

# eBay Market Research:

*Is it really worth my time?*

*"Insights into the real value of  
time spent conducting research"*

# eBay Market Research

There is an old saying regarding market research:

“Fast, easy, inexpensive: Pick two.”

By using HammerTap to conduct eBay market research, however, you can have your cake and eat it too.

# The Two-tier Approach

***Effective eBay research can take two forms and really depends on your individual selling and profit goals.***

## 1. Fast (five minute research)

- This can give you great insights into best time, day, and way to list your product and give you a great profit boost in a short amount of time

## 2. Slow (weekly, monthly, or yearly research)

- This can give you great insights into market trends, long-term profitability, and the competitive environment that you are selling in.

# The Good News

- Every seller should start with some very basic, easy research.
- This research is fast, easy to conduct and will give a quick boost to profit.
- The value of the time you spend conducting this “fast research” will be very, very small when compared to the profit margin increase sellers will experience.

# Fast Research Example: Baby Blankets

- Suppose I make baby blankets. Should I sell blankets for boys or girls, or does it really make a difference? Five minutes of Hammertap research shows:

## BOYS

Results	
<b>Total Listings</b>	5000
<b>Listings with Sale</b>	2178
<b>Listing Success Rate (LSR)</b>	43.56%
<b>Average Sales Price (ASP)</b>	\$10.95
<b>Total Sales</b>	\$24,191.89
<b>Sellers with Sale</b>	1193
<b>Average Sales Per Seller</b>	1.85
<b>Average Revenue Per Seller</b>	\$20.28

*5,000 random listings between Feb 18, 2008 and May 11, 2008*

## GIRLS

Results	
<b>Total Listings</b>	5000
<b>Listings with Sale</b>	2094
<b>Listing Success Rate (LSR)</b>	41.88%
<b>Average Sales Price (ASP)</b>	\$11.84
<b>Total Sales</b>	\$25,200.27
<b>Sellers with Sale</b>	1093
<b>Average Sales Per Seller</b>	1.95
<b>Average Revenue Per Seller</b>	\$23.06

*5,000 random listings between Feb 18, 2008 and May 11, 2008*

- Research shows that the average sales price for Girl blankets is \$.89 cents higher than for Boys, and that the average seller made \$2.78 more with girl blankets than those selling boy blankets.

# Which Day Should I End My Listing?

All End Days Combined	
# of Listings 5000	Average Price \$11.84
Sunday	
# of Listings 907	Average Price \$10.97 \$-0.87
Monday	
# of Listings 721	Average Price \$11.01 \$-0.83
Tuesday	
# of Listings 815	Average Price \$12.38 \$0.54
Wednesday	
# of Listings 635	Average Price \$12.90 \$1.06
Thursday	
# of Listings 655	Average Price \$12.77 \$0.92
Friday	
# of Listings 584	Average Price \$12.49 \$0.64
Saturday	
# of Listings 683	Average Price \$10.96 \$-0.88

- The same five minute research shows that we can make **\$1.06** more than the average price if we end our listing on Wednesday.
- If we combine the **\$.89** increase from selling girl blankets and the **\$1.06** from ending on Wednesday, we have increased our profit an average of **\$1.95** or about 16% over where we might have been without any research at all!
- This example only addresses a few of the factors that five minutes of research will address. Others are:
  - What are my **chances of selling?** (LSR)
  - **How much** can I expect to make? (ASP)
  - Which **Listing Type** will increase my ASP and LSR?
  - Which **Start Day** will increase my ASP and LSR?
  - Which **End Hour** will increase my ASP and LSR?
  - Which **Listing Duration** will increase my ASP and LSR?
  - What **Start Price** will increase my ASP and LSR?
  - What key **Title Words** will increase my ASP and LSR?
  - What **Listing Features** will increase my ASP and LSR?

# The Second Tier: Long-term Research

- Although quick research can bolster profits in a hurry, the seller who is looking for long term profitability must invest a bit more time into research tailored toward the long-haul.
- There are some factors and information that can only be improved upon by longer term research. For example:
  - Seasonal or holiday trends
  - Makeup of the competitive environment
  - Product life-cycle changes
  - Product and market longevity
  - Customer retention and satisfaction
  - Etc.....

# Baby Blankets Revisited

- If I wanted to make a business selling blankets, I would want to know:
  - Do blanket sales increase in the winter and if so when should I ramp up production?
  - Do blankets sell well as a holiday gift?
  - Would offering gift wrapping be worth the added time and money investment?
  - Is my competition doing anything that I'm not and stealing customers from me?
  - Who are my customers, really? Men, women, ages, shopping habits, expectations....
- Answers to these questions and more are available, they will take a more methodical, in-depth and time consuming research approach to obtain. Usually it involves conducting simple research and comparing results over a determined span of time. **It is easy to do, but just takes more time.**



# Time/Value of Research

- eBay sellers have to establish the value of the information gained in order to justify the cost and time associated with conducting research.
- In almost every case, the cost of revenue lost far exceeds the expense of the research in time and monetary value when sellers opt to forego market research.
- Without feedback from the market, sellers will rarely adapt quick enough to changes and new challenges in the eBay marketplace.
- Accurate research is the best way to uncover insights and understand the dynamics that are at play in any given market.

# Takeaways

## Remember...

***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.***



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