

The Turnover Principle

"Juggle" your way to eBay success!



Selling on eBay can be a Circus, and you're the Juggler!

- Selling on eBay can often feel like a complicated juggling act—with so many balls in the air, it feels impossible to keep track of what's up, what's down, and what's next.
- Lets discuss a simple plan to develop a durable and flexible sales plan that adapts to unanticipated challenges in a constantly changing market. This plan is called:

The Turnover Principle



The Turnover Principle



Key Benefits of Mastering the Turnover Principle

- **Focus on Profit:** You'll focus your attention on executing a flexible plan, rather than on reacting to unanticipated challenges. This means you can spend a majority of your time selling products that make a profit.
- **Stay In Demand All the Time:** You'll have in-demand products on the market all the time because as you phase items out, you'll also phase new items in.
- **Stay Ahead of Change:** Instead of being caught off guard with changes in demand, you'll know how to predict change and produce what your buyers want, when they want it.





Step One:

Research

Start with Research

- Sellers who want to begin an eBay business or expand into a new product line can use market research to make the best possible choice.
- Research will help:
 - Minimize risk
 - Maximize profit
 - Eliminate guesswork and inefficient trial & error



Research Step One: Supply and Demand

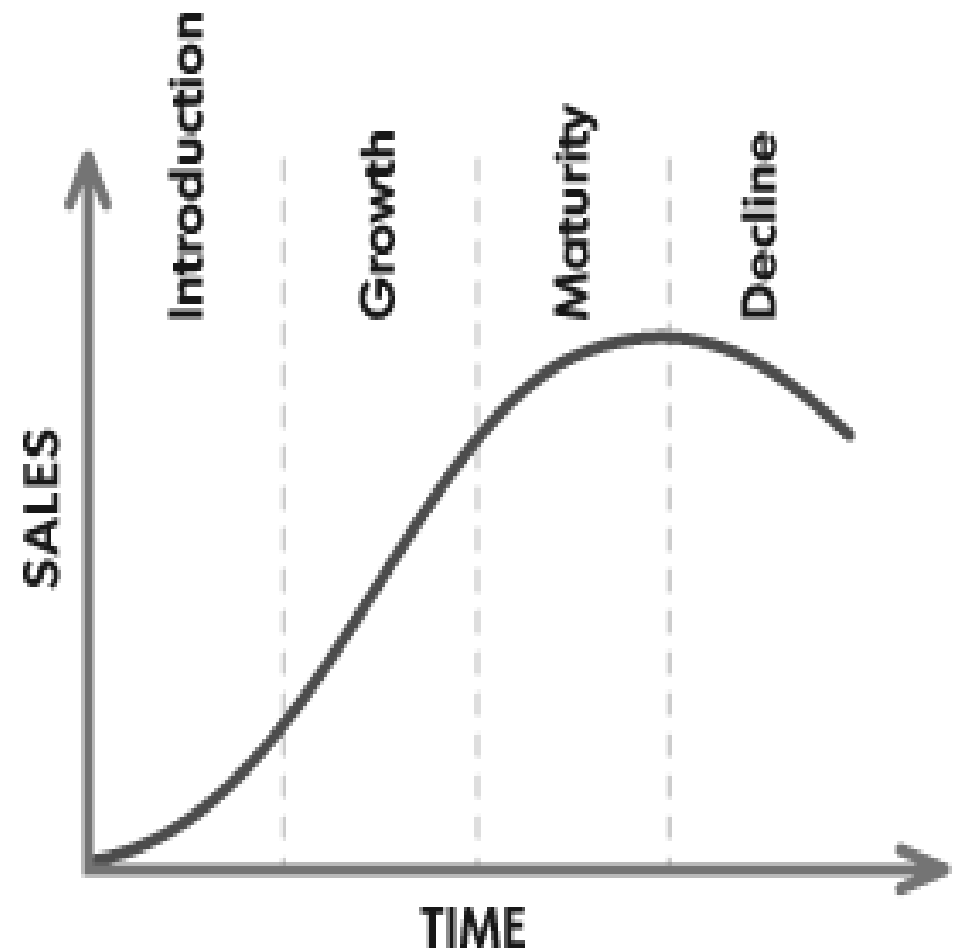
1. Gauge supply and demand

- Start with a product analysis over time, not a snapshot
- Look for positive trends in:
 - Number of listings
 - Listing success rate
 - Increasing average sales price



Research Step Two: Understand Product Life Cycle

1. **Introduction** — A product is developed and comes to market.
2. **Growth** — Consumers begin to buy and the market becomes more competitive through modification, price adjustments, wider distribution and other initiatives.
3. **Maturity** — The product continues to generate profit, despite the arrival of competing products in the marketplace.
4. **Decline** — Sales decrease because of market saturation, obsolescence or other factors.



Research Wrap-up

Imagine how your knowledge of supply and demand and the product lifecycle can influence sales plans. With this knowledge, a seller will be able to:

- Decide whether to sell a specific product
- Decide whether to renew a product sourcing contract
- Decide when to enter and exit the market with specific products
- Maximize present and future profit from a product by deciding where it stands in its life cycle
- Decide whether to liquidate your inventory as it enters the decay phase



Step Two:

Product Sourcing

Product Sourcing: Where to Start

- Once you've done your homework, you are ready to find a source for products. According to Robin Cowie of Worldwide Brands, "Product sourcing is the process of **researching and locating** REAL manufacturers and authorized wholesale distributors that will work with online retailers."
- Researching in this case is referring to finding a reliable and trustworthy source for products. Part of your search criteria should be ensuring the validity and credibility of many "so-called" sourcing companies out there.
- Avoid middle-men posing as wholesalers who cut into potential profit



Product Sourcing Options

There are several options available when looking for sources for your products. Some of these options include:

- Drop shipping
- Local sourcing
- Light bulk wholesalers
- Importing
- Liquidation sales

Remember: Each of these options has clearly defined pros and cons, and the use of each should depend upon your business strategy!



Product Sourcing Formula

With all of these sourcing options available, how do you create a balance of each to maximize sales and profitability?

Start with Drop Shipping

- To test product ideas

Include Light Bulk Wholesalers

- To increase your profit margins

Include Importing

- To further increase profit margins

Include Liquidation

- To offer loss leaders and limited-time offers

Robin Cowie, Worldwide Brands

Step Three:

Sell, Sell, Sell

Select a Selling Strategy

1. High Volume: Listing Success Rate (LSR)

Strategy: A higher volume of sales yields greater profit in the long run, even if the profit per listing is less. This strategy is great for bulk items.

2. High Profit: Average Selling Price (ASP)

Strategy: A greater profit per sale yields greater overall profit in the long run, even if the conversion rate is lower. This strategy is great for small inventories or less common items.

3. Balanced: LSR x ASP

Strategy: This strategy tries to strike a balance between increasing conversion rate and earning more per sale in order to get the greatest profit in the long run. This strategy is great for selling common items at non-bulk rates.

Takeaways of the Turnover Principle:

Correct Implementation of the Turnover Principle will allow an eBay seller to:

- Remove the guesswork from selling successfully on eBay
- Understand the market they compete in or hope to compete in
- Make and implement effective strategic decisions
- Develop on-target business plans & strategies

***Researching, sourcing and selling is to
remove the chaos of running an eBay
business and replace it with sound
strategies!***



Please take some time to
visit:

www.hammertap.com



•••• HammerTap
Power To Profit™

