

Listing Formats & Vehicle Pricing

It's important to realize that price alone will not create a bidding frenzy. The formula for driving traffic is a combination of merchandising, price, customer service and the desirability of the item being sold.

Additionally, like any retail sale on your lot, you can offer eBay Motors buyers extended warranties, financing and other services, all of which can add margin to your sale.

With that in mind, there are five pricing strategies you can use to attract potential buyers to your listing:

- Auction Style Listing
- Auction Style Listing with Reserve
- Auction Style Listings with No Reserve
- Buy It Now
- Buy It Now with Best Offer

If you're getting little or no buyer traffic on your listing, you can always lower your price—Start, Reserve or Buy It Now—at any time during the auction process by using the “Lower Your Price” (LYP) option.

Auction Style Listing

The most basic pricing technique is creating a Start Price to establish the level of the opening bid for Auction Style listings. The key to a good Start Price is setting it low enough so that it attracts potential buyers—preferably several who will bid against one another, driving the price up—but not so low that you won't make a profit. You should be careful not to make it too high, scaring bidders away.

Auction Style Listing with Reserve

In addition to the Start Price on an Auction Style Listing, you can also set a Reserve Price, a dollar amount below which you are not obligated to sell your vehicle.

To establish a Reserve Price, Top Sellers on eBay Motors often use the price they'd expect to receive at a wholesale auction. When doing this, the seller must realize that, unlike with a wholesale transaction, a sale on eBay Motors still allows them to sell additional products and services, like extended warranties or vehicle financing.

What you'll typically find with Reserve Pricing is that once a listing meets the Reserve, it usually attracts more bidding activity, resulting in a final sale figure that is higher than wholesale pricing. However, if it appears you won't reach your Reserve Price, you can remove

Listing Formats & Vehicle Pricing

it at any time during the listing, allowing you to accept the highest current bid.

To establish an effective Reserve Price, follow these tips:

- Set your Reserve Price low. Remember, listing prices can only move up.
- Choose a Reserve Price that is close to wholesale. New sellers often make the mistake of pricing too close to retail, which results in low conversion rates. You should never end up selling a vehicle on eBay Motors for less than wholesale—if you do, you haven't priced correctly.
- Consider your best alternative for the vehicle. If you want to wholesale the vehicle, set the Reserve Price close to wholesale—less the difference in the cost of getting it to market—and let the listing do its job. The added benefits of lead generation, up-sell opportunities and international distribution that you'll enjoy on eBay Motors make it the best wholesale alternative for your business.
- Set low Start Prices to drive bidding activity. In the eBay Marketplace, bidding activity makes a vehicle look “hot,” thereby drawing more and more bidders to the action. Vehicles with high Start Prices and unknown Reserve Prices don't do as well on eBay Motors.

Auction Style Listings with No Reserve

Don't let the “No” in “No Reserve” scare you off. Actually, some eBay Motors Top Sellers swear by Auction Style Listings with No Reserve and the high-risk, high-reward opportunities they offer. But there's no guarantee you'll meet your target price when you run a listing with No Reserve.

With that in mind, the No Reserve strategy takes two forms, each with its own pros and cons:

- No Reserve with a relatively high Starting Price (equivalent to a Reserve). This is only recommended for very patient sellers who really understand the eBay Marketplace and who are willing to wait during slow listings. This approach tends to generate very little bid activity and often ends in auctions without any bids.
- No Reserve with a relatively low Start Price. This is only recommended for sellers who really understand the eBay Marketplace and who are comfortable turning a profit based on volume. Even though a low Start Price does tend to drive bidding activity, almost guaranteeing a sale on every listing, this can be a very risky approach. Sellers can take a loss on any vehicle if the bidding doesn't heat up.

Listing Formats & Vehicle Pricing

Buy It Now

Once you establish good standing in the eBay community, you can set a Buy It Now price. This is the price a buyer can pay to end the listing immediately and win the vehicle. You can add the Buy It Now option to any listing prior to receiving bids or before the Reserve is met, making the Buy It Now price any amount above the current high bid.

Buyers tend to view a Buy It Now price as a “sticker price.” The Buy It Now option often proves to be an excellent strategy for generating quick sales when you’re willing to give a customer a great deal.

To qualify for the Buy It Now pricing option, you must have either a minimum Feedback Rating of 10 or be ID verified. Or if you have a PayPal account, you need a minimum Feedback Score of 5 and must accept PayPal as “a” payment method.

Buy It Now with Best Offer

The newest selling technique on eBay Motors is the Best Offer option. It helps sell vehicles even quicker by allowing you to close a listing the moment you receive an acceptable bid. With this selling option, you can choose whether to accept or reject an offer from a buyer, without having to wait until the listing ends.

Many dealers are experiencing great success using Best Offer, especially on listings for vehicles less than five years old, for which average sales prices and conversion rates have shown dramatic improvement.

You can create a Best Offer listing following these four easy steps:

- Choose the Fixed Price format instead of Auction when listing the vehicle
- Enter your ask price (i.e., Buy It Now price) and be sure to select the “Best Offer” option
- Place your Buy It Now price plus “or Best Offer” in the description section of your listing
- Manage your listing by either accepting or rejecting any offer; then you can begin negotiations with prospective buyers within the text field