Sell on eBay The Smart Way

An Analytical, Data-Driven Approach

1. What products should you sell?
2. How and where do you get products?
3. How do you market your products?

By Abdullah Yahya
eBay Top-Rated Plus Power Seller

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INTRO

Congratulations! You've just invested in something that can make you a huge return on investment - this book! I will show you how to go from nothing to becoming an eBay Top-Rated PowerSeller and, more importantly, make a good profit along the way. In doing so, I will answer the three most difficult questions one would have when selling on eBay, namely:

1. what products should I sell?
2. how and where do I get products?
3. how do I market my products so people find and buy them?

Before we get started, there are a few things you need to know.

1. **This is not a get-rich-quick scheme!**
   This book will teach you how to make money on eBay, one product at a time. But, it will not happen overnight. While this book will show you how to do everything, it will take time to get everything setup, receive your first products, improve your ranking, build credibility through eBay's feedback system, and become an eBay Top-Rated PowerSeller. It should take at least 6 months to reach this goal, assuming you don't waste any time.

2 **This book is primarily written for US-based sellers but it still applies to everyone.**
Since I am based in the US (California) and my experience is with selling from the US, this book primarily applies to sellers in the US. Nevertheless, more than 80% of the content in this book still applies to non US-based sellers. If you sell from outside the US, you may need to do a few things differently, but not much.

3 **Discipline and determination is required.**
While this book will teach you how to do everything, you still have to do the work, do the research, fill orders, provide good customer service, and whatever else you'd expect to have to do when running your own business. The hardest part will be in the beginning (now) when you are still getting everything set up. However, once you get the hang of things, everything will become much easier. In my opinion, the ultimate goal is to reach a point where you have enough orders and profits each day that you can hire people to do the day-to-day operations for you, such as preparing orders, handling customer service, and dropping orders off at the post office. This is a very attainable goal, but it will take time to reach it. And only those who are disciplined and determined to achieve it will do so.

"Some succeed because they are destined to, but most succeed because they are determined to." - Henry Van Dyke

This book should be read from start to finish. I suggest you read it in its entirety once and then start over and while reading it the second time, follow the steps.

This book also assumes you will be setting up a home office / warehouse and are an ordinary low or middle-class individual who has a full-time job.

Some of the images in this book are stock photos due to copyrights and therefore have been replaced with stock images.

STEP 1: FIND PRODUCTS THAT SELL

This is one of the most popular questions I get asked. And it is understandable why it's a difficult question to answer, especially if you don't have any data to base your decisions on. There are multiple ways you can approach the problem of finding products that sell. Since you probably don't have much money to invest and want to test the waters before you invest too much, you are better off finding a few products which you can sell at high profit margins. Contrast this to Walmart, which sells a million things at probably a small profit margin. As the largest retailer in the world, they can do that, but as a single individual working out of your home, you are very limited in what you can do.

Product Categories

To get started, let's just focus on the types of products that are currently being sold on eBay. You can browse eBay's product categories and subcategories by going to www.ebay.com and clicking the "Browse by Category" link. Below is a screenshot of eBay's product categories page.

ABDULLAH YAHYA

ebay Browse by category

I'm looking for... All Categories Search Advanced

Home > Buy

All Categories

Antiques
- Antiquities
- Architectural & Garden
- Asian Antiques
- Books & Manuscripts
- More

Art
- Direct from the Artist
- Art from Dealers & Resellers
- Wholesale Lots

Baby
- Baby Gear
- Baby Safety & Health
- Bathing & Grooming
- Car Safety Seats
- More

Books
- Accessories
- Antiquarian & Collectible
- Audiobooks
- Catalogs
- More

Business & Industrial
- Agriculture & Forestry
- Businesses & Websites for Sale
- Construction
- Electrical & Test Equipment
- More

Cameras & Photo
- Binoculars & Telescopes
- Camcorders
- Digital Cameras
- Camera & Photo Accessories
- More

Cell Phones & Accessories
- Cell Phones & Smartphones
- Cell Phone Accessories
- Display Phones
- Phone Cards & SIM Cards
- More

Clothing, Shoes & Accessories
- Baby & Toddler Clothing
- Kids' Clothing, Shoes & Accs
- Costumes, Reenactment, Theater
- Cultural & Ethnic Clothing
- More

Coins & Paper Money
- Bullion
- Coins: US
- Coins: Canada
- Coins: Ancient
- More

Collectibles
- Advertising
- Animals
- Animation Art & Characters
- Arcade, Jukeboxes & Pinball
- More

Computers/Tablets & Networking
- iPads, Tablets & eBook Readers
- iPad/Tablet/eBook Accessories
- Laptops & Netbooks
- Desktops & All-In-Ones
- More

Consumer Electronics
- Portable Audio & Headphones
- TV, Video & Home Audio
- Vehicle Electronics & GPS
- Home Automation
- More

Crafts
- Art Supplies
- Beads & Jewelry Making
- Glass & Mosaics
- Handcrafted & Finished Pieces
- More

Dolls & Bears
- Bear Making Supplies
- Bears
- Dolls
- Dollhouse Miniatures
- More

DVDs & Movies
- DVDs & Blu-ray Discs
- Film Stock
- Laserdiscs
- UMDs
- More

eBay Motors
- Cars & Trucks
- Motorcycles
- Other Vehicles & Trailers
- Boats
- More

Entertainment Memorabilia
- Autographs-Original
- Autographs-Reprints
- Movie Memorabilia
- Music Memorabilia
- More

Gift Cards & Coupons
- Gift Cards
- eBay Gift Cards
- Gift Certificates
- Coupons
- More

Health & Beauty
- Bath & Body
- Coupons
- Dietary Supplements, Nutrition
- Fragrances
- More

Home & Garden
- Bath
- Bedding
- Food & Wine
- Furniture
- More

Jewelry & Watches
- Children's Jewelry
- Engagement & Wedding
- Ethnic, Regional & Tribal
- Fashion Jewelry
- More

Music
- Cassettes
- CDs
- Records
- Other Formats
- More

Musical Instruments & Gear
- Accordion & Concertina
- Brass
- Electronic Instruments
- Equipment
- More

Pet Supplies
- Aquarium & Fish
- Bird Supplies
- Cat Supplies
- Dog Supplies
- More

Pottery & Glass
- Glass
- Pottery & China

Real Estate
- Commercial
- Land
- Manufactured Homes
- Residential
- More

Specialty Services
- Advice & Instruction
- Artistic Services
- Custom Clothing & Jewelry
- eBay Auction Services
- More

Sporting Goods
- Golf
- Exercise & Fitness
- Indoor Games
- Outdoor Sports
- More

Sports Mem, Cards & Fan Shop
- Autographs-Original
- Autographs-Reprints
- Cards
- Fan Apparel & Souvenirs
- More

Stamps
- United States
- Australia
- Canada
- Commonwealth/ British Colonial
- More

Tickets
- Sports
- Concerts
- Theater
- Other

Toys & Hobbies
- Action Figures
- Beanbag Plush
- Building Toys
- Classic Toys
- More

Travel
- Airline
- Campground & RV Parks
- Car Rental

Video Games & Consoles
- Video Games
- Video Game Consoles
- Video Game Accessories

Everything Else
- Adult Only
- Advertising Opportunities
- Career Development & Education

As you can see, there are many, many categories and within each parent category, there are many sub-categories and sub-sub-categories. While it is good to focus on products that you yourself have experience with and like very much, they won't necessarily be the easiest and most profitable products for you.

Product Criteria

Here are the things I consider when analyzing products and criteria that makes sense for people who are getting started with selling on eBay:

Factor	Description	Ideal Criteria
Size	Small products take up less space in your home, are cheaper to ship both to you and to your customers, are easier to manage, and typically are inexpensive so they are good starter products.	Small physical size
Profit Margin	Obviously, you want as high a profit margin as you can get. You can look at this in terms of money, e.g. $10 profit per sale, or percentage, e.g. 100% ROI. I personally try not to settle for less than a 100% ROI. This means that for every dollar I invest, I make a dollar. Or, for every $1000 I invest, I will make $1000. We'll go through detailed calculations later on. I also try not to settle for less than a $5 profit per item. I do have some products that generate less than $5 profit per item, but I use them to cross-sell and promote my more expensive products, kind of like bait.	High profit margin
Weight	Lightweight items are easier to handle	Lightweight

	and cheaper to ship.	
Fragility	Shipping non-fragile items are obviously much easier to deal with than fragile items such as those made of glass.	Not Fragile
Complexity	Especially when you're starting off, you want to minimize the amount of customer service you have to provide so you don't become overworked and feel like giving up. Selling products that require assembly or complicated steps to use will have a much greater chance of requiring customer support. In the beginning, try to focus on products that are already assembled and are simple to use.	Products that don't require tech / customer support
Variety	Some products come in many sizes and many people like to purchase a full set containing many sizes. Many people also like to mix and match a custom collection of sizes. Products that come in various sizes allow you to offer more options to customers and even save on shipping costs.	Depending on the product, many sizes may be good
Competition	It's best to have a small number of competitors for your products than many competitors.	Low competition
Uniqueness	Products that are hard to copy will discourage competition so you have fewer sellers to compete with.	Unique product
Demand	In addition to a high profit margin, you want products that are big in demand. As you will see later, we'll determine demand based on monthly revenue	Big demand

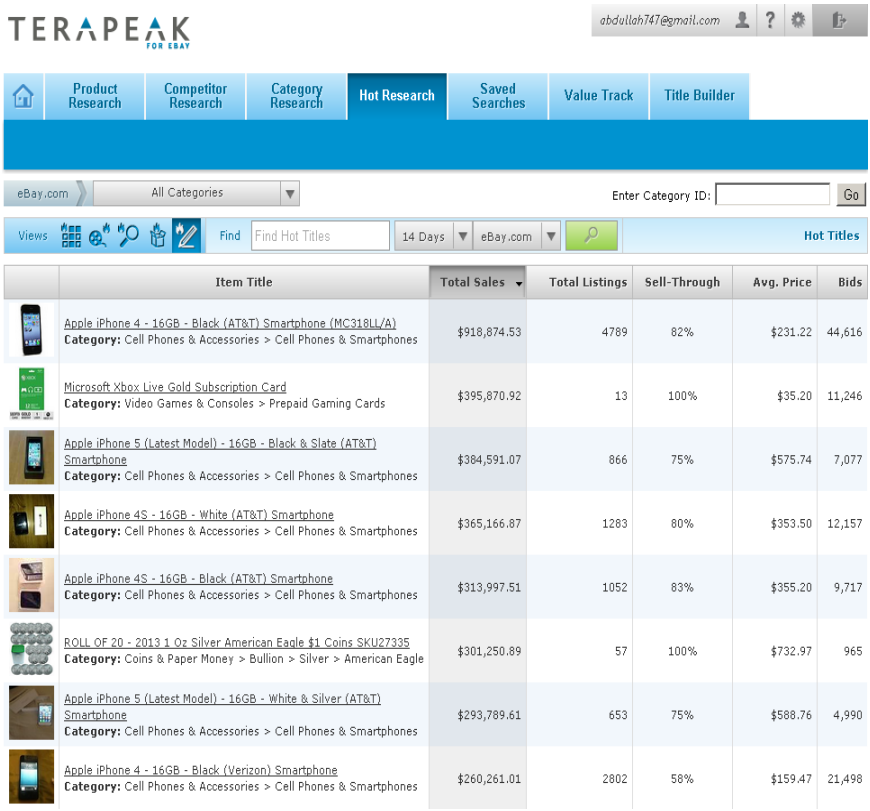
	and sales statistics. I usually don't settle for a single product that generates less than $500 per month in profit.	
Brand	While it is possible to become a reseller of brand name products, it's a lot harder as you'd have to convince brand name product suppliers, e.g. Nike, that you can sell a large volume to make it worth their time. To keep things simple, let's focus on non-brand-name products.	Generic brand
Hand-Made	Some products that are hand-made, e.g. wood carvings, can be worth more than computer-made, CNC'd products. But, the same two pieces can also vary in quality. Custom-made fabric products that are sewn are one type of product that can easily vary in quality, which I have learned the hard way. Personally, I try to avoid these types of products and prefer computer / machine-made products to ensure consistent quality for 99% of my goods.	Machine-made, not hand-made
Wearable	I personally would not buy clothes online since I can't try them on. But, many other people do. To minimize the hassle of processing returns, I avoid products that people usually need to try on before they buy them.	Not wearable
Legal	Some products are illegal to import (e.g. narcotics) and others may only be imported if they meet certain requirements. For example, you cannot import corn into the United States.	No legal issues or special requirement s

	Also, there is a limit as to how much textiles may be imported into the US per year. Importing raw wood may not be allowed unless certain special conditions are met. Some products must meet certain US standards and pass certain tests. For example, bicycle helmets must be tested to meet certain safety requirements set by the US Consumer Product Safety Commission.	
Seasonal	We want to make money all year round, not just during Christmas or Halloween. It's better to sell products that aren't seasonal.	Not seasonal

Search for Products

Now that we know what criteria to look for in products, let's go and browse some products. Since our ultimate goal is to make as much money as possible, it makes sense to start by browsing products based on how much revenue they bring in. We can do this by subscribing to market data providers such as Terapeak - www.terapeak.com. Terapeak licenses eBay's data and builds reporting tools for sellers. As of this writing, Terapeak offers a 7-day free trial and costs between $20 and $50 per month.

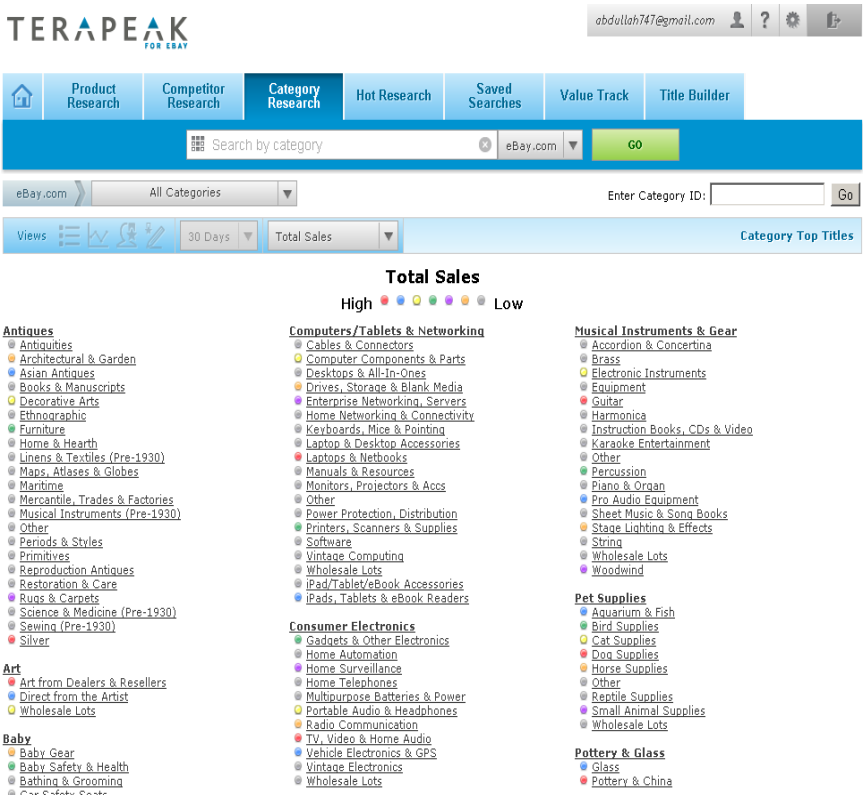
Once you create an account and login, you will be presented with an interface with several tabs. One of the tabs is labeled "Hot Research". Click on this tab, click the "Best Selling Titles" icon, and select "14 days" in the report period dropdown menu. You will see a list of all best-selling product titles similar to that shown below.



