Fee is charged. If the item sells, a Final Value Fee

researching prices both within eBay and using outside sources is a must. Take the time. Remember to check shipping costs as well. As a buyer, be careful of items that have inflated shipping costs. As a seller, make sure shipping charges are accurate and options to bidders are given.

When establishing an account, setup "My eBay," and watch for particular items. Give some time to see how auctions similar to

Insertion Fees		Final Value Fees	
Starting or Reserve Price	Insertion Fee	Closing Price	Final Value Fee
\$0.01 - \$0.99	\$0.20	Closing Price	Final Value Fee
\$1.00 - \$9.99	\$0.40	Item not sold	No Fee
\$10.00 - \$24.99	\$0.60	\$0.01 - \$25.00	5.25% of the closing value
\$25.00 - \$49.99	\$1.20	\$25.01 - \$1,000.00	5.25% of the initial \$25.00 (\$1.31), plus 3.25% of the remaining closing value balance (\$25.01 to \$1,000.00)
\$50.00 - \$199.99	\$2.40	Equal to or Over \$1000.01	5.25% of the initial \$25.00 (\$1.31), plus 3.25% of the initial \$25.01 - \$1,000.00 (\$31.69), plus 1.50% of the remaining closing value balance (\$1000.01 - closing value)
\$200.00 - \$499.99	\$3.60		
\$500.00 or more	\$4.80		

In addition, certain Business & Industrial capital equipment categories have a slightly different fee structure. These categories would include: Agriculture & Forestry, Tractors & Farm Machinery, Construction, Heavy Equipment, Trailers, Food Service & Retail, Concession Trailers & Carts, Healthcare, Lab & Life Science, Imaging & Aesthetics Equipment, Industrial Supply, MRO, Fork Lifts & Other Lifts, Manufacturing & Metalworking, Manufacturing Equipment, Manufacturing & Metalworking, Metalworking Equipment, and Office, Printing & Shipping, Commercial Printing Presses.

Insertion Fees **\$20.00**
 Reserve Fees **\$5.00**
 Final Value Fees **1.00% of the closing value (maximum charge \$250.00)**

those of interest end. This will give a better idea of what price range to expect. Also, look at similar completed eBay listings using the “completed listings search.” If search terms are found that yield results that meet a need, just “save this search” in My eBay and come back to it often. E-mail

notifications can be received when new listings match desired criteria.

Some items on eBay are new, but most are used. Carefully evaluate the condition of the item as it affects the value. Buyers can ask questions of sellers for clarification on condition and features. Sellers can make things

easier by being clear in the listing of the condition.

Strategies

Whether buying or selling, some strategies make the eBay process easier. For one, the time of day that an auction ends can make a difference on the final selling price. Items that end during “prime time” evening hours usually end at a higher price than items that end during the daytime or overnight. For a small additional fee, sellers can establish a particular end time for a listing.

For large items where shipping costs are prohibitively high, a seller may find items for “local” or “pickup only.” Another tool is looking for or selling items using “Buy it Now.” This establishes a fixed price and bypasses the whole auction process. Or, if one is hoping to buy or sell an item more quickly, the “or Best Offer” feature can be used. This mechanism allows a bidder to offer a price, where the seller can choose to accept or make a counter offer. One will also notice items that have “reserve not met.” Using a reserve price means a seller can set the starting price of an item at a low rate, but not be obligated to sell it unless it at least reaches a price established at the time the listing originates. Buyers use proxy bidding automatically. This means a bidder won't

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necessarily pay the amount of his or her maximum bid. eBay will increase one's bid on their behalf, using only as much of the bid as is necessary to maintain the high bid position. That maximum bid is kept confidential until it is exceeded by another bidder.

If there are several items to sell that are identical, they can either sell as a lot, or be sold using Multiple Listing Format. This will allow different buyers to purchase one or many of those items. Under certain circumstances, the seller can also offer the item to a bidder other than the auction's winner using the Second Chance Offer.

Specifically for sellers, creating an appealing listing with detailed information invites more potential bidders. Use multiple photographs and take advantage of eBay's free hosting of pictures. Evenly distributed artificial or natural light is better than a camera's flash for most items. A digital camera yields a better photo than scanned images. Just as important, choose the most specific category available which helps buyers find an item. If unsure of a category, use eBay's Suggested Categories feature. Sellers can also pay extra for more visible listings, such as adding a second category, bold title, gallery picture, or featured listing. It's good to imagine being a buyer when preparing titles and descriptions of listings. What would a buyer want to know about the item? What are its most appealing characteristics? What words might buyers use to search for your item? Keep the item close by in case there's a need to add information to a description.

