



**How to Use Pennies
To Profit
On eBay**

By: Ed Dickinson

info@HomeWorkersList.com

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Introduction

I have written this book to show you one way how many people are making good profits on eBay and how you can too. This book will not describe any get-rich-quick schemes or any overnight fly-by scams. You will not get rich using this way, but over time, you can make some good profits on eBay. What this book will show is a way in which I and many people are using pennies to make profits on eBay. Yes, I did say pennies, but more specifically, penny auctions.

This book will describe in detail how to use penny auction sites to buy items and then turn around and resell them on eBay and other websites. People have been buying and selling items for years. Now the Internet just gives everyone new ways to make extra money by buying and selling.

There are dozens of penny auctions sites currently out there on the Internet. New ones are popping up every week. I personally use only a couple websites currently. However, I am constantly looking into other sites that may be worth joining. The website that I enjoy using and will speak mostly about is QuiBids.

I will go over how QuiBids and other penny websites work. I will not go over how eBay works as there are already hundreds of books and ebooks written about eBay. I will show you some examples on what I've purchased on penny sites and turned around and sold them on eBay for nice profits. Then I will give you some of my tips when using penny

auctions. Lastly, I will give you some cautions regarding penny auctions sites. Unless you really learn how to use penny auction websites, you can lose big time!

Yes, I said you can lose big time. Many people are losing big money using websites like QuiBids and other penny auctions. However, don't be discouraged as there are hundreds to thousands of people who are buying nice items on these websites. Most of the people losing money on these websites just don't understand the process on how to profit from these websites. The people winning items on these sites are then turning in their won auctions into eBay profits! That is exactly what you can do too. So let's get started!

How They Work

Penny auctions work quite differently than eBay does in many ways. First, there are no sellers on these websites. The owners of these websites are the only ones that list items. They have deals with companies all over the world and they list those items on their websites in auctions. Unlike eBay where only the winner must pay, you must pay to bid or play in these penny auctions.

Penny auction sites charge for bids. Once you purchase bids, you can start to bid on auctions. Ebay on the other hand, you do not get charged when bidding on an auction. By buying bids on penny sites, you are already spending money with no guarantees of winning an item. This is why many people lose hard earned cash when joining these websites. The penny auction sites that I've seen charge anywhere from \$.40 to \$1.00 per bid.

Here is what QuiBids displays on their website on how it works:

Each bid costs just \$0.60 and available in Bid Packs. These bids are pre-paid and placed in your Bids Account. Each time you place a bid, your Bids Account is deducted one bid. Once a bid is placed the auction price will go up in increments of 1 or 2 cents. A maximum of 20 seconds is added to the timer every time someone bids. This gives enough time for someone else to make the decision to bid if they're interested. This is similar to the "Going once...Going twice...SOLD!" approach of traditional auctions.

If you are the top bidder when the timer reaches zero, you win! You will then pay the ending auction price as well as the cost of shipping. If you do not win, you lose your bids that have been placed; however, we offer a Buy it Now feature on all auctions. When you use our "Buy it Now" feature, we subtract the cash value of the bids you've placed (excluding voucher bids) from the value price of the item, and you only have to pay the difference.

*Let's say you spend 30 bids trying to win a \$30 valued product, but you don't win. Your 30 bids are worth \$18 (30 x \$0.60), so if you choose to use the "Buy It Now", you will pay \$12 plus shipping for the product. *Please note that this offer applies to real bids only, and that voucher bids do not apply to the Buy It Now option.*

They Buy It Now option is one reason why I like QuiBids and a couple other penny auctions over some of the others. QuiBids allows you to purchase the item that you've bid on at any time. I've bid unsuccessfully many times on QuiBids which resulted in me buying the item that I was bidding on. By buying the item, I did not lose my money. I just bought an item that I was interested in. Can everyone win on QuiBids? According to QuiBids, everyone can:

Yes! If you don't win the auction, you will never have to go away empty handed. Any time after you've placed your first bid in an auction, you can choose to buy the product for a discount using Buy It Now. This will help limit your losses so you don't have to leave with nothing. You'll never have to pay more than the Value Price for any products on QuiBids. Not everyone, however, will win the auction at a large bargain.