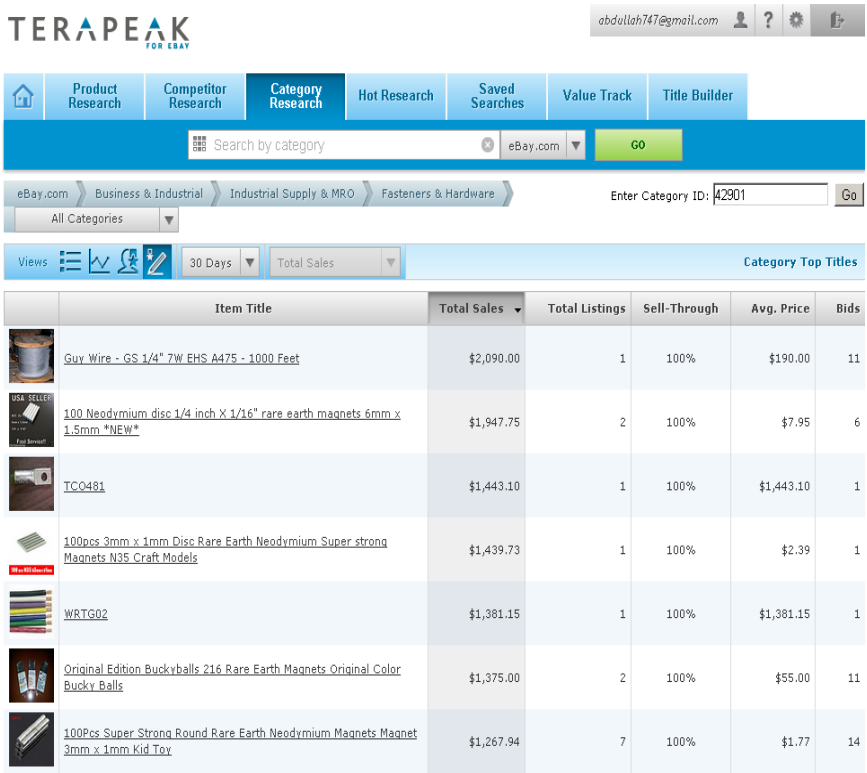
Item Title	Total Sales	Total Listings	Sell-Through	Avg. Price	Bids
Apple iPhone 4 - 16GB - Black (AT&T) Smartphone (MC318LL/A) **Category:** Cell Phones & Accessories > Cell Phones & Smartphones	$918,874.53	4789	82%	$231.22	44,616
Microsoft Xbox Live Gold Subscription Card **Category:** Video Games & Consoles > Prepaid Gaming Cards	$395,870.92	13	100%	$35.20	11,246
Apple iPhone 5 (Latest Model) - 16GB - Black & Slate (AT&T) Smartphone **Category:** Cell Phones & Accessories > Cell Phones & Smartphones	$384,591.07	866	75%	$575.74	7,077
Apple iPhone 4S - 16GB - White (AT&T) Smartphone **Category:** Cell Phones & Accessories > Cell Phones & Smartphones	$365,166.87	1283	80%	$353.50	12,157
Apple iPhone 4S - 16GB - Black (AT&T) Smartphone **Category:** Cell Phones & Accessories > Cell Phones & Smartphones	$313,997.51	1052	83%	$355.20	9,717
ROLL OF 20 - 2013 1 Oz Silver American Eagle $1 Coins SKU27335 **Category:** Coins & Paper Money > Bullion > Silver > American Eagle	$301,250.89	57	100%	$732.97	965
Apple iPhone 5 (Latest Model) - 16GB - White & Silver (AT&T) Smartphone **Category:** Cell Phones & Accessories > Cell Phones & Smartphones	$293,789.61	653	75%	$588.76	4,990
Apple iPhone 4 - 16GB - Black (Verizon) Smartphone **Category:** Cell Phones & Accessories > Cell Phones & Smartphones	$260,261.01	2802	58%	$159.47	21,498

While this is one way you can find hot-selling items, it can be hard for you to get these products for resale and it leaves out many products that can still generate a significant profit for you.

Another way to find hot-selling products is by researching products by category. Click on the “Category Research” tab. You will see a page like shown below listing all of eBay’s top-level categories.



The colored dots indicate which categories contain hot-selling items and which don't. For this example, let's try to find some products in the "Business & Industrial" category that may be worth selling. To do this, we'll need to click on the Business & Industrial category link and then keep clicking on sub-categories until we see a report listing products and their sales records. The categories I clicked on are Business & Industrial > Industrial Supply & MRO > Fasteners & Hardware. In the report page, we'll want to click on the "Total Sales" column to sort the report by total sales descending. We'll also want to select "30 Days" in the report period dropdown menu so that we can see the total sales over the last month. And lastly, we'll want to click the "Best Selling Titles" icon since that's what we're interested in. Following is a screenshot of the report at the time of this writing.



	Item Title	Total Sales	Total Listings	Sell-Through	Avg. Price	Bids
	Guy Wire - GS 1/4" 7W EHS A475 - 1000 Feet	$2,090.00	1	100%	$190.00	11
	100 Neodymium disc 1/4 inch X 1/16" rare earth magnets 6mm x 1.5mm *NEW*	$1,947.75	2	100%	$7.95	6
	TC0481	$1,443.10	1	100%	$1,443.10	1
	100pcs 3mm x 1mm Disc Rare Earth Neodymium Super strong Magnets N35 Craft Models	$1,439.73	1	100%	$2.39	1
	WRTG02	$1,381.15	1	100%	$1,381.15	1
	Original Edition Buckyballs 216 Rare Earth Magnets Original Color Bucky Balls	$1,375.00	2	100%	$55.00	11
	100Pcs Super Strong Round Rare Earth Neodymium Magnets Magnet 3mm x 1mm Kid Toy	$1,267.94	7	100%	$1.77	14

Analyze Past Sales

We need to go through this report and analyze each product listing and make a note of the ones we think have potential. Following are the things to consider:

- **Product**
  By looking at the product picture and title, we can see whether the product meets our criteria as listed in the table, e.g. small, not fragile, light weight, etc.
- **Total Sales**
  This column is sorted in descending order showing you monthly revenue for each product. Remember that revenue does NOT equal profit. A product that sells like hotcakes may not necessarily make any money for the seller. It's easy to sell your

products like hotcakes. Just sell them at a loss. The way I look at this column is by thinking about how much money I want to profit from any one product. I currently set my minimum monthly profit for one product to be $500. I also set my minimum return on investment at 100%. With these two criteria set for myself, I would not bother looking at products with a monthly revenue that's less than $1000. If you're minimum monthly target profit for one product is $250 and your minimum ROI is 50%, then you can look at products with a monthly revenue greater than $250 x 1.5 = $750. A formula you can use to calculate this is minimum monthly revenue = minimum monthly target profit x (1 + ROI).

- **Sell-Through**
  Sell-Through is applicable to auction-type listings. It's the number of auctions ending with a sale versus those that didn't. I personally don't bother with selling in auction format because it requires more time to manage them so I only sell using fixed-price listings. If you want to sell using auction-type listings, you'd want to look for products with a high sell-through rate.
- **Avg. Price**
  This is the average selling price for an item. It is the selling price of the product excluding shipping (unless the shipping cost is included in the price). This is an important column to look at because it will determine whether you can afford to invest in a particular product. For example, if a product looks like it has good selling potential but the Avg. Price is $1000 and you're ROI goal is 100%, then you'd have to pay close to $500 to purchase one unit of this product. That's a lot to invest for just one single product. I tend to look for products that have an Avg. Price between $10 - $50. If the Avg. Price is too low, like $1.00, then at a 100% ROI, your profit is at most $1.00. This is a very small profit per order and you'd have to sell, package, and ship many of them in order to make a big overall profit, and that may not be worth your time. Another way of looking at Avg. Price is by thinking about how much money you want to make per hour.

Many jobs pay you by the hour. For example, some people make $10 per hour. If you want to make $50 per hour, and it takes you 5 minutes to process one order, then you can process 12 orders per hour. $50 divided by 12 = $4.17 profit per order. At a 100% ROI, you'd need your Avg. Price to be around half that at about $2.00. (I say "about" half because there will be other expenses you will need to consider.)

- **Quantity Sold**
  This isn't a column in the report, but it can be calculated by taking the "Total Sales" and dividing it by the "Avg. Price". Since you're goal is to build a business that generates recurring income, you'll want to invest in products that many people buy on an on-going basis. If only one unit of a product was sold in a 30-day period, like item #2 in the report which has a Total Sales value of $1,443.10 and a Avg. Price value of $1,443.10, then we can think of this sale as a one-off sale which isn't helpful in determining whether this product will sell often. If our minimum monthly target profit is $500 and our target ROI is 100% and our desired Avg. Price for a product is $10, then we'd want at least $1000 / $10 = 100 units sold in a month. If 100 units of a product was sold in a month (and most likely they were purchased by different people), then this is an indicator that this is a product that many people will continue to buy every month.

Determine Investment / ROI Criteria

Now that we understand how to look at these columns, let's try and find a product that meets our investment criteria. For this example, we'll use the following criteria:

- Products that meet our criteria from the table above
- Minimum Monthly Profit: $500
- Minimum ROI: 100%
- Avg. Price Range: $5 - $25

With a minimum ROI of 100% and a minimum monthly profit of $500, we need to find products with minimum monthly total sales of $1000. Additionally, with an upper-bound average price of $25, we determine our minimum monthly quantity sold to be $1000 / $25 = 40 units. With this criteria, let's look at the report and find products in the following order:

1. Total Sales: > $1000
2. Avg. Price Range: $5 - $25
3. Minimum Quantity Sold: $1000 / $25 = 40 units
4. Product meets our criteria from Table 1

Following is a screenshot of the report showing all of the listings we care about including a few more that have a Total Sales value close to our minimum target of $1000.

	Item Title	Total Sales	Total Listings	Sell-Through	Avg. Price	Bids
	Guy Wire - GS 1/4" 7W EHS A475 - 1000 Feet	$2,090.00	1	100%	$190.00	11
	100 Neodymium disc 1/4 inch X 1/16" rare earth magnets 6mm x 1.5mm *NEW*	$1,947.75	2	100%	$7.95	6
	TCO481	$1,443.10	1	100%	$1,443.10	1
	100pcs 3mm x 1mm Disc Rare Earth Neodymium Super strong Magnets N35 Craft Models	$1,439.73	1	100%	$2.39	1
	WRTG02	$1,381.15	1	100%	$1,381.15	1
	Original Edition Buckyballs 216 Rare Earth Magnets Original Color Bucky Balls	$1,375.00	2	100%	$55.00	11
	100Pcs Super Strong Round Rare Earth Neodymium Magnets Magnet 3mm x 1mm Kid Toy	$1,267.94	7	100%	$1.77	14
	24 HEAVY DUTY BUNGEE CORD TIE DOWN CORDS 72" long	$1,139.70	1	100%	$37.99	30
	20Pcs Super Strong Round Rare Earth Neodymium Magnets Magnet 8mm x 1mm Kid Toy	$998.96	8	100%	$1.22	9
	GRADE 5 COARSE THREAD HEX HEAD CAP SCREW / BOLT NUT WASHER ASSORTMENT W/BIN 1775	$944.97	1	100%	$314.99	2
	Orange Wire Nut Connector 22-14 AWG 12,500 CT BULK	$927.00	1	100%	$309.00	1
	8020 T Slot Hardware Screw & T Nut 10 S 3321 (25pcs) N	$900.00	1	100%	$12.50	1

Following is a table examining each product and an explanation of viability as a potential investment or not.

#	Title	Good?	Reason
1	Guy Wire ...	No	Avg. Price is too high ($190)
2	100 Neodymium disc 1/4 inch ...	Yes	Product meets all criteria. It can even be sold in various sizes.
3	TCO481	No	Quantity sold too low ($1,443.10 / $1,443.10 = 1 which is less than 40)

4	100pcs 3mm x 1mm Disc ….	No	Avg. Price is too low ($2.39). Note: this product is similar to item # 2
5	WRTG02	No	Avg. Price is too high ($1,381.15)
6	Original Edition Buckyballs ...	No	Not generic
7	100Pcs Super Strong Round ...	No	Avg. Price is too low ($1.77). Note: this product is similar to item # 2
8	24 HEAVY DUTY BUNGEE ...	No	Avg. Price is too high ($37.99)
9	20Pcs Super Strong Round ...	No	Avg. Price is too low ($1.22). Note: this product is similar to item # 2
10	GRADE 5 COARSE THREAD ...	No	Avg. Price is too high ($314.99)
11	Orange Wire Nut Connector ..	No	Avg. Price is too high ($309)
12	8020 T Slot Hardware Screw ...	Yes	Even though the Total Sales is less than $1000, it's close ($900) so we'll just include it. Also, even though 8020 is a brand, these products are so basic, people probably wouldn't care about the brand.

Based on our analysis, we have identified two products that are worth investigating further. These products meet most of our product

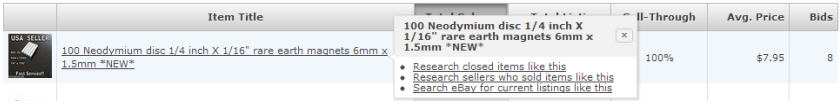
selection criteria, as explained below.

- **Size**
  Both products are small.
- **Weight**
  Both products are lightweight.
- **Fragility**
  Both products are not fragile.
- **Complexity**
  Neither product is complex or hard to use.
- **Variety**
  Both products can come in various sizes
- **Uniqueness**
  Neither product is unique, which isn't a good thing, but that's OK.
- **Brand**
  The magnets are generic but the t-slot screws are the 80/20 brand. Since the t-slot screws are just screws, most people probably wouldn't care much about the brand, if generic ones are cheaper and just as good.
- **Hand-made**
  Neither one of these products are hand-made, which is good.
- **Wearable**
  Neither product is something you wear
- **Seasonal**
  These products are not only sold during certain times of the year.

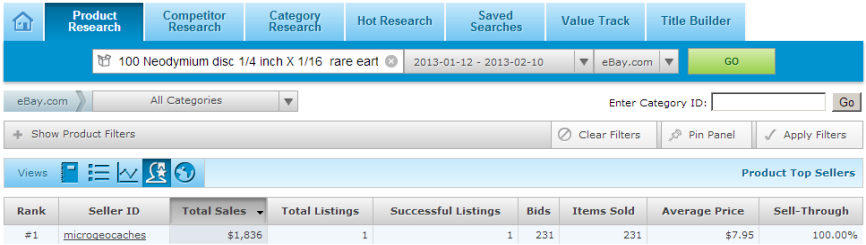
View Product Sales Trends

The report we saw is based on sales data for the last 30 days. Ideally, we'll want this sales data to be either consistent month over month or to show growth over time. One thing we can do to see how certain products have been doing over a longer timeframe is by viewing the sales data of a particular seller of a certain product. In the report, right-click on the title of the first product we chose (Neodymium disk magnets) and click "Research sellers who sold items like this" like shown

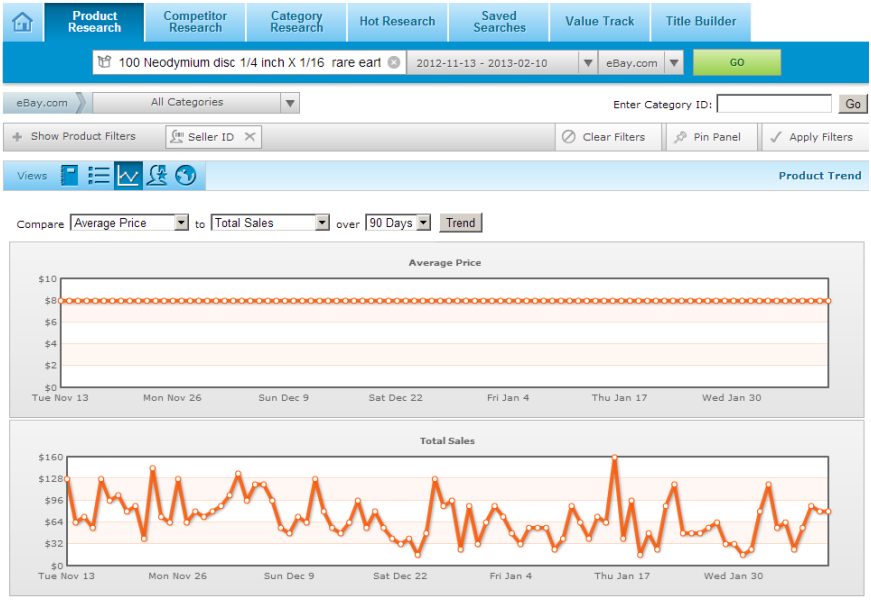
below.



