

# Finding and Selling New eBay Products: Tips, Timing, and Insights

*Discussions of basic principles that can help eBay sellers  
confidently expand their product offerings.*



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## Executive Summary

Selling on eBay is easy and doesn't require extraordinary business experience. You can sell just about anything, and you have easy access to an enormous pool of potential buyers. Its no wonder new sellers are always looking for hot new products to sell on eBay. Potential sellers then have to decide what to sell and figure out how they can get their hands on that item.

Learning to pick a hot product before it becomes hot is a valuable skill that comes from knowing your market.

The key to having a successful business is to have confidence in the product that you are selling. If you do not have confidence in the product yourself, then you probably won't be successful at selling it. Careful market analysis will help sellers find a product or product line that has a great target market and is within the seller's ability to locate, purchase and resell it.

# I want to expand my eBay business. How can I decide what products will be best to expand into, and once I decide, where will I be able to get them?

*Whether starting a new business or expanding on current success, new products can often translate directly into new profit for your eBay business.*

Last year  
approximately 150  
million registered  
users sold over US\$  
34 billion worth of  
goods on eBay!

Data collected in July of last year by one of the foremost research companies, ACNielsen, indicates that approximately 724,000 Americans rely on eBay for their main or supplemental income. The same study found that 1.5 million people generate some type of additional income selling on eBay. Last year approximately 150 million registered users sold over US\$ 34 billion worth of goods on eBay.

What's the big attraction here? Well, selling on eBay is easy and doesn't require some extraordinary business experience. You can sell just about anything, and you have easy access to an enormous pool of potential buyers. Its no wonder new sellers are always looking for hot new products to sell on eBay. Potential sellers have to decide what to sell and then figure out how they can get their hands on that item.

## **Where Can I Find Products to Sell**

Anyone can find products to sell on eBay. Following is a list of a few common places to start your search.

### ***Your Own Home***

For most people just starting to sell on eBay, going through their own attics, closets and garages is the obvious first place to search. Get rid of all those items you store but that you will probably never use again. CD's, books, clothing and antique items are among those items you will likely find. Think of items that you would sell in a garage sale. However, instead of pricing each item and lugging it outside hoping for a nice sunny day, you can advertise them on the Internet. Hot sellers on eBay are collectibles such as coins, stamps, or dolls. You can check out the collectibles category to get a better idea of what people love to buy. Anything that will move up in value would fall in this category.

### ***Garage Sales, Pawn Shops, Bazaars and Flea Markets***

Use caution here! Make sure that the selling value of any items you buy is enough for you to generate a worthwhile profit. You may want to avoid high dollar items until you get in the swing of things. One of the best ways to make good money on eBay is to sell small but expensive items. This allows you to move more items without the bulk of heavy shipping and to move fewer items while making more money. This type of selling provides you with a much higher profit margin.

### ***Storage Units, Classified Ads and Auctions***

If people don't pay their rent for the use of their storage unit, the contents are usually auctioned site unseen. Classified sections of local newspapers' week-end editions are a good place to look for estate auctions. Again, use caution and research profitability before you buy. You may be able to find local businesses that liquidate manufacturer's overstock or unsold items from other larger businesses.

### ***Crafts***

Local crafters are a good source of unique products, and may be willing to reduce their prices for you if you purchase in quantity. Either buy the item outright, or set up a consignment arrangement with them.

### ***Trade Shows***

Trade shows are a good way to identify and obtain new product. They are where many merchants gather in one place to look for resellers. To find trade shows in a particular industry, contact trade associations and industry publications.

### ***Wholesale Suppliers***

Some eBay sellers create a business relationship with suppliers. As you find reliable suppliers, you can be assured of the quality and bargain of the merchandise.

### ***Drop Shippers***

These are businesses that offer products for you to sell. These companies ship directly to the buyer so that you, the seller, don't have to be responsible for warehousing or shipping. This is usually done on a contractual or commission basis where the seller acts as the agent between the buyer and the merchandiser. In fact, the merchandise sold does not actually belong to the seller. This is a strategy used by many small businesses. The Drop Ship option allows the manufacturer to sell more merchandise while the eBay seller makes money. Before entering this sales arena, sellers should understand clearly the contracts that are involved and realize that most of

their profits will come from their ability to negotiate contracted rates with the drop shipping company.

