

Post-holiday eBay Dynamics

*How to survive, thrive, and
capitalize on eBay after the
holiday season*

Why do so many people turn to eBay after the holidays?

Contributing factors:

1. Online Sales

- Gifts and products purchased online are inherently more difficult to return, whether to a brick and mortar location or back to the online source

2. Return fraud at brick and mortar retail locations

- According to the National Retail Federation's second annual Return Fraud Survey:
 - Nine percent (8.93%) of holiday returns will be fraudulent.
 - Return fraud will cost retailers an estimated \$3.7 billion this holiday season.
 - Retailers will lose \$10.8 billion to return fraud in 2007.

Return Market Consequences

- Retailers are targeting those areas that cost them the most, primarily electronics, and setting some rigid rules for those returns.
- Many stores have added a 15 percent restocking fee
- Tighter return deadlines on holiday purchases mean that shoppers at some stores have just 14 to 30 days to return an item for its original price.



Where do these non-returnable, unwanted gifts go?

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Strategies for Selling Success in this environment

Survive

- Market Research with HammerTap allows you to:
 - Gauge your current market position and create efficient strategies to grow your business by improving your current selling strategies

Capitalize

- Market Research with HammerTap allows you to:
 - Impartially evaluate new product lines or market expansion opportunities that arise, essentially risk-free



Survive the Influx of Post Christmas Listings

- Conduct **detailed research** on your **specific products** and within your selling categories
- **Tiny** adjustments can yield **huge** benefits!
- Research allows sellers to fine tune in all of these areas
 - Starting price
 - Reserve or no reserve?
 - Listing type (auction, auction with Buy It Now, Buy It Now only, store sales, etc.)
 - Ending Day and Hour
 - Category
 - Listing Upgrades (bold, highlight, featured, etc.)
 - Duration (1 day, 3 day, 5 day, 7 day, 10 day)
 - Words to Use in the Title



Example: 5 minutes of HammerTap research for watches

A small change in auction duration yielded:

- An increase of 21.2% in pocket watch listing success rate
- An increase of 11.2% in wrist watch listing success rate
- An increase of \$36.22 in pocket watch average sales price
- An increase of \$24.70 in wrist watch average sales price



Capitalize in Post Christmas Environment

Conduct **detailed research** on your **specific products** and within your selling categories

One of the most valuable rewards market research is that it allows risk free and accurate benchmarks that can be used to gauge a products performance.

All before you make any out of pocket investment!

Questions to Ask Before Expanding

- 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?

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.



Using Market Research to Capitalize

Research allows sellers assess all of these areas prior to investing in product supply or inventory:

- The optimal day and hour to begin and end listings
- What listing type performs best
- Which starting prices are more likely to stimulate bidding
- What listing length will best capture interest and sales
- What are the most successful title words
- Are any seasonal trends influencing buyer behavior
- What are my potential competitor's strategies
- What is the size of the market for products I'm considering
- Is demand rising or falling



Value of 5 minutes of Research in Camera Lot Size

Camera Type	Lot Size	Price	Price per Camera
<i>Kodak Funsaver</i>	7	\$20.50	\$2.93
	4	\$10.70	\$2.68
	3	\$6.50	\$2.17
<i>Water & Sport</i>	4	\$32.00	\$8.00
	3	\$14.99	\$5.00
	1	\$5.00	\$5.00
<i>Powerflash</i>	10	\$23.00	\$2.30
	5	\$6.99	\$1.40
	4	\$9.99	\$2.50
	3	\$9.75	\$3.75
	2	\$.99	\$.50

Clearly, there is a **significant** difference in price per camera across these different lot sizes !

Takeaways:

- Market research can have a significant influence on profit
- Each product behaves in its own unique manner even within very similar categories.
- Research is the best way to divulge these unique trends.

Four Absolutes of HammerTap Market Research

Without feedback from the market, sellers will rarely adapt quick enough to changes and new challenges in the eBay marketplace.

Efficient and effective market research should be seen as a valuable investment of time not a cost!

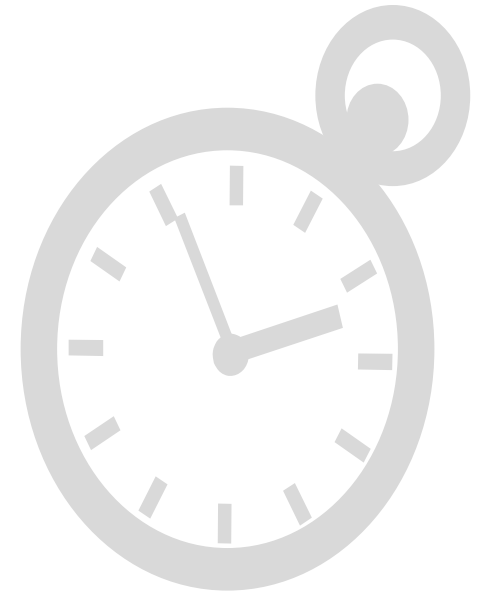
The cost of lost opportunity will almost always exceed that of conducting sound market research.

Accurate research is the best way to uncover insights and understand the dynamics that are at play in any given market.



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