In the destination page (shown below), click on the username of the seller (microgeocaches).



In the resulting page, click on the historical trends icon, change the comparison dropdowns to “Average Price” and “Total Sales”, and select 90 days in the timeframe dropdown. Below is what we’ll see.



According to this graph, the seller has been selling the product for the same price ($7.95) for the last 90 days and the product has been sold every day.

This completes our first level of product selection. In the next step, we'll take these two products and analyze them even further.

Note: the analysis that we've done is an easy way to quickly find products that may be investment-worthy. However, it isn't the only way we can base our selection of investment-worthy products.

STEP 2: ANALYZE THE COMPETITION

In Step 1, we browsed a few products in TeraPeak and identified some that met our product and investment criteria. We now need to analyze the competition and see if we can beat them, primarily on price, and possibly in other areas.

Competitor Criteria

Here are the things I consider when analyzing the competition:

- **Number of competitors**
  This is a no-brainer. You want as few competitors as possible. But, you don't necessarily want zero competitors because then you won't know whether people will buy the product you're selling.
- **Location**
  Logically, the farther you are from your customers, the longer it will take for them to receive your shipments, and the more expensive the shipping costs usually are. I am based in California and from my experience, most of my customers are from the US followed by Canada, Europe, and elsewhere, in decreasing order. Shipping anywhere in the US normally doesn't take very long but international orders, even to developed countries, can take several weeks. One thing you'll notice on eBay is that many sellers are

located in China and ship their products from China. That shouldn't be a surprise since most things are made in China. But, even though these China-based sellers may sell their products at unbelievably low prices, it can take 3-4 weeks for your order to arrive. That's at least how long it takes for me to receive stuff I buy from sellers in China. Most of the time, I even forget that I bought those products because they take so long to arrive. In addition to long shipping times, you may have to pay import tax and you probably will not get online shipment tracking. Furthermore, if there is a problem with the product, it's more of a hassle to communicate with people far away and to wait to send the product back to them and/or wait yet another 3-4 weeks to receive a replacement.

- **Seller Status & Size**
  Some sellers on eBay are very professional sellers with fancy listings. Many of these sellers are not home-based businesses but instead brick-and-mortar businesses that are also selling online. They usually have a large warehouse with many employees working for them. They also are usually Top-Rated PowerSellers with literally tens of thousands of feedbacks. Other eBay sellers are really small, have very poorly-designed listings, don't have a lot of customer feedback, and aren't Top-Rated PowerSellers. Since you're not a big seller (yet), it's probably better to compete with smaller sellers, unless the bigger sellers have a big disadvantage over you, e.g. they're based in China and shipping would take several weeks instead of a few days.

Let's refine our product selection from Step 1 and apply our competitor analysis to it. In Step 1, we identified the following products:

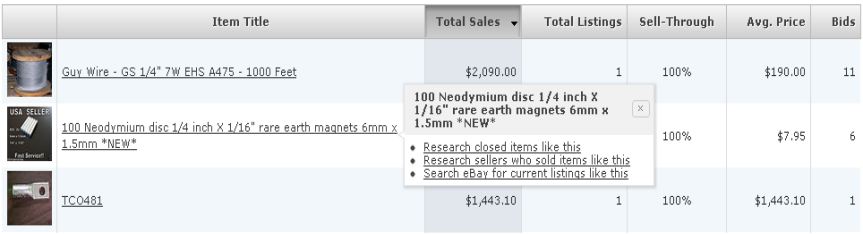
- 100 Neodymium disc 1/4 inch X 1/16" rare earth magnets 6mm x 1.5mm *NEW*
- 8020 T Slot Hardware Screw & T Nut 10 S 3321 (25pcs) N

To analyze the competition, I prefer to do so in the following order:

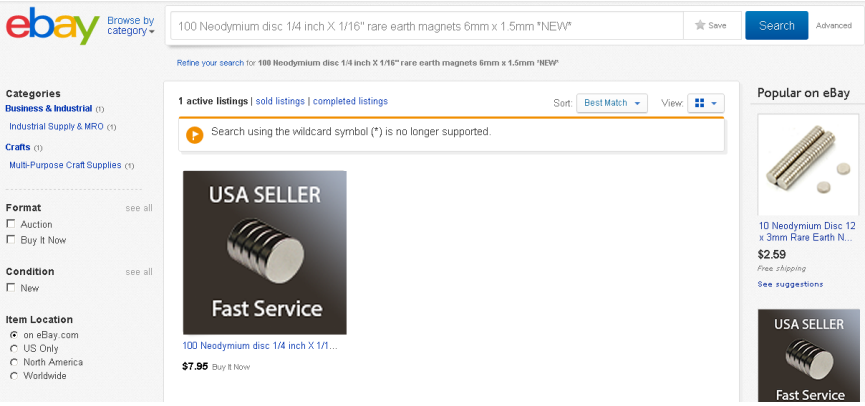
1 Number of competitors
2 Competitor location
3 Seller Status, Profile, and Size

Find the Number of Competitors

We'll need to search eBay for these products so we can see how many search results (competitors) we find. We can do that from TeraPeak by hovering over the product title and clicking on "Search eBay for current listings like this" as shown in the screenshot below.

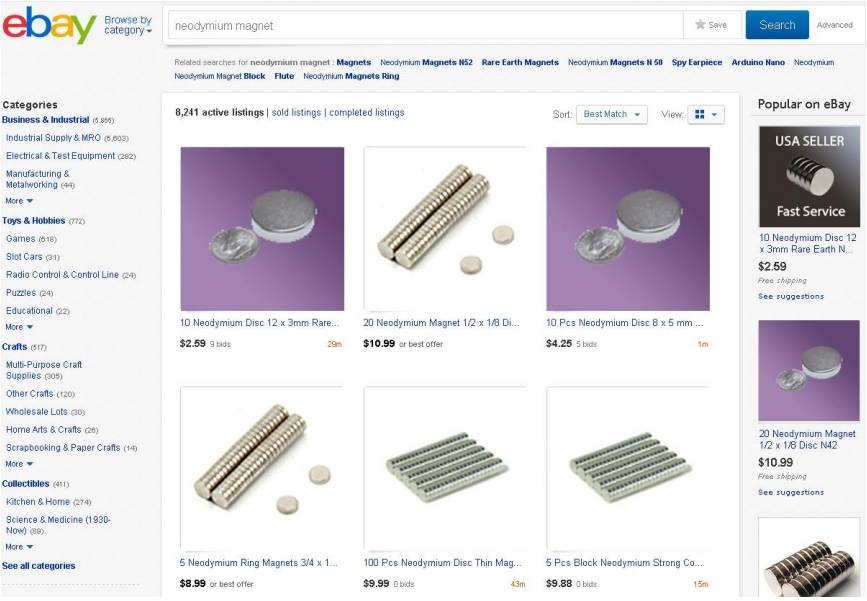


Since I normally want to go back to the report page and continue researching other products, I usually open the link in a new window. After clicking on the link, you'll see a page like the one below.



We see that there is only one seller selling this particular product. But, that's not completely true. The search phrase TeraPeak uses when searching eBay is the full title of the product, which is very specific. We'll need to broaden our search keywords to find all listings and competitors.

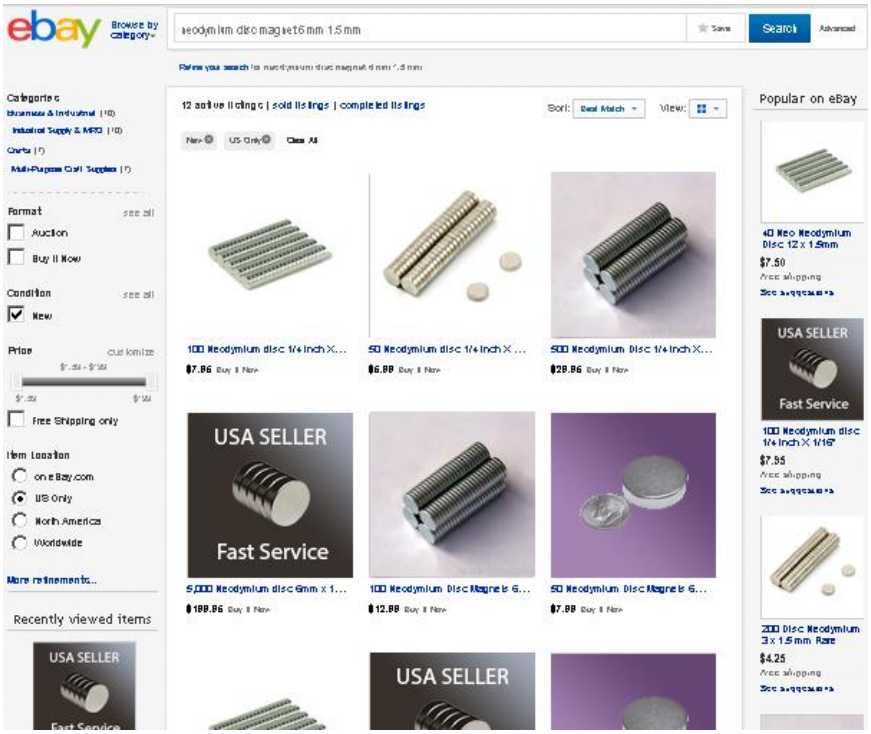
The product title we're basing our search on is "100 Neodymium disc 1/4 inch X 1/16" rare earth magnets 6mm x 1.5mm *NEW*" We can ignore non product-specific words like "100", "disc", "1/4 inch x 1/16"", "rare", "earth", "6mm x 1.5mm", and "*NEW*". In other words, let's search eBay for "Neodymium magnet". The results are shown below.



As you can see from these search results, many of the products look the same or similar and now we get 8,241 search results. That's a lot of search results. But, it doesn't mean that there are 8,241 competitors. Many sellers list the same, exact product multiple times, even though that's against eBay policy. Some sellers even create multiple eBay accounts to sell the same, exact product multiple times, which is also against eBay policy. What's surprising is they don't even bother to change a single word from their duplicate listings. eBay is probably too

busy to catch all of these and most buyers probably don't care to report these sellers.

Looking at these search results, we see that some of these magnets are in the shape of discs and some are not. So, it looks like the "disc" keyword was important after all. Let's refine our search to use the keywords "Neodymium disc magnet". The revised search results are below.



OK. Now our search results have decreased from 8,241 to 3,937. That's a lot less, but it's still too many. Looking at the search results, it looks like some sellers are selling these magnets in various quantities (50 pieces, 200 Pcs, 10, 100 Pcs, etc). Another difference is the dimensions of the magnets. Some are thin with a large diameter, and some are not. Since the quantity isn't a characteristic of the product, we can ignore that keyword. But, the size appears to be important. Apparently, some sizes are more popular than others. And in our case, disc-shaped

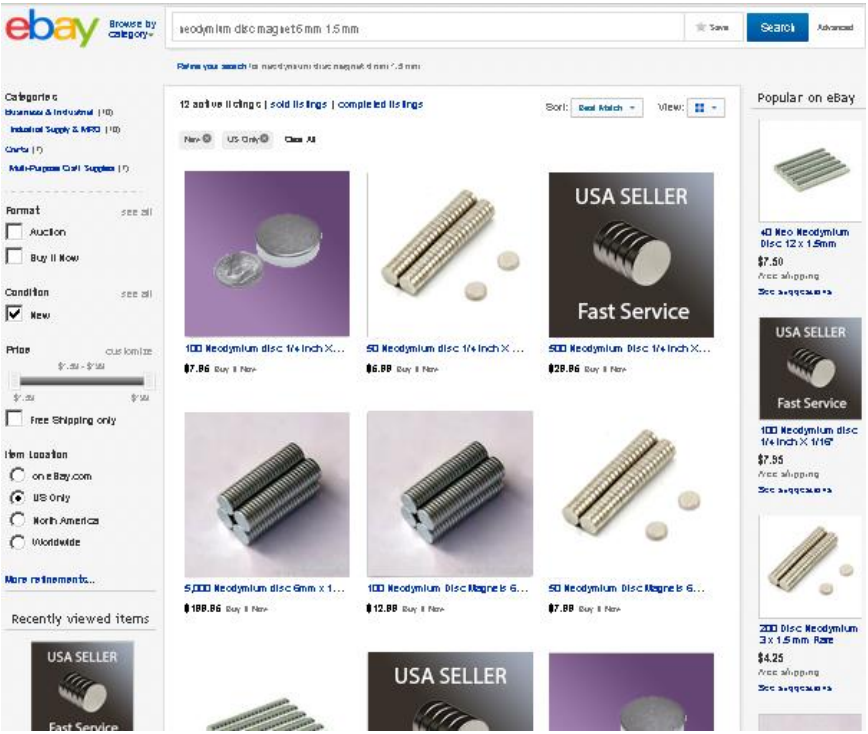
magnets of size 1/4 inch X 1/16" (6mm x 1.5mm) are what people like to buy. Notice here that the product we're analyzing is titled using the word "inch" and the symbol for inch (a quotation mark). The seller also provides dimensions in mm. They did this to maximize the probability of a match for users who search using various equivalent keywords or units of measure.

Let's further refine our search to magnets of size ¼ inch x 1/16 inch (6mm x 1.5mm) and see what we get.

For the keyword phrase "neodymium disc magnet ¼ inch 1/16 inch", we get 89 results.