### **What are the Best Products and How Will I Know Them When I Find Them?**

Certain product characteristics make products easier to sell online (including eBay). Some of them are:

- Items that are light and easy to ship
- Information that is downloaded (e-book or software)
- Items that not perishable or extremely fragile
- Items that can be clearly described without having to be seen and held
- Items that have little or no competition already from large online companies. These items are sometimes labeled as “niche” items.

After just one glance at the great number and diversity of items that are already being listed and sold profitably on eBay, you will know that there are numerous items that a business could begin to offer. Before deciding on a new product, there are a few important factors that must be taken into consideration. Primarily, you must try to determine how heavy the demand and competition is for each product under consideration. Below are some tips that will help narrow your product selection.

#### ***Expand Slowly and Cautiously***

Some sellers on eBay readily sell anything you can imagine, however, it is often more profitable to focus in on something that you can specialize in and do better than any other seller.

#### ***Gauge Product Demand***

You should never commit to selling a new product without trying to gauge what the demand for that product would be. Demand is the key to eBay business profitability. When it comes to selecting products to sell based on what's in high demand, timing is extremely important. New trends and products can be a great boost to business. *Learning to pick a hot product before it becomes hot is a valuable skill that comes from knowing your market.*

Online, there are several free tools that let you determine how often people are searching for a particular item. Remember that demand is always high for a product that is relatively new to the market. This high demand and low supply translate into higher prices. As demand increases, supply will eventually overtake it and prices will gradually move downward. At the end of a product's popularity, liquidation stock in the market will

cause prices to basically bottom-out. This will happen very fast, often in a matter of weeks not months or years.

Each seller must look at new product opportunities and gauge where in the product life cycle he would be entering and base their selling decisions appropriately. The chart below outlines this process in greater detail.

	<b>Demand</b>	<b>Supply</b>	<b>Business Implications</b>
<b>Early Life-Cycle</b>	<i>High</i>	<i>Low</i>	Product is very expensive early on in the product cycle, but if your sources can get you sellable product with a window of opportunity before it is available to the general marketplace, some of the highest margins to be made on eBay are to be made here.
<b>Middle Life-Cycle</b>	<i>Decreasing</i>	<i>Increasing</i>	Selling here is where most traditional businesses compete. Higher margins come from efficiency, good supply relationships, and volume discounts. Sellers must constantly be aware of the upcoming shift to the end of the product life-cycle
<b>Late Life-Cycle</b>	<i>Low</i>	<i>High</i>	Selling here is tricky, risky, and timing-intensive. The goal is to buy product in volume just as it hits liquidation channels but before demand has dried up as the result of market saturation or the public's anticipation of the replacement product. There is usually a window, here where sellers can make a profit by buying at liquidation prices and selling at near-retail prices, but this is a usually a very small window.

### ***Gauge Product Supply***

A careful analysis of the competitive landscape is always important before jumping into a new market. If the market is already saturated with sellers who have better pricing and access to product than you, you may want to look elsewhere for more profitable business ventures

### ***Marketability***

Let's face it, it won't matter what products you sell if your customers aren't buying.

### ***Profit Margin***

The best selling products won't ever earn any real money if your margin is too small.

### **Plan Your Work and Then Work Your Plan: Putting it All Together**

The end result of all this research should be one or more products that fit nicely into a niche market - products with some demand, and relatively little supply. Often the highest profits come when sellers focus on one niche product category, and offer a wide selection. These sellers are then the best online source for that particular category.

Some questions to keep in mind while selecting products for resale.

- Would you buy it and use it yourself?
- Can you see yourself getting excited about this product or service?
- Would you sell it to someone you know?
- Is there a real need for the product in today's market?

The key to having a successful business is to have confidence in the product that you are selling. If you do not have confidence in the product yourself, then you probably won't be successful at selling it. Careful market analysis will help sellers find a product or product line that has a great target market and is within the seller's ability to locate, purchase and resell it.

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