In addition, sellers can post a link to items for sale on eBay on KRWA's trading post forum: www.krwa.net/tradingpost.

Buyers can also request specific items by using eBay's "Want it Now" section, or use

RESOURCES

1. See a video demo with audio narration on how to bid & buy:
<http://pages.eBay.com/education/howtobuy/>
2. Make a practice bid:
<http://pages.ebay.com/education/tutorial/course1/bidding/>
3. Use glossary, also have acronyms that can located up (under help)

Narrowing the focus For example, if "sewage pump" is entered in the search box, it gets specific results in multiple categories for items with sewage pump in the titles.

31 items found for: sewage pump (Save this search)		
List View	Picture Gallery	Sort by:
Compare	Item Title	Bids
<input type="checkbox"/>	New Little Giant 14S-CIM 230V Dominator Sewage PumpIII	Buy It Now
<input type="checkbox"/>	NEW CONTRACTOR SEWAGE PUMP PACKAGE SIMPLEX TWO FLOAT FREE SHIP LOWER 48/check out more packages in our store	Buy It Now
<input type="checkbox"/>	MYERS 1.5 hp cast iron submersible sewage pump NEW NR	1
<input type="checkbox"/>	BRAND NEW!!! Goulds 1/2 HP Submersible Sewage Pump	7
<input type="checkbox"/>	NEW FLOTEC 1/2HP AUTO SUBMERSIBLE SEWAGE PUMP FPSE3601A	Buy It Now

<http://business.eBay.com>

All business/ industry categories can be seen on this subdomain page. Specifically, some categories and subcategories might be more helpful than some others:

Business & Industrial > Food Service & Retail > Bar & Beverage Equipment > Water Filtration
(now this next one is a DIFFERENT subcategory)

Business & Industrial > Industrial Supply, MRO > Pumps & Plumbing > Pumps > Water, Trash Pumps
(here's a 3rd suggestion)

Business & Industrial > Other Industries > Power & Utilities > Gas and Water Meters

eBay - Industrial Equipment, industrial supply and agriculture equipment items on eBay.com. Find IT

File Edit View History Bookmarks Tools Help

http://business.ebay.com/

- Forestry Equipment & Supplies
- Tractors & Farm Machinery
- Tractor Parts & Manuals
- Other Agriculture & Forestry
- Wholesale Lots
- Construction
 - Building Materials & Supplies
 - Heavy Equipment & Trailers
 - Heavy Equipment Parts, Manuals
 - Levels & Surveying Equipment
 - Tools & Light Equipment
 - Modular, Pre-Fab Buildings
 - Vintage Construction
 - Other Construction
- Industrial Electrical & Test
 - Circuit Breakers, Transformers
 - Connectors, Switches & Wire
 - Electrical Equipment & Tools
 - Electronic Components
 - Industrial Automation, Control
- Lab Equipment
- Lab Supplies
- Medical Equipment
- Medical Instruments
- Medical - Specialty
- Medical Supplies & Disposables
- Other Healthcare, Life Science
- Wholesale Lots

eBay Express to bypass the auction process.

Protecting yourself

Because eBay deals with a large volume of auction items, they have developed an excellent protection policy for both buyers and sellers. Their Online Dispute Resolution Process is a step-by-step system designed to facilitate communication between the buyer and the seller in order to get resolution of issues. If a buyer's or seller's dialogue fails to produce a satisfactory result, there's an option to then escalate the Dispute into a Claim that eBay evaluates.

On the flip side, because eBay is so large, there have been complaints about their customer service responsiveness. Instead of offering support by phone, eBay refers all ordinary members to its online help features. Apart from a library of self-help resources, these features consist mainly of e-mail contact forms and "Live Help," which lets users chat with customer service representatives via instant

messaging. In fact, most visitors to the eBay site will not find any company phone number listed at all. However, if one is a "Silver PowerSeller," which means selling at least \$3,000 worth of items every month through eBay, then there's access to phone support.

Some payment methods are not permitted, such as instant cash wire transfer services, e.g. Western Union or MoneyGram, or cash. The best options for payment include using PayPal (which is owned by eBay) and credit card, as these transactions are traceable, immediate and convenient. They also offer some identity and liability protection. Although a bit slower, escrow services could also be appropriate. Payment is held by the escrow service until the buyer receives and approves the item.

Mutual benefit

In the age of information and networking, water systems and cities can take advantage of technology available on eBay.com, whether buying or selling.



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