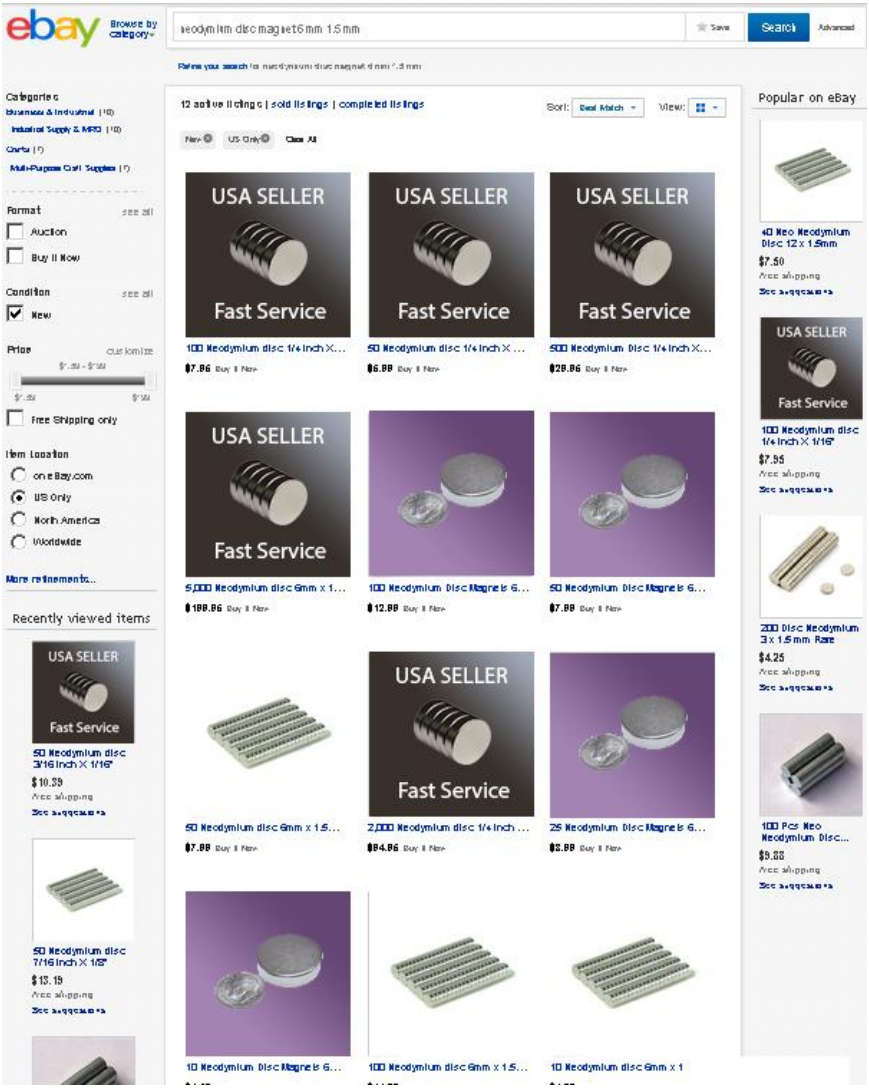
For the keyword phrase "neodymium disc magnet 6 mm 1.5 mm", we 86 get results.

After browsing both search results, the one with "6 mm 1.5 mm" produced more accurate results, as shown below.



Filter Competitors by Location

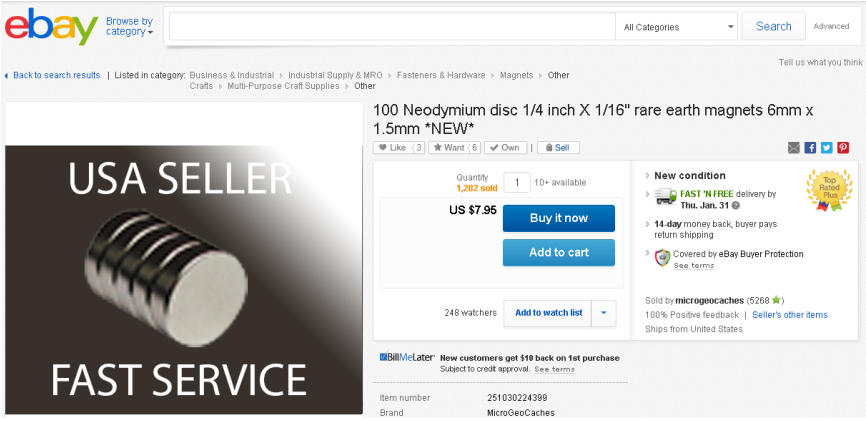
At this point, we can easily further refine our search results to US only sellers so that we can ignore sellers based in China or even Canada. If you look in the left column of the screenshot, there's a filter titled "Item Location" and "on ebay.com" is selected. Let's click the "US Only" option. Let's also click on the "New" option in the "Condition" filter since we only plan on selling new products. We now get the following search results.



Now we see that we have only 12 listings for this specific product from sellers based in the US. That's just one page of search results. Just by looking at this page, we can see a pattern of 3 different sellers. Assuming you are also based in the US, these are your primary competitors, and the ones you need to compete with.

Analyze Competitors

As you can see from these search results, many of the images look exactly the same. That's because they are from the same seller. Let's now click on the unique listings and make a list of our competitors. Clicking on the first result gives us the following page.



This screenshot is of the top portion of the page. Following are some things to note about this seller:

- **Product Title**
  The title of the product contains all of our search keywords and more.
- **Seller Status**
  This seller is a Top-Rated Plus seller.
- **Quantity Sold**
  This seller has sold this product 1,282 times.
- **Quantity Available**
  This seller has more than 10 of this product available
- **Condition**
  New (we already knew that from our search filter)
- **Price**
  $7.95
- **Shipping Cost**
  Free

- **Estimated Delivery**
  Wed. Jan. 30 - Thu. Jan. 31
- **Return Policy**
  14-day money-back guarantee
- **Item Location**
  United States (we already knew that from our search filter)
- **Feedback Score**
  100% Positive
- **Number of Feedbacks**
  5268
- **Seller ID**
  microgeocaches

The bottom portion of the page, which contains the product description, is below.

Description
Add this store to favorites | Sign up for newsletter
Search Store
Search Store
Micro Geocache Containers | Coins & Pathtags | Magnets | Geocaching Accessories | Other
Items On Sale
MicroGeoCaches MicroGeoCaches MicroGeoCaches
NEW
100 Strong Neodymium Disc Magnets Rare Earth N35
USA SELLER
FAST SERVICE

Looking at this product description, we can gather the following piece of information.

- **Level of Professionalism**
  It looks like this listing was made by an ordinary person as opposed to a web developer or a professional business with employees.

Let's now click on the seller's ID link (microgeocaches) to learn more. The following page is what we get.

Looking at this page, we can gather the following pieces of information.

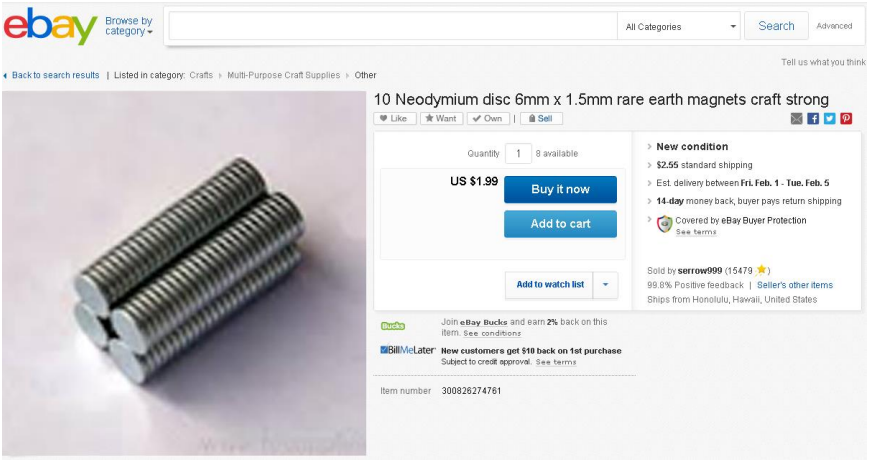
- **Member since**
  This seller has been a member of eBay since Nov 16, 2005
- **Store**
  This seller also has an eBay store.

Let's now click on the "Visit My Store" link. We get the following.

Looking at this page, we can gather the following pieces of information.

- **Store categories**
  This seller sells only a few different products and they're not all related to each other. In other words, the seller doesn't specialize in magnets.

Let's now click on the last listing in our search results and analyze that competitor. Below is a screenshot of the top portion of that competitor's listing page.



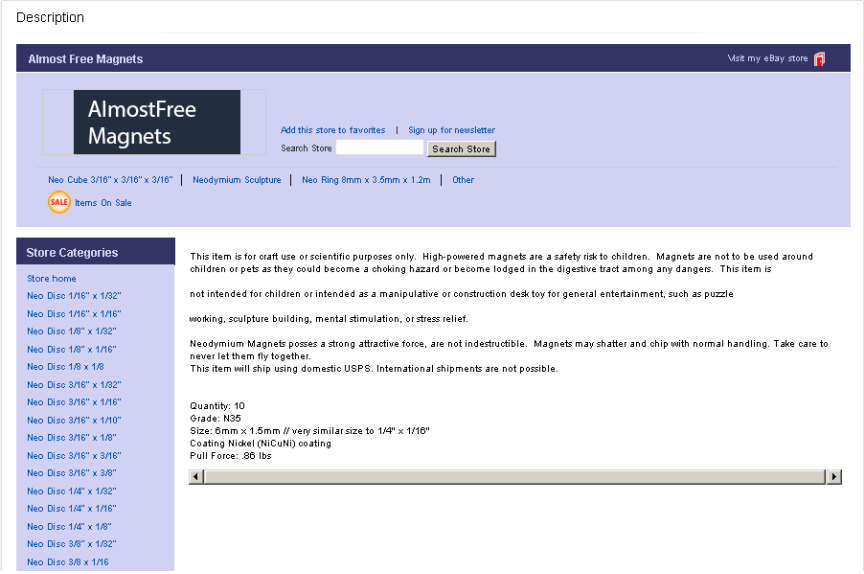
Following are some things to note about this seller:

- **Product Title**
  The title of the product contains all of our search keywords and more.
- **Seller Status**
  This seller is not a Top-Rated seller.
- **Quantity Sold**
  This seller has sold zero of this product from this particular listing.
- **Quantity Available**
  This seller has only 8 of this particular product available.
- **Condition**
  New (we already knew that from our search filter)
- **Price**
  $1.99
- **Shipping Cost**
  $2.55 (standard shipping)
- **Estimated Delivery**
  Fri. Feb. 1 - Tue. Feb. 5
- **Return Policy**
  14-day money-back guarantee
- **Item Location**
  United States (we already knew that from our search filter).

However, note that this item is in Hawaii which explains why the delivery dates are later than from the previous seller. It takes longer for customer orders to reach the mainland (continental US).

- **Feedback Score**
  99.8% Positive
- **Number of Feedbacks**
  15,479
- **Seller ID**
  serrow999

The bottom portion of the page, which contains the product description, is below.


Description

Almost Free Magnets

Visit my eBay store

AlmostFree Magnets

Add this store to favorites | Sign up for newsletter

Search Store Search Store

Neo Cube 3/16" x 3/16" x 3/16" | Neodymium Sculpture | Neo Ring 8mm x 3.5mm x 1.2m | Other

SALE Items On Sale

Store Categories

Store home
Neo Disc 1/16" x 1/32"
Neo Disc 1/16" x 1/16"
Neo Disc 1/8" x 1/32"
Neo Disc 1/8" x 1/16"
Neo Disc 1/8 x 1/8
Neo Disc 3/16" x 1/32"
Neo Disc 3/16" x 1/16"
Neo Disc 3/16" x 1/10"
Neo Disc 3/16" x 1/8"
Neo Disc 3/16" x 3/16"
Neo Disc 3/16" x 3/8"
Neo Disc 1/4" x 1/32"
Neo Disc 1/4" x 1/16"
Neo Disc 1/4" x 1/8"
Neo Disc 3/8" x 1/32"
Neo Disc 3/8 x 1/16

This item is for craft use or scientific purposes only. High-powered magnets are a safety risk to children. Magnets are not to be used around children or pets as they could become a choking hazard or become lodged in the digestive tract among any dangers. This item is

not intended for children or intended as a manipulative or construction desk toy for general entertainment, such as puzzle

working, sculpture building, mental stimulation, or stress relief.

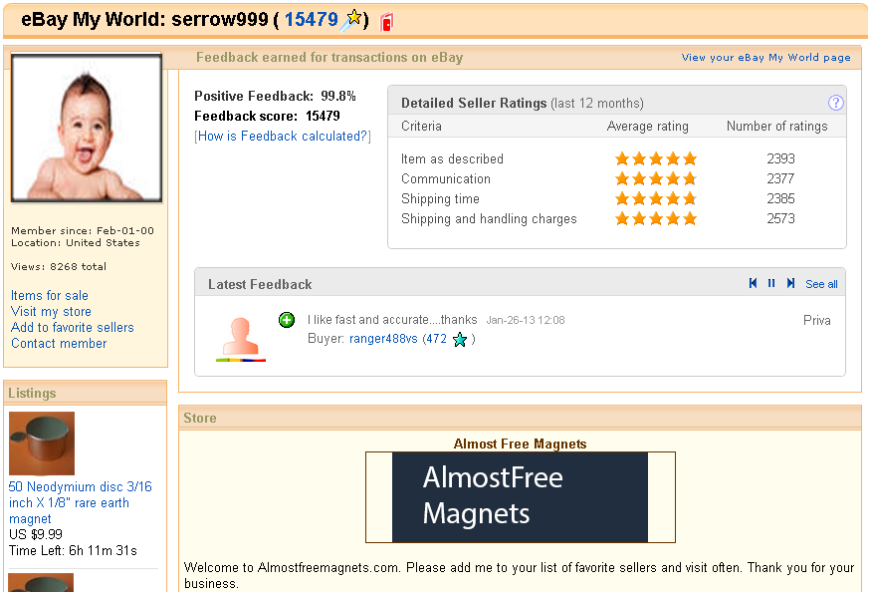
Neodymium Magnets posses a strong attractive force, are not indestructible. Magnets may shatter and chip with normal handling. Take care to never let them fly together.
This item will ship using domestic USPS. International shipments are not possible.

Quantity: 10
Grade: N35
Size: 6mm x 1.5mm // very similar size to 1/4" x 1/16"
Coating Nickel (NiCuNi) coating
Pull Force: .86 lbs

Looking at this product description, we can gather the following pieces of information.

- **Level of Professionalism**
  It looks like this listing was made by an ordinary person as opposed to a web developer or a professional business with employees.

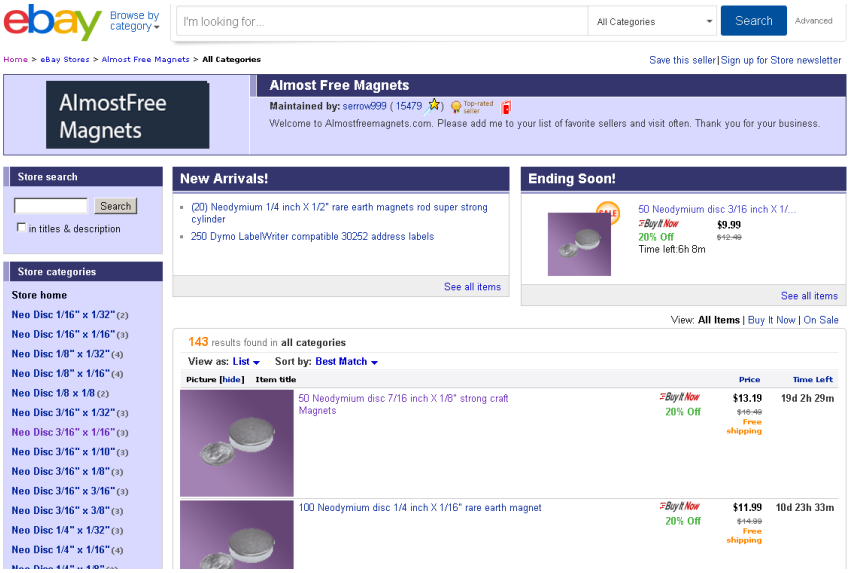
Let's now click on the seller's ID link (serrow999) to learn more. The following page is what we get.



Looking at this page, we can gather the following pieces of information.

- **Member since**
  This seller has been a member of eBay since Feb 1, 2000.
- **Store**
  This seller also has an eBay store.

Let's now click on the "Visit My Store" link. We get the following.



Looking at this page, we can gather the following piece of information.

- **Store categories**
  This seller sells only magnets and wide variety of them. This seller specializes in magnets.

Question: So why did the first seller, who doesn't specialize in magnets, show up at the top of search results (sorted by Best Match) whereas this second seller, who clearly specializes in all kinds of magnets, show up near the bottom of search results.

Answer: The first seller is a Top-Rated Seller who sold over 1000 of these magnets from their single listing whereas the second seller is not a Top-Rated Seller and has sold none.

We have one more seller to analyze. I won't include a detailed analysis here but you can take my word that the 3rd seller is more like the first seller.

