

The Truth About Product Marketability When Selling in eBay?

eBay is a big market where you are able to sell almost all kinds of merchandises. You can go to eBay and browse through all the product categories to have an idea what are the products on sales. However, to sell merchandise on eBay, you will need to know about the characteristic of the product you intent to sell, in particular the product life cycle.

If you intent to sell a fast moving consumer product such as digital camera, PC, handphones, etc, you will need to know about the product life cycle as these products evolve very fast. Typically, the product life cycle behavior as a normal distribution curve or a bell shape curve. It consists of four phases, namely the Launching Phase, Full-Retail Phase, End-of-Life Phase and Liquidation Phase.

In the Launching Phase, this is the time where the product is just introduced into the market. It is new to the market where everybody is very interested about it and wants to get hold of it. As time goes by, the product will go into the Full-Retail Phase where you can find it selling everywhere and at the same price. During this phase, most of the people would have already purchased the product if they intent to have. And the purchased is usually done at retail shops. As times go further, the product will go into the End-of-Life Phase, where the sales and interest of the product start to decline. And finally, the product goes into the Liquidation Phase whereby the interest almost reduced to zero. Usually, at this final phase, a new product will be launched.

So how does these information helps you on the product selection? As can be seen from the behavior, there are two phases during the product life cycle you can exploit. They are the Launching Phase and the Liquidation Phase. In the Launching Phase, this is the time where the interest in high where buyers are looking for something new and hope that they can get a good bargain from eBay. At times, due to the great interest, the buyers do not mind to pay a little more.

Whereas in the Liquidation Phase, the buyer is really looking for some big bargain. They do not mind that the product is a bit out of fashion as long as it can still function. They do not mind the reduced in features as compared to those newly launched. So, you can see, if you are selling consumer products, these are the two phases where making a sales is more likely than the middle two phases. This is because, there are no reasons for the buyer to buy from eBay when they can get the products anywhere and at the same price.

However, this product life cycle may not be applicable to antique or collectibles. For this category of merchandises, there is really no time line tag to it. The buyer will buy as long as they like what you are selling.

So as you can see, knowing the product life cycle and the way how it is being marketed in the market is crucial in your eBay product selection. Choosing the product to sell when they are in the middle two phases may not be desirable whereas choosing the product at the two extreme phases may be the best option. It is reported that buyers are expecting a reduction of between 20% to 50% off the retail price when buying on eBay. You can only give these offers most likely at the Liquidation Phase as you are able to get the product at much lower cost. This is because, the manufacturer or whole seller are trying to dispose whatever stock they have to prepare for the new model.

It was also reported that liquidation product sells for 10% to 20% of cost. This means that, they are making a lost of 80 to 90%. It was also reported that for items that are in the Launching phase, they can sell anywhere from 10 to 100% above the retail price on eBay. This is particular true that during every holiday season, popular items such as toy are typically sold out at department stores and you can generally get it at eBay. This is the time whereby you can fetch a good price for your product.

Understanding the product life cycle will definitely help you in deciding what and when to sell your product in eBay and make profit. Knowing the right time to sell your items in eBay is crucial.

(Note: Figures taken from eBay Strategies by Scot Wingo. Prentice Hall 2005)

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