Using the Buy It Now feature is a big reason I use certain penny auction sites and why I don't use others. However, there are a couple disadvantages to the penny auction websites with the Buy It Now features. These disadvantages are:

- 1. Auctions sometimes end in higher prices** – With the buy it now feature being available, many auctions tend to draw many bidders. These people who bid often will bid extra times knowing that they can buy it if they don't win the auction. The ending result can be higher ending prices for the auctions. However, on penny sites without the Buy It Now feature, the ending price on auctions can be lower than the websites with the feature.
- 2. Vouchers do not go towards Buy It Now** – Every penny auction website have voucher auctions. These vouchers give you extra bids. Winners of voucher auctions often pay a lot less than if they bought the bids for full price. These

vouchers are good to use to bid on auctions. However, if you do not win the auctions, you've lost all those bids and can not use them to buy the item once it ends.

Voucher auctions can be good to bid on and win. However, if you waste many money bids to win a voucher, you may have to end up buying those vouchers. This will give you more bids, but those bids can't be used towards buying an item if you don't win on the auction that you bid on. Thus, vouchers are a big reason why many people do not like penny auction website and why many people lose good hard earned cash using penny auction sites.

Once you've gotten the hang of penny auction sites, you'll start bidding and winning items. Once those items start showing up at your door step, it is time to start making some money by putting them up on eBay.

Making eBay Profit\$

After you start winning items on penny auctions, you will want to put them on eBay and start making some profits. Hopefully you've learned how to win items on penny auctions without spending too many of your money bids. If you have, you're ready to start listing them on eBay.

However, just what items will sell on eBay for profits? This is where you'll have to do your homework and research. Before bidding on any penny auctions, I'd scan the website to see what items are out there. Check out what the website lists the retail value of the items up for auction. Also check out the shipping costs to see what you'll pay for shipping as you'll often have to pay more at the United States Post Office, UPS, Fed Ex, or whatever shipping service that you use. The penny auction websites are businesses and they will usually have lower shipping costs than an individual costs.

Besides shipping costs, you have other fees associated with listing items on eBay. There may be listing fees that you may have to pay when you list them on eBay. I usually start my auctions at \$.99 so I don't have to pay a listing fee. Once your item sells on eBay, you will be charged a final value fee (see eBay for their exact fees). Most sellers and buyers on eBay use Paypal to complete the auction transactions. Paypal will charge a fee for using their services. So when buying items on penny auction sites for purposes of reselling on

eBay, keep in mind that you will have final value fees, Paypal fees, and shipping costs. All these costs will eat into your overall profit of reselling that item that you won on Ebay.

So what items should you try winning on penny auction website to resell on eBay?

Choosing items to bid on is extremely important. There are no profits to be made by winning items on penny auctions that people do not want. So what exactly resells for profit on eBay?

Here are some examples:

1. Gift Cards – Every penny auction site that I've seen offers some sort of gift cards.

These are perfect items to resell on eBay. If you are bidding on a penny auction website that has Buy It Now options, gift cards are very safe auctions to bid on.

Even if you lose an auction or bid using money bids until the auction no longer is a value for you, you can buy the gift card. Then you can go use that gift card at store or restaurant which you just won. The only thing you lose with gift cards is the shipping / handling costs. Many sites charge a \$1.99 or \$2.99 shipping/handling charge for gift cards. That is the same price if you were to buy a gift card at a Walgreens or grocery store. So you usually will not lose much money with gift card auctions.

2. Popular Electronics – Most electronics on penny auctions can be pricey if you try

winning laptops, iPods, iPhones, High Depth TVs, etc... However, if you do happen to win one of these auctions, you definitely will profit by reselling those items on eBay. I personally, tend to stay away from many of these items as the

auctions can be very time consuming and expensive to win at times. However, I tend to bid on accessories for popular items and resell those items. Whether you try bidding and winning the accessories or the actual electronics, these items can be very profitable items to resell on eBay.

These are only a couple items that can be very profitable when reselling on eBay. In theory, any item that is won on a penny auction could be turned into profits on eBay. However, that is indeed not the case. I've won many items for literally \$.02, \$.03, etc... that I could not resell. I paid the \$.02 plus the \$3.99 shipping / handling and tried relisting them on eBay. The items that I've won listed on the website with retail value of \$16.99, \$24.00, etc... So I thought with a retail value of \$20 that I could list them on eBay starting at \$.99 and they would sell. Well I was wrong.

Many items that get listed on these penny auction sites turn out to be clearance items. Companies have given the items to these penny auction companies to sell through the auctions. There's a reason why they didn't sell on eBay or by the company originally – there's little interest in them!

So when picking items to bid on in penny auctions use caution and do your homework. Make sure there is interest in the items that you plan on reselling. That is why I love to buy and resell gift cards. Gift cards will always resell and hopefully you won them for pennies so that you can resell them for close to their actual value.

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