Now that we've analyzed our primary competitors, of which there are only 3, we can decide whether we can compete with them. Considering our analysis and the few number of competitors (3) and listings in search results (12), I'd say there's an opportunity here. However, it may be difficult or take a while to sell enough of these magnets so that they appear next to or above the first seller since that seller has sold over 1000 of these magnets. Later on, we'll go into more detail about why the "Quantity Sold" attribute, which is a measure of a product's popularity, is so important in ranking high and, consequently, selling.

At the beginning of this step, we listed two products that were worth investigating. We've only analyzed the first one. The second one was "8020 T Slot Hardware Screw & T Nut 10 S 3321 (25pcs) N". The analysis process is the same, so you can do it yourself, but one thing I can tell you is that for this second product, 8020 is the name of a US manufacturer of various T-slot aluminum products. They are definitely not a one-man garage-based operation. But, don't think that big businesses are necessarily the ones to not compete with. You may not be able to compete with them on every product they sell, but you still may be able to compete with them on a small subset of the products they sell.

Now that we've identified a potential product (¼ inch x 1/16 inch / 6mm x 1.5mm neodymium disc magnets), let's find out how and where we can get these things.

STEP 3: FIND PRODUCT SUPPLIERS / MANUFACTURERS (ONLINE)

In the last step, we analyzed our competitors for the particular product we're researching (¼ inch x 1/16 inch / 6mm x 1.5mm neodymium disc magnets). So far, everything looks good, but we're far from done. We now need to find product suppliers. Since our goal is to build a profitable business as opposed to get rid of used stuff in our garage, we want to think long term. While there are many product manufacturers in the US as well as distributors, you probably won't find cheaper products outside of China or 3rd world countries. If you'd like to test some products by buying low quantities at higher prices locally (in the US), you can do that. But, this book will focus on how to find and get products at the cheapest possible price for long-term profitability.

Product Quality

Everyone knows that most products are made in China. 80% of the stuff in our homes are made in China. Unfortunately, many people associate "Made in China" with poor quality. While that is true for many products, that's not always the case. Apple iPhones, Nike shoes, and many other high-quality, brand-name products are made in China. When I went to China and browsed various products, I found that many of them came in varying qualities. It was explained to me that the purpose of the varying

qualities was to be able to offer products for different target markets, e.g. Ethiopia versus the US. This makes sense, as many US companies do the same, by selling low-price and high-price versions of the same product. The difference, however, is that many of the low-quality products that were meant for developing countries but are sold in the US cause many Americans to think that all products made in China are crappy.

Quality Nightmare # 1

I, myself, have been a victim of low-quality Chinese manufacturing. I once ordered a sample of a product which appeared to be of good quality. But, after I placed a large order, possibly 30% of the entire order was of low quality. I clearly lost some money there, learned my lesson, and stopped using that agent and supplier. In the long run, I think the supplier lost more than I did, since they're never getting my business anymore.

Lesson learned: Just because a sample is of high quality doesn't mean the actual order worth thousands of dollars will be of high quality.

Quality Nightmare # 2

On another occasion, I ordered a large quantity of a different product. I asked that these products be packaged in transparent polybags. These products come in different sizes and lengths. My supplier, unbelievably, sent me the products in transparent polybags that have printed labels on them indicating a size. The main problem here was that the sizes were all wrong! So, I had to tell all of my customers to ignore the incorrect size on the packaging, which was clearly confusing for my customers, very unprofessional, and a clear waste of my time. This supplier, on the other hand, was smart. When I ran out of stock and placed another order, I told her that the incorrect labels confused my customers and made it difficult for me to sell the products which in turn would make it hard for me to continue sourcing my products from them. Without saying anything else, the supplier offered me a decent

discount on my next order and promised to not make the same mistake.

Lesson learned: Chinese suppliers and companies have a VERY different way of thinking than American companies. What makes sense to one makes absolutely no sense to the other.

Quality Nightmare # 3

A shoe retailer in Turkey wanted to source shoes in China. The seller had a display of various shoes on a wall in his store. Each shoe was nailed to the wall as opposed to being placed on shelves. The seller took a shoe (with the nail still in it) and sent it to China to be copied. When production was complete and the seller received a large shipment of the shoes, he was dumbfounded to find that all of the shoes had nails in them. Apparently, the Chinese supplier not only copied the shoe design, but the temporary nail that was in the sample.

Lesson Learned: Don't assume anything. Like I said above, what makes sense to you may make not make sense to your suppliers. Check on your products throughout production to catch mistakes and misunderstandings as early as possible.

Quality Nightmare # 4

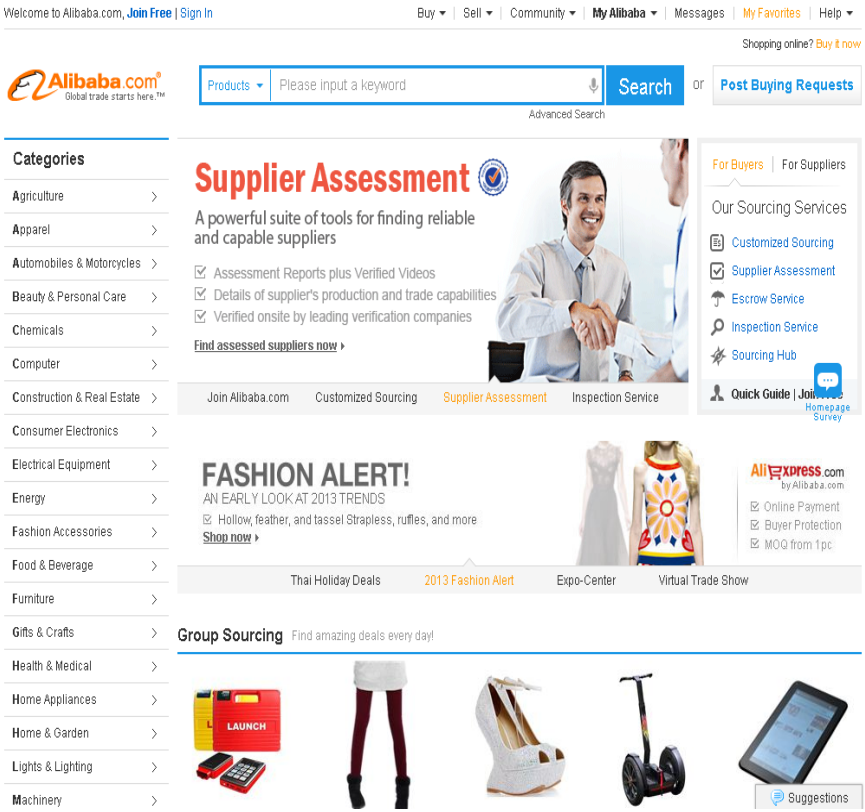
A soap factory in China had many employees on the assembly line making soap. The soap manufacturing process required the use of many chemicals in a clean environment free of contaminants. The importer's agent in China would periodically inspect the quality of the soap and found that some of the soap was contaminated. He investigated the issue and found the cause to come from the employee restrooms. Apparently, the soap factory, which specializes in making soap, didn't even have soap available to employees in employee restrooms. The agent requested that the supplier put soap in the restrooms but the supplier refused to do so as it would increase the supplier's costs. The agent offered to pay to put soap in the restrooms but it took a while before that ever happened.

If you want to read about more unbelievable Chinese manufacturing stories, I recommend the book *Poorly Made in China*: *An Insider's Account of the China Production Game* by Paul Midler. This book won many awards and is not only shocking but it's also very entertaining.

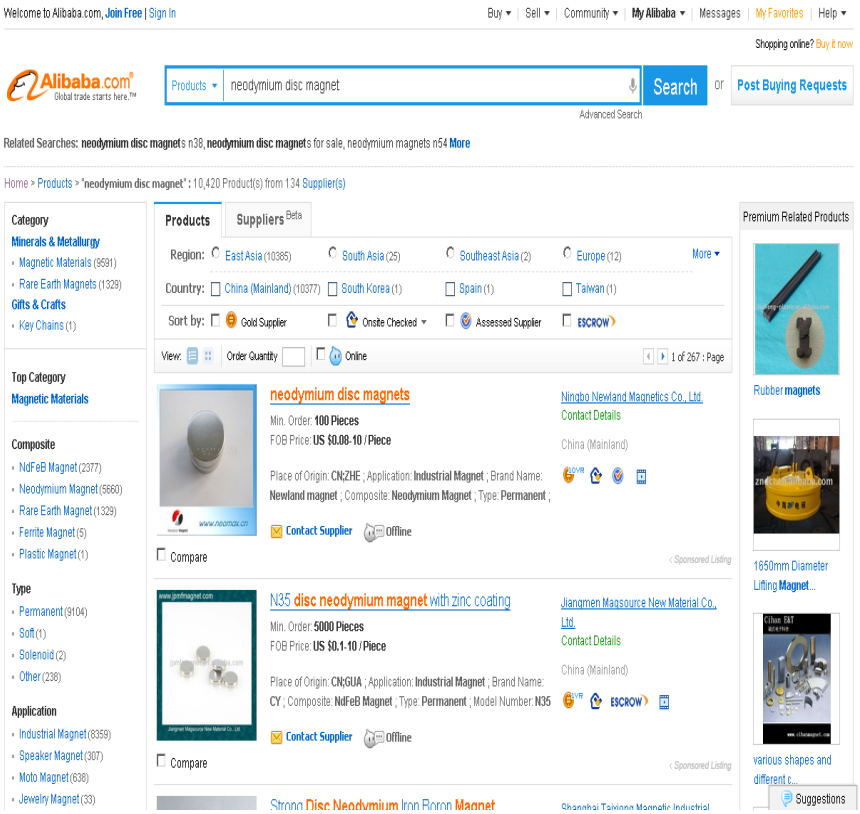
Search for Suppliers

Alibaba

Now, let's get back to finding suppliers of the product we're interested in (a certain kind of magnet). The easiest and most popular way to find products in China is to use the website Alibaba (www.alibaba.com), the world's largest online business-to-business trading platform for small businesses. Below is a screenshot.

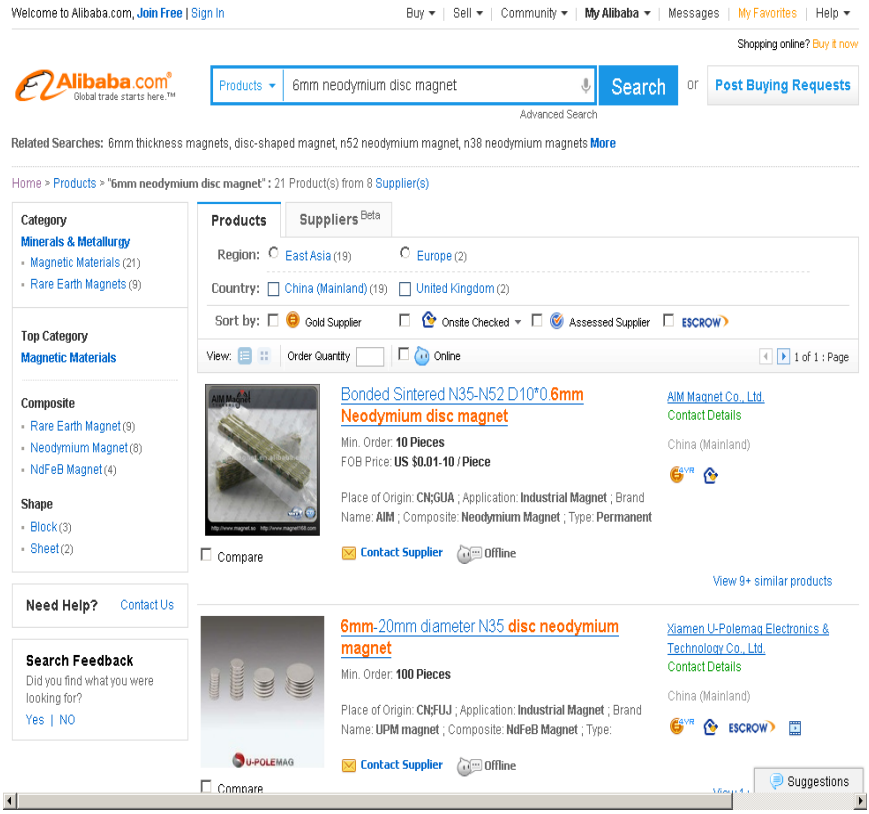


To find our ¼ inch x 1/16 inch / 6mm x 1.5mm neodymium disc magnets, let's do a search for "neodymium disc magnet". Following is a screenshot.



Here, we can see various regions and countries that have magnet suppliers. And, unsurprisingly, 99% of them are from mainland China. With 267 pages of search results, it'll take us approximately forever to go through them all. Let's narrow this down by searching for "6mm neodymium disc magnet". I chose to use 6mm instead of ¼ inch since the Chinese are on the metric system (which I wish the US was on, too, to minimize mistakes and eliminate the need to constantly convert

units). Our revised search results are below.



Great. Now we've gone from 267 pages to just one page. That's much more manageable. Browsing through these listings we see that many of them reference the letter N followed by a number. Looking back at the listings of our 3 competitors, we see that they also reference this seemingly-important number. Two of our competitors sell N35 magnets and the third one sells N48 magnets. A quick Google search reveals the following information on magnets:

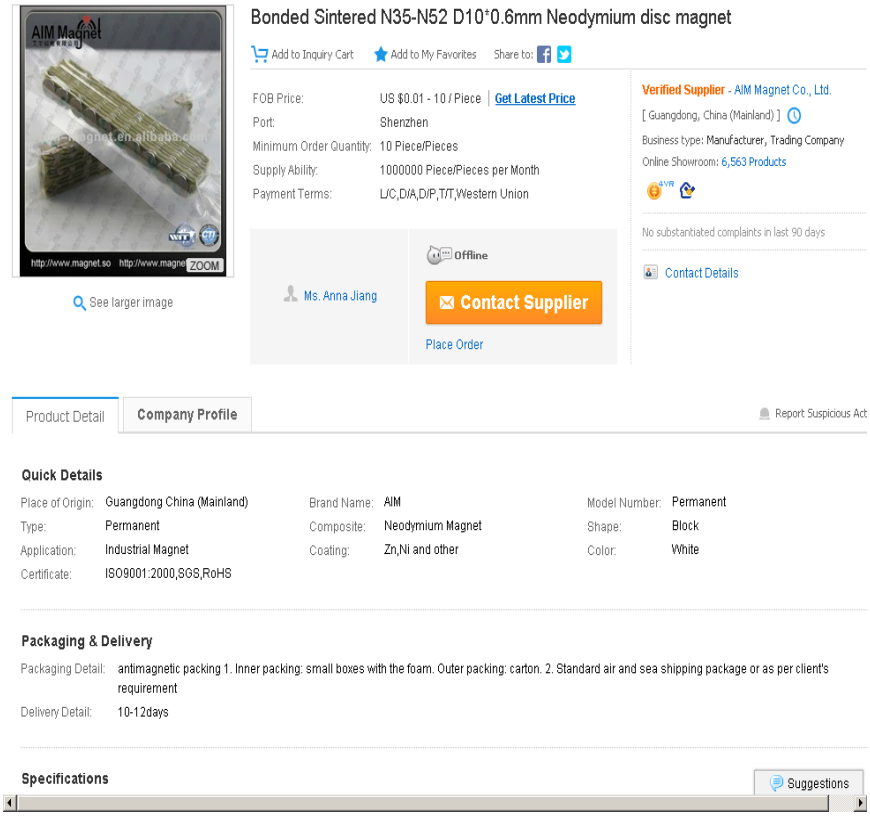
- Neodymium magnets are a member of the Rare Earth magnet family.
- Neodymium magnets are the most powerful magnets in the world.

- Neodymium magnets come in various grades, e.g. N35, N48, N52, etc.
- The larger the N number, the stronger the magnet.
- N52 is the largest number (highest grade) Neodymium magnet, and is therefore the strongest magnet in the world.

Equipped with this knowledge, it makes sense to compare prices for N35, N48, and N52 magnets. If we can get N52 magnets for the same price or slightly more than the other magnets, we can use that to our advantage and market our magnets on eBay as “the world’s strongest magnet - N52”, which our 3 competitors currently don’t sell in the size that we’re interested in (1/4” x 1/16”).

Analyze Suppliers and Their Products

Let’s click on the first search result and investigate this supplier. Below is what we see.



Here are a few things to note when researching suppliers.

- **Supplier Status**
  This supplier is "verified" meaning that Alibaba has verified various aspects of this supplier, e.g. their physical location, their manufacturing capability, their business licenses, etc. I'd recommend only dealing with verified suppliers. To learn more about what Alibaba verification encompasses, go to http://www.alibaba.com/help/safety_security/products/verification_services.html
- **Location**
  This supplier is located in the Guangdong province which is where the city of Shenzhen is and where many factories are located.

- **Port**
  The port where this supplier would deliver your goods to is the port of Shenzhen.
- **FOB Price**
  This is the price to purchase the products and have it delivered to the port. FOB stands for Free On Board. It is an incoterm and in this example, the seller is responsible for delivering the goods to the port of Shenzhen including any required customs clearance or export documentation.
- **Minimum Order Quantity**
  This is often abbreviated as MOQ. It means the minimum quantity you must purchase in order to get the price stated.
- **Business Type**
  The business type of this supplier is manufacturer, trading company. Since you want the cheapest price, you should always deal directly with manufacturers.
- **Online Showroom**
  This states how many products they have in their online showroom. This supplier has 6,563 products.
- **Payment Terms**
  The payment terms shows "L/C,D/A,D/P,T/T". L/C stands for Letter of Credit. D/A stands for Documents against Acceptance. D/P stands for Documents against Payment. And T/T stands for Telegraphic Transfer. T/T is the same thing as wire transfer, where you transfer money from your bank account to the recipient's bank account. T/T is the most common followed by L/C. Some suppliers also offer Western Union as a payment method. This can be a bit cheaper, depending on the amount you transfer, but it's not as secure as T/T and L/C. Suppliers in China, unfortunately, do not accept Paypal.

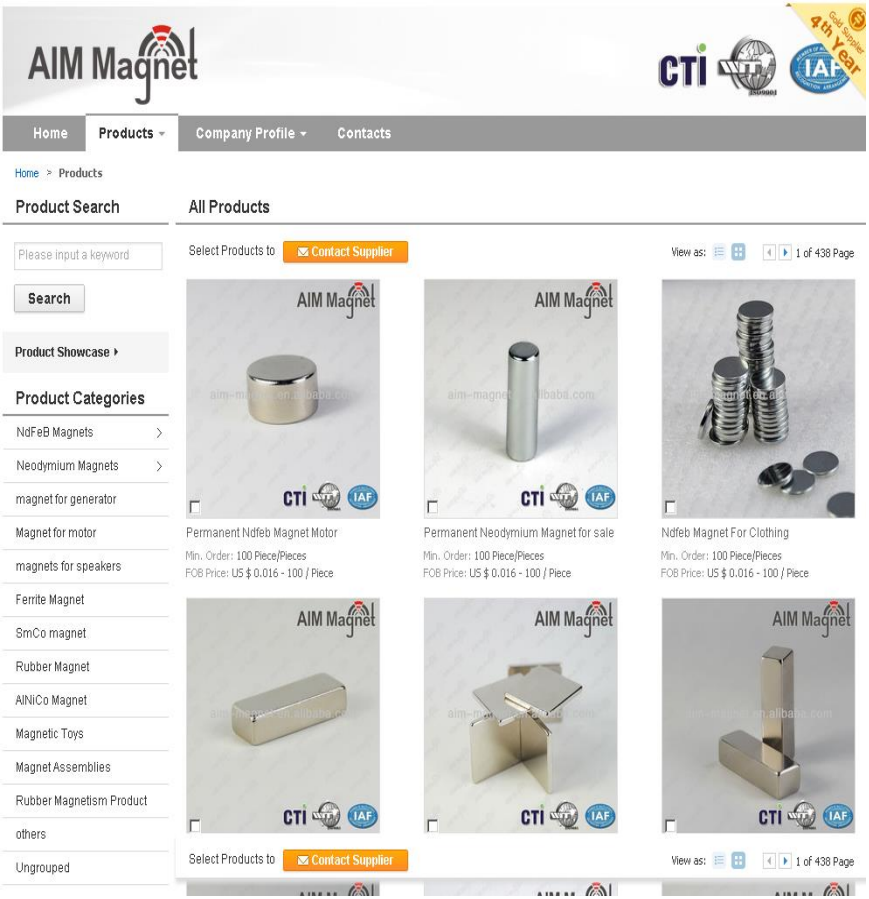
Note that even though the title of this listing has the keyword "6mm" in it, which matches our search phrase, the actual size of the product in this listing is 0.6mm, which is not what we want. However, that is OK, since suppliers, like this one, mention in their listings something along

the lines of “size: D10*0.6mm or as your requirement “. In other words, they can customize the products for you. Similarly, they mention the grade as “Grade N35-52 (N, M, H, SH, UH, EH)”. This means that they can provide us with whichever grade of magnet we want.

So far, this supplier seems like one worth investigating further. There are two more things I like to do before contacting them, as follows:

- browse their online showroom
- check out their company profile and photos

Click on the link “6,563 Products” next to the “Online Showroom” field. You’ll see the following page.

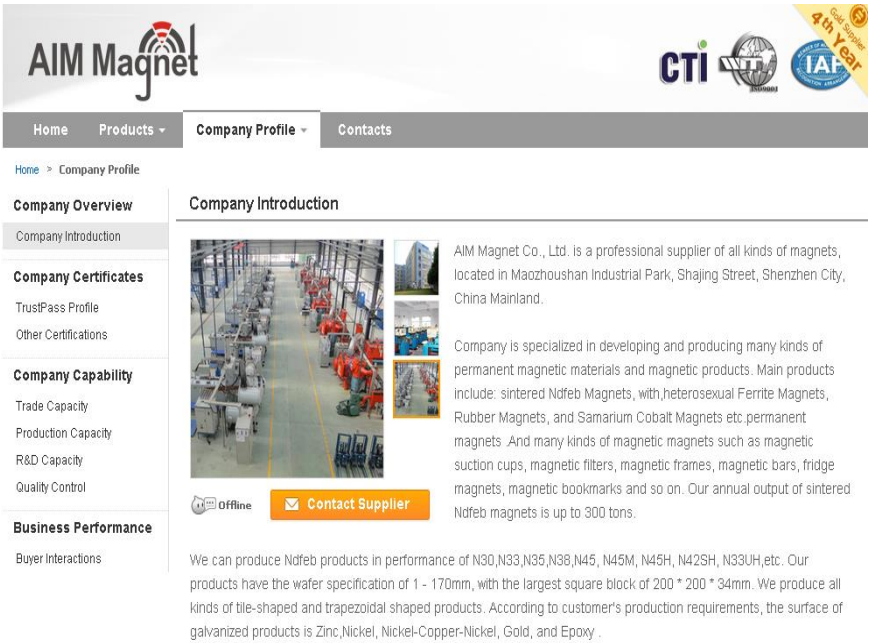


Here are a couple of things to note about this page.

- **Supplier Status**
  In the top right corner, this supplier has been identified as a “4th Year Gold Supplier”. They’ve been on Alibaba for 4 years. That’s good, as it’s less likely that they are some fly-by-night operation.
- **Product Categories**
  This supplier appears to specialize in all types of magnets. They are probably a magnet manufacturer. I prefer to deal with manufacturers instead of trade companies since it makes sense to get the cheapest prices by going directly to the source. Some

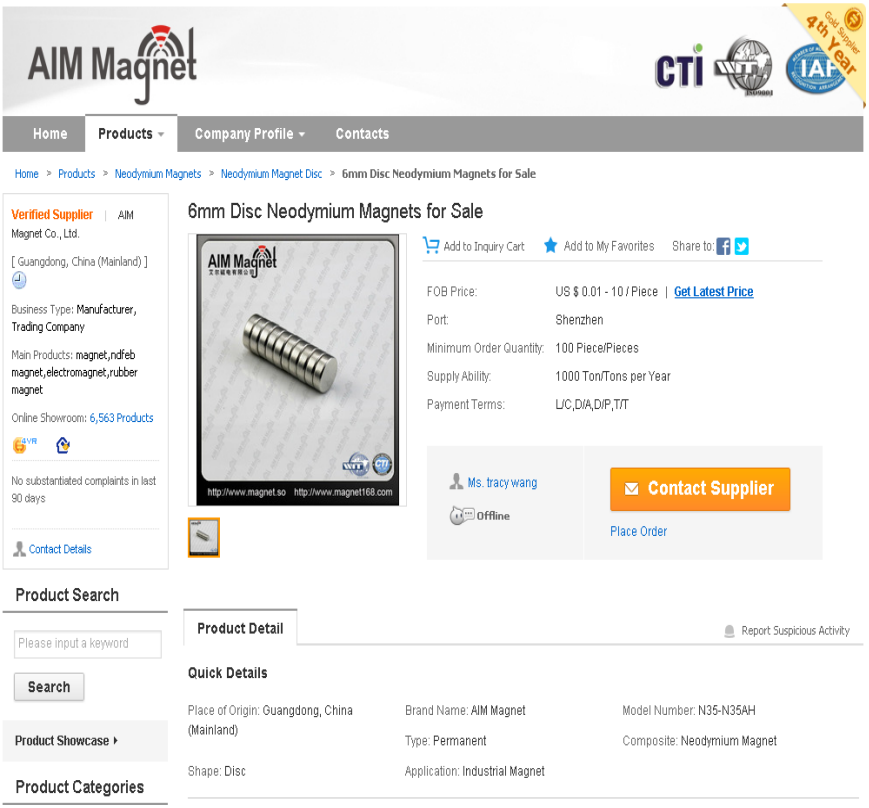
suppliers on Alibaba sell a wide variety of different products. I stay away from them as they are most likely trade companies / resellers and not manufacturers.

Let's click on the "Company Profile" link and learn a little more about this company. Below is what we'll see.



After reading this company's description and viewing their photos, it appears to me that this company is a real business that can deliver.

Now we're done researching this supplier, let's check out their prices to compare how much they are compared to our 3 competitors on eBay. Since this listing we clicked on is for a 0.6mm magnet, let's browse this supplier's products for a magnet in the exact size we're looking for (6mm x 1.5mm). Here's one.



Note that this listing is for a 6mm diameter disc magnet. But, it looks thicker than 1.5mm. That's OK. They can usually make the products in whatever size you want. Looking at the price, it appears that their FOB price ranges from $0.01 to $10 per piece with an MOQ (minimum order quantity) of 100 pieces. That means the minimum cost would range between $1 and $1000. That's a big range and is pretty much useless. So, we'll have to contact them to find out what the "current" price is or what "our" price is. This is where you'll need to negotiate. Before we do so, let's look at some other ways to find suppliers.

List of Online B2B Sourcing Websites

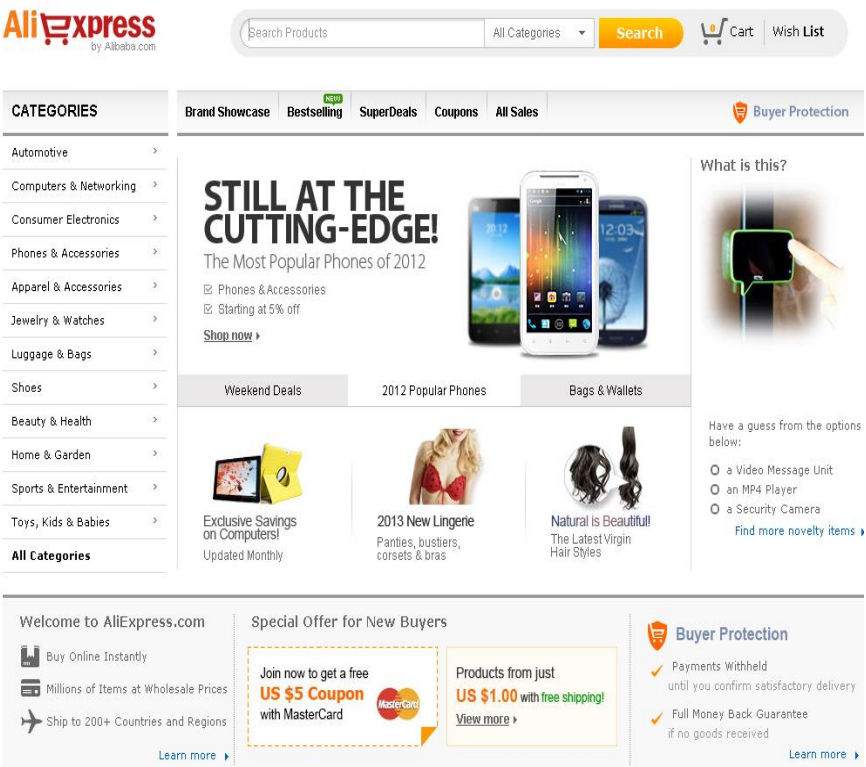
Alibaba is the most popular online B2B (business-to-business) sourcing website. But it's not the only one. Here's a list of some others.

- **Made-in-China.com** (www.made-in-china.com)
- **EC21** (http://www.ec21.com)
- **TradeKey** (http://www.tradekey.com)
- **GlobalSources** (http://www.globalsources.com)
- **DIYTrade** (http://www.diytrade.com)
- **B2B Manufacturers** (http://www.manufacturers.com.tw)
- **EC Plaza** (http://www.ecplaza.net)
- **HKTDC** (http://www.hktdc.com)
- **GlobalMarket** (http://www.globalmarket.com)
- **TradeSparq** (http://www.tradesparq.com)
- **TTnet** (http://www.ttnet.net)
- **Frbiz** (http://www.frbiz.com)
- **DHGate** (http://www.dhgate.com)
- **TradeEasy** (http://www.tradeeasy.com)
- **Toboc** (http://www.toboc.com)
- **Tootoo** (http://www.tootoo.com)
- **BusyTrade** (http://www.busytrade.com)
- **LightInTheBox** (http://www.lightinthebox.com)
- **ChinaVasion** (http://www.chinavasion.com)
- **Commerce** (http://www.commerce.com.tw)
- **Manufacturer** (http://www.manufacturer.com)
- **TradeStead** (http://www.tradestead.com)
- **Toocle** (http://www.toocle.com)
- **AllProducts** (http://www.allproducts.com)

Note that many of these websites look alike. I wouldn't be surprised if many just copied Alibaba. Since Alibaba is the largest with most suppliers, I just stick with that.

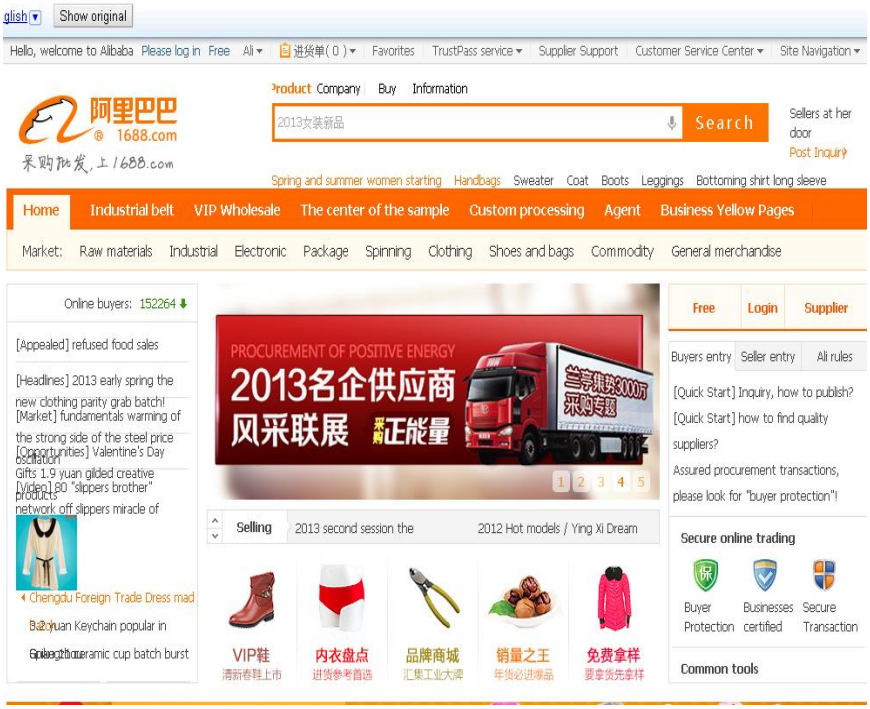
AliExpress

Alibaba has a sister website called AliExpress. It allows small buyers to buy in small quantities at wholesale prices. These prices are probably still a lot more than if you were to order in bulk from a supplier on Alibaba.

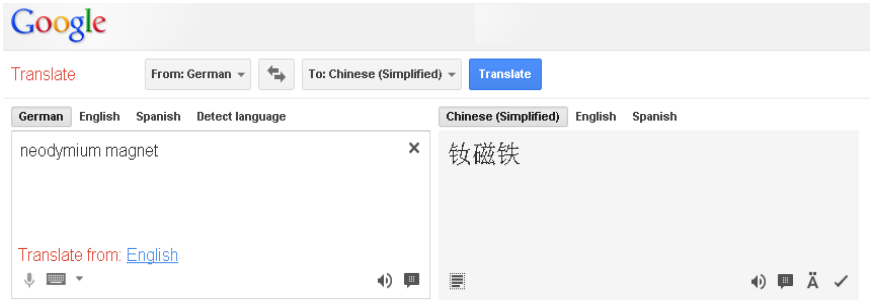


1688.com

Alibaba.com is in English and caters to foreigners importing products. 1688.com is the same thing but in Chinese and caters to domestic China B2B trade. Since Chinese suppliers would probably charge foreign buyers more than Chinese buyers, it would be nice to be able to see what the “Chinese price” is for the same product. We can try to find this out by going to 1688.com and using Google to translate it into English. If Google doesn’t automatically detect the Chinese characters and offer to translate it for you, you’ll need to download the Google Chrome Translate Extension. This will add a Translate button in Chrome so you can manually tell Chrome to translate the page you’re on, as shown below.



Now, if we enter “neodymium magnet” in the search box and hit enter, we’ll get some results that aren’t as accurate as we got on Alibaba. So, let’s use Google Translate to translate “neodymium magnet” into Chinese.



Now, if we copy that Chinese text and paste it into the search box on 1688.com, we’ll get better results. We could then contact those

suppliers on 1688.com and see if we can get a better price, although if we communicate with them in English, they'll probably figure out we're not Chinese. So, we'd probably have to get a Chinese-speaking person to help us out.

STEP 4: FIND PRODUCT SUPPLIERS / MANUFACTURERS (IN PERSON)

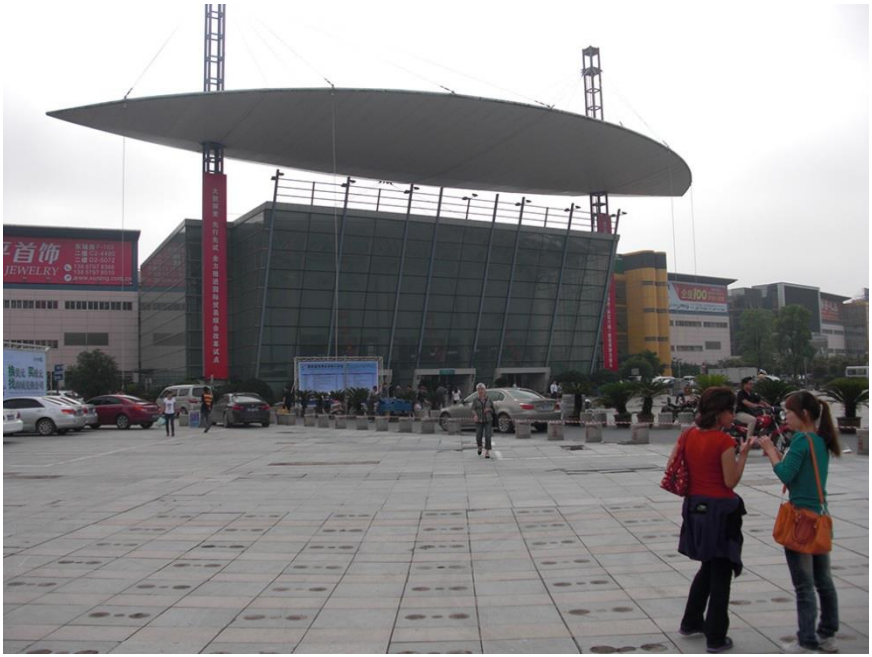
Wholesale Markets

If you are visiting China, the following information will greatly help you in figuring out where to find wholesale marketplaces.

Yiwu

International Trade City

Yiwu is a city in the Zhejiang province just south of Shanghai. Although it is small, it has the world's largest small commodities marketplace called Futian Market / Yiwu International Trade City. I visited Yiwu by flying into Shanghai and then taking a short train ride. I was in Yiwu for 3 days. The marketplace is HUGE! It's a massive 5 district mega-complex covering 4 million square meters consisting of 62,000 booths and 100,000 suppliers selling over 400,000 kinds of products across 40 industries and 2000 different product categories. It was so big, I couldn't even make it to all 5 districts.



The 5 districts each specialize in different commodities, as follows.

District 1

- 1st Floor (flowers and toys)
- 2nd Floor (jewelry
- 3rd Floor (arts, and crafts)
- 4th Floor (manufacturers' outlet center)
- East Subsidiary Building (sourcing center for foreign trade companies)

District 2

- 1st Floor (suitcases & bags, umbrellas and raincoats)
- 2nd Floor (hardware tools, fittings, electrical products, locks and vehicles)

- 3rd Floor (kitchenware, sanitary ware, small home appliances, telecom facilities, electronic instruments, equipment, watches and clocks)
- 4th Floor (manufacturers' outlet center)
- 5th Floor (sourcing center for foreign trade companies)

District 3

- 1st Floor (pens, paper products, eyewear and sunglasses)
- 2nd Floor (office and school supplies, sports and outdoor goods)
- 3rd Floor (cosmetics, mirrors and combs)

District 4

- 1st Floor (socks)
- 2nd Floor (daily use products, gloves and mittens, hats and caps)
- 3rd Floor (neckties, towels, shoes)
- 4th Floor (belts, bras and underwear, scarves and shawls)

District 5

- Health products, bedding, textiles, knitting materials, auto products and assorted accessories

By the end of each day, I could feel the fatigue in my legs from standing and walking so much, which justified my getting a massage every night, besides the low costs. When the sun sets, the neon signs light up the city and sidewalks are busy with people hanging out and having dinner. One thing I didn't expect to see in Yiwu was a large population of Arab and Middle Eastern residents. Apparently, after 9/11, there has been a significant increase in these businessmen who found it difficult to get a visa to travel to America.

Furniture Markets

In Yiwu, there are 3 furniture markets:

- Yiwu Furniture Market
- Zhan Qian Road Furniture Market
- Tongdian Furniture Market

Special Commercial Markets

Following are some specialty markets in Yiwu. The name of the markets clearly describe what they specialize in.

- Xiawang Hotel Equipment & Supplies City
- Yiwu Xiawang Doors Street
- Xingzhong Accessories and Ornaments Street
- Shiqiaotou Interior Decoration Street
- Zhaozhai Light Street
- Lighting and Construction Material Street

Other Yiwu Markets

- HuangYuan Clothing Market
- Food Wholesale Market
- Yiwu Flowers & Plants Market
- Yiwu Knitting Market
- Binwang Market (specializes in clothing and bedding products)

Guangzhou

Guangzhou is a big city in the Guangdong province near the Pearl River Delta. Following are the marketplaces you can find there grouped by product category.

- **Garment / Clothing**
    - Zhan Xi Lu Market (lots of fake products here)
    - Bai Ma Market (better quality, higher prices, most are original Chinese brands)
    - Liu Hua Market
    - Jin Xiang Underwear Wholesale Market
- **Fabric**
    - Highsun Market
    - Zhongda Market
- **Leather**
    - Huadu Shiling International Leather City
    - Yi Sen Leather Market (Handbags and more)
    - Guangzhou Baiyun World Leather Trading Centre (Handbags and more)
- **Toys & Gifts**
    - Yide Toys & Gifts Wholesale Centre
    - Onelink International Toy & Gifts Centre
    - International Toys & Gifts Centre
- **Crafts**
    - Xiguan Antique City
    - Yuansheng Crafts Market
- **Beauty & Cosmetics**
    - Guangzhou Beauty Exchange Centre
- **Electronics**
    - Xicheng Electric Appliances Centre (TV sets, DVD players, audio products, phones, cameras, computers, electric appliance, radio devices, digital products)
    - Guangdong Electric Markets (audio products, phones, camera, computers, electric appliance, radio devices, digital products, electric toys, security monitoring equipment)
    - Haeinsa Electrical Center
- **Glasses and Eyewear**
    - Guangzhou Glasses City
- **Shoes**
    - New Continent Footwear Plaza

    - Guangzhou EuroCommercial Plaza Shoes City
    - Global International Trade Centre
- **Other**
    - Guangzhou Watch Market
    - Guangzhou Songnan Motorcycle Parts Market
    - Guangdong Children's Maternal & Infant Product Plaza

Shenzhen

Shenzhen is a major city in the Pearl River delta in Southern China's Guangdong province located just north of Hong Kong. It is a special economic zone (SEZ) and a very modern city. It is also one of the biggest container ports in China and has the world's fourth busiest port. It is a major manufacturing city in China and is very fast-growing, being described as constructing "one highrise a day and one boulevard every three days". Shenzhen is home to some of China's most successful high-tech companies including Huawei. Taiwan's largest manufacturing company, Hon Hai Group, more commonly known as Foxconn among Americans, has a manufacturing base in Shenzhen. Foxconn is known for making iPhones and other Apple products. It is one of the richest cities in China with a GDP per capita of $14,615 (2010).

Shenzhen Seg Electronic Wholesale Market

One popular marketplace in Shenzhen is the Seg Electronic wholesale market. It's the largest electronics marketplace in China located on Hua Qiang Bei Lu (north Hua Qiang Street).

Other

Following are some other wholesale marketplaces in China.

- China Textile City (located in Keqiao, Shaoxing, Zhejiang province)
- Honghe Sweater Market (located in Jiaxing, Zhejiang province)
- China Technology Hardware City (located in Yongkang, Jinhua, Zhejiang province)

- China Oriental Silk Market (located in Wujiang, Suzhou, Jiangsu province)
- Danyang Glasses Market / The Spectacles City (located near Shanghai)
- Hangzhou Sijiqing Garment Market (located in Hangzhou, Zhejiang province)
- Casa Ceramics and Sanitarywares Mall (located in Foshan, Guangdong province)
- Zhili China Childrens Garment (located in Zhili, Huzhou, Zhejiang province)
- China Leather Town (located in Haining, Jiaxing, Zhejiang province)
- China Furniture Wholesale Market (located in Shunde, Foshan, Guangdong province)

Trade Fairs

- **China Import and Export Fair (Canton Fair)**
  http://www.cantonfair.org.cn
  This is the largest trade fair in China. It's located in Canton (Guangzhou city in Guangdong province) and was started in 1957. It covers 1,125,000 square meters with 22,000 exhibitors, 56,000 booths, and 165,000 visitors. It's a bi-annual fair around the following dates:
  - **Spring session**
    April 15–19 (Phase 1); April 23–27 (Phase 2); May 1–5 (Phase 3)
  - **Autumn session**
    October 15–19 (Phase 1); October 23–27 (Phase 2); October 31- November 4 (Phase 3).
- **Yiwu International Commodities Fair**
  http://en.chinafairs.org/
  This is the 3rd largest export-oriented fair in China. This fair has been held since 1995. It's located in Yiwu and is an annual fair held around Oct. 21 to Oct. 25.

- **East China Fair**
  http://www.ecf.gov.cn

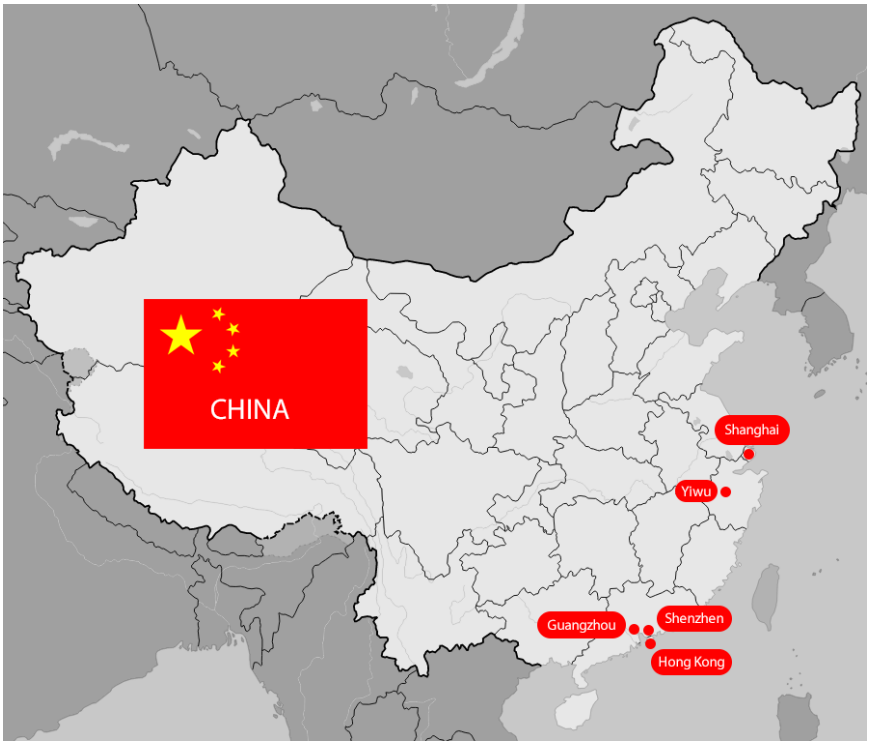
Translation Guides

If you are visiting China to find wholesale products, it may be worth it to hire a translator and a guide. I hired one for $30 a day. Many agents in China provide this service. You can do a Google search for "China import/export agent" or "China buying purchasing agent". Below are some agents that offer this service.

- Ejet Trade
  http://www.ejetgroup.com/our-service/buying-agent.html
- Goodcan Int'l Trading
  http://www.goodcantrading.com/market-guiding.html

One thing I found handy when traveling throughout China was to have a Chinese speaking dictionary app on my phone and iPad. I could easily look up common phrases and show people Chinese words in Chinese symbols to help me get around.

Map of China with Importer Points of Interest


CHINA
Shanghai
Yiwu
Guangzhou
Shenzhen
Hong Kong

STEP 5: CONTACTING SUPPLIERS & GETTING PRICING

Important Inquiry Information

Now that we've found a few suppliers, let's go and contact them to get some price quotes. Since we can easily find individual magnet suppliers on Alibaba, we're just going to contact a few directly. Some important things you need answers to include:

- unit price
- price type (FOB, EX-W, etc)
- payment methods (bank wire transfer, letter of credit, Western Union, etc)
- payment terms (e.g. 30% deposit, 70% upon completion)
- MOQ (minimum order quantity)
- port (e.g. Shanghai, Ningbo, Shenzhen)
- production time
- packaging

Most suppliers will quote you a FOB price with MOQ and which port they would deliver to. The most common payment method is bank transfer and suppliers usually request 30% up front and the rest when

production is complete. From my experience, production time takes about 3-4 weeks.

Chinese New Year Holiday

The Chinese New Year (or Spring Festival) falls some time between January 21 and February 20. This is the largest and longest Chinese holiday and a time when most businesses are closed and literally millions of factory workers pack their bags and take a long distance train or bus ride to their home villages to spend time with their families. If you contact suppliers during this time, you may experience a delayed response or no answer at all. You might want to just wait until the Chinese holiday is over, which lasts for a week although many employees are off for a few weeks.

Example Product Inquiry

When contacting suppliers, I almost always say the same thing. For the Neodymium magnets we have been researching, here's what I would say:

I'm interested in neodymium magnets.

The specifications are:

- Shape: disc
- Diameter: 1/4 inch (6 mm)
- Thickness: 1/16 inch (1.5 mm)
- Strength: N35 and N52

Can you tell me the

- FOB price per piece
- minimum order quantity

for both N35 and N52.

For example

N35 - $XX.XX price FOB Shanghai- MOQ ZZZ pcs
N52 - $XX.XX price FOB Shanghai - MOQ ZZZ pcs

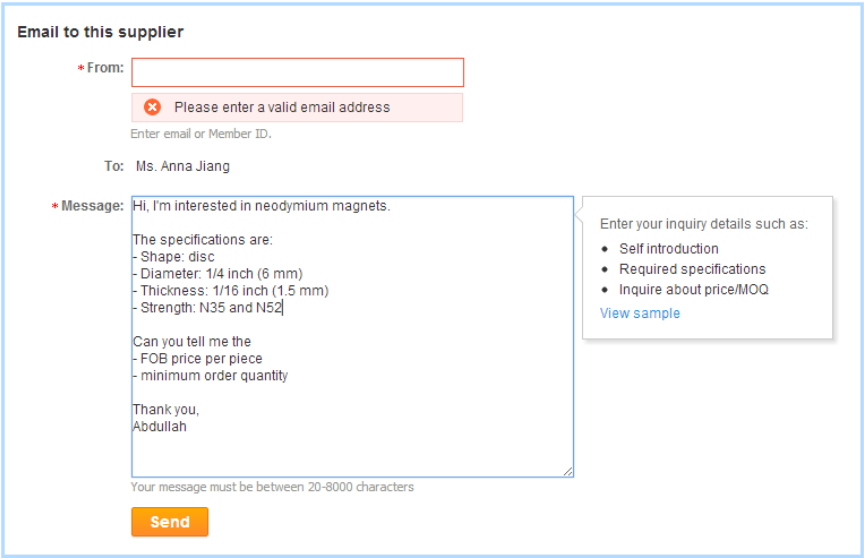
This is my first order for this type of product so I want to start small and then buy more if it works out. I order other products from China and I have repeat business with other suppliers of other products. I can do the same with this product after I test it with one order first.

Thank you

I suggest keeping the message simple and to the point. Most people don't have time or care to read long messages.

Contact Suppliers One by One

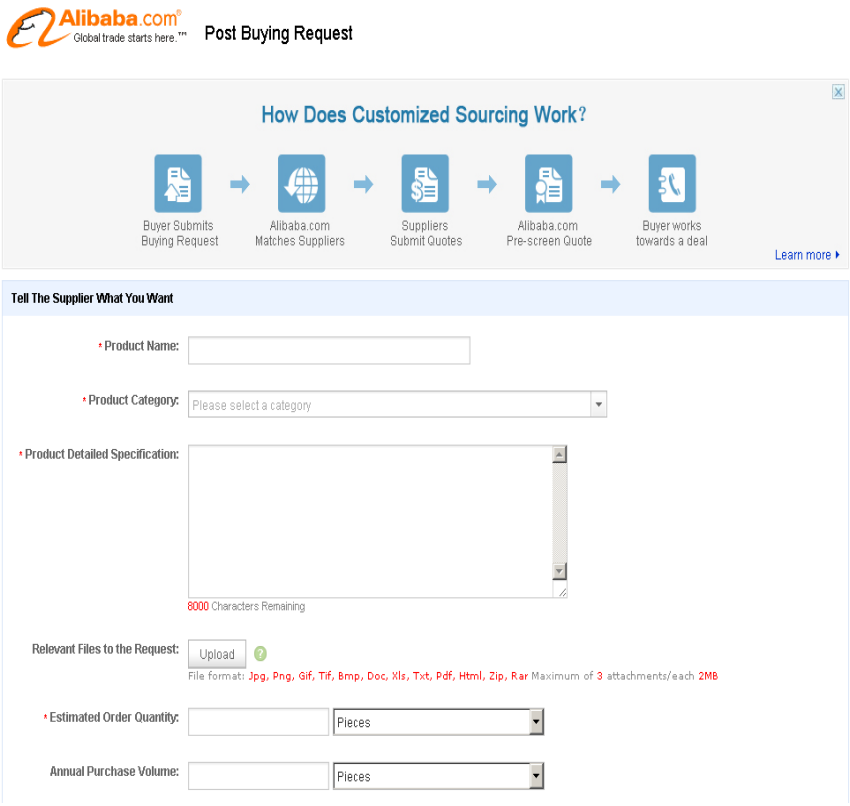
We can simply contact individual suppliers from Alibaba as shown in the screenshot below.



I directly contacted a few suppliers but only got one response so I decided to post a buying request.

Contact Suppliers All At Once

On Alibaba, you can post a buying request. Clicking on the “Post Buying Requests” button, you’ll see the following page.



It’s basically a long form with many fields for you to describe the type of product you are looking for and other optional information such as your budget and payment terms. If you submit a buying request, Alibaba representatives will screen your request and, if approved, send it out to all matching suppliers. Depending on the commonality of the product

you are interested in, you will either get a flood of responses or just a few. I usually just post a buying request and if I don't get any satisfactory results, I search and contact suppliers individually.

Example Responses / Quotes

I posted a buying request and received over 10 responses. Following are some of them.

Response 1

Contact name: Mr.Abdullah **Date: 18/2/2013**

Valid to:25/2/2013

NdFeB Magnet

Grade	Size (mm)	Magnetization Direction	Coating	Quantity pcs	EXW USD/pcs
N35	D6*1.5	in 1.5 direction	Zinc	30000–50000	0.017
N52	D6*1.5	in 1.5 direction	Zinc	30000–50000	0.032

Note: 1. PAYMENT: 100% T/T

2. PACKAGED: VACUUM PACKAGED IN PAPER

3. CARTON SIZE: 33*25*16CM

4. WEIGHT PER PACKAGING UNIT:MAX.15KG

5. DELIVERY TIME:18-25 DAYS

Note that this quote is EXW (Ex-Works) which means the prices are such that you would have to arrange pickup and delivery from the factory and clear customs yourself. In addition, the payment terms is 100% T/T which means this supplier accepts bank wire transfers and wants 100% upfront.

Since these magnets are small, it may be cheaper or worthwhile to just import them via air freight instead of ocean freight. I contacted the supplier and got the following response.

The DHL express freight for 40,000-50,000 pcs magnet to California is USD 316.4.

The DHL express freight for 30,000 pcs magnet to California is USD 173.

Following is another response from a different magnet supplier.

Response 2

Dear Sirs, Please advise us the magnitization direction is on thickness or diameter, what is the plating coat you need, such as Nickel, Zinc, Epoxy... And the real demand quantity you need, as our MOQ for such items is 50000pcs. Best regards, XXXXXX

Basic Product & Price Offer
Sintered NdFeB Magnet
FOB Ningbo Price: USD 0.014/Pieces
MOQ: 1000 Pieces

Note that this quote is the FOB price which includes delivery to the Ningbo port. Also, even though it says the MOQ is 1000 pieces at the bottom, the supplier also says that the MOQ for this type of product is 50,000 pieces.

This supplier also gave me the following quote for air freight to USA.

The Air freight to USA, for 50000pcs of D6X1.5 is about USD200.

Please confirm us whe you need the order, so I will check with the express forwarder as they always change the price.

Below is one more response from a different magnet supplier.

Response 3

Dear sir

Glad to received your enquiry. We are the manufacture of the permanent magnet. Now I quote the price as follows

- Shape: disc
- Coating:Nickel
- Diameter: 1/4 inch (6 mm)
- Thickness: 1/16 inch (1.5 mm)
- Strength: N35 and N52 N35
- $0.02 price FOB Shanghai - MOQ 20000 pcs N52
- $0.03 price FOB Shanghai - MOQ 20000 pcs

Any questions,please contact me!

Best wishes XXXXX

Note that this supplier quoted $0.02 per piece FOB Shanghai for the N35 magnet and $0.03 per piece for the N52 magnet with a MOQ of just 20,000.

When you order products from China via Alibaba, suppliers will know where you are located based on your IP address. Since the US is the largest importer of Chinese goods, suppliers will probably reply to you relatively quickly and take you seriously. The larger the quantity you want to order, the lower the price becomes (economies of scale). When you're starting off, you probably don't want to order too much but you do need to order enough such that you can reach your target profits. When inquiring about a new product, I often tell suppliers that this is a new product line for me and, therefore, I would like to start with a smaller quantity first. I then go on to tell them that I currently import other products from China repeatedly from the same suppliers and that if this first order works out, I'll have no problem ordering more. Chinese suppliers understand this and sometimes are willing to work something

out.

Incoterms

From the responses above, we were quoted an EXW price and an FOB price. These are two of the more common import/export terms, which are called Incoterms (International Commercial Terms). A list of all Incoterms and their meanings can be found on Wikipedia at http://en.wikipedia.org/wiki/Incoterms and a more complete description of Incoterms can be found at www.iccbooksusa.com.

Analysis of All Responses / Quotes

Let's now make a table of all of the quotes and pricing terms from all of the suppliers who responded.

Supplier	N35 ($)	N52 ($)	MOQ	Terms
Ningbo Science Industry Co., Ltd.	0.014		50,000	FOB
Ningbo Bestway M&E Co., Ltd.	0.014	0.027	1000	FOB
U-polemag Industry Limited	0.0159	0.0199	100,000	FOB
Tianjin Yi-Yang Magnetic Materials Co., Ltd.	0.016	0.033	1000	FOB
Ningbo Ketian Magnet Co., Ltd.	0.017	0.032	30,000	FOB
AIM Magnet Co.,Ltd.	0.017	0.023	20,000	EXW
Ningbo Hongrui Magnetics Co., Ltd.	0.02	0.03	20,000	FOB
Sky Magnetech (Ningbo) Co., Ltd.	0.022		1000	FOB
ZheJiang ZhongKe Magnets Co., Ltd	0.0223	0.028	20,000	FOB
Shenzhen Antai Magnet Co., Ltd.	0.0242	0.363	10,000	FOB
Dailymag Magnetic Technology (Ningbo) Limited	0.0295	0.0481	20,000	FOB

Ningbo Vastsky Magnet Co., Ltd.	0.05		5000	FOB
Xiamen Jammymag Electronic S&T Co., Ltd.	0.099		1000	FOB
Ningbo Newland Magnetics Co., Ltd.	0.2		1000	FOB
Ningde Xingyu Technology Co., Ltd.		0.06	1000	FOB

The N35 ($) and N52 ($) columns show the unit price for each type of magnet. The data is sorted by lowest N35 ($) first. We can see that the lowest price (before negotiating) for N35 magnets is $0.014 per magnet for a minimum order of 1,000 magnets. This means our minimum order would cost $0.014 x 1000 = $14.00. The lowest price for N52 magnets is $0.0199 with an MOQ of 100,000. Our minimum order to get this price would be $0.0199 x 100,000 = $1,999.00.

Since these magnets are tiny (smaller diameter than that of a penny), we can probably ship them via air freight instead of ocean freight. Not only is this faster, it can turn out to be cheaper depending on the weight. I asked a few suppliers what the air freight costs to the U.S. would be and received the following quotes.

- **Ningbo Science Industry Co., Ltd.**
  Air freight to USA for 50,000 pcs is about $200.
- **AIM Magnet Co.,Ltd.**
  50,000 pcs = 20 kg
  Air Freight: $7.5 / kg
  DHL: $6.92 / kg
- **Ningbo Ketian Magnet Co., Ltd.**
  The DHL express freight for 40,000-50,000 pcs magnet to California is USD 316.4.
  The DHL express freight for 30,000 pcs magnet to California is USD 173.

Based on these quotes, it is clearly better to ship via air freight than ocean freight, as you will see what ocean freight costs are in a later chapter.

At this point, we should think about whether any of these product costs will even be in our budget. Some products have a unit price and minimum order quantity that would cost a minimum of $10,000 for a single order. Since we're starting off and want to test this product first, we should limit our total order cost to less than $2,000, if possible. In this case, it is clearly possible to order magnets with shipping to the US for less than $1000.

Now that we've gathered product costs and shipping costs and can afford the minimum order amounts required by the suppliers, we need figure out what the packaging and shipping costs to customers would be. That's the subject of the next step.

STEP 6: DETERMINE PACKAGING

Packaging is very important and can make a big difference in how much you profit. There are several things you need to consider when determining how to package a product for shipping.

Sourcing Packaging Materials from China

Once upon a time, I ordered a product from China which the supplier packed 100 pieces of the item in one large box. I totally forgot about how I would pack the products for shipping to customers. I eventually ended up ordering cardboard boxes from a US supplier in Los Angeles. The boxes were of great quality but they each cost about $1.10, which is a lot considering the product itself cost me only $4.00 from China. For my next order, I decided to order the boxes from China and I was able to get them for $0.50 a piece. Although the boxes from China are a bit weaker, they are sufficiently strong to protect this particular product. Ever since then, I always try to order packaging materials like custom-sized cardboard boxes in China along with the products I'm importing.

Lesson Learned: Consider sourcing packaging materials from China along with the products you are importing to lower costs and increase profits.

Packaging for Product Protection

One of the products I first started selling was hand-made wood fish carvings. The products were made with amazing quality and the prices were very low. They were each wrapped in a thin sheet of foam paper and placed in a single-wall corrugated (cardboard) box. When I received them, I noticed that a few were broken but the majority were OK. I then sold them and shipped them to customers using USPS, UPS, and Fedex and found that many of them would be delivered broken.

Ocean freight shipping is rough but shipping via USPS, UPS, and Fedex can be very rough. After trying many different ways to protect the items, I finally ended up having to surround each item in thick, dense styrofoam, and then sandwich them between two sheets of thin plywood and then insert all of that inside a single or double-wall corrugated box. But, not only was that more work, it increased my costs.

Lesson Learned: Make sure your packaging will sufficiently protect your products during shipping while still allow you to make a decent profit.

Packaging for Lowering Ocean Freight / Import Costs

When you import products via ocean freight, you'll be quoted a price by CBM (cubic meter) or by ton. Unless you're importing some pretty

heavy items, you'll probably pay by cubic meter, with a minimum of 1 or 2 CBM. These prices vary by season and from my experience, range between $60 - $80 from Shanghai, China to Oakland, California, USA. Obviously, you'll want the total volume of your shipment to be as low as possible. Unlike the postal service, ocean freight costs are linearly proportional to volume. So, if you import 1.7 CBM of goods at $70 / CBM, you'll pay $70 + 0.7x$70 = $119 instead of $140 (the cost of shipping 2 CBM).

When I starting importing one of my products, the first supplier I used packaged each size and type of the product in a box and then packed several small boxes in one large box. Each of the smaller boxes were of the same size but many boxes were not full. At first, I thought that was nice of them to pack the goods very well. But, I later found a cheaper supplier of the same product and realized that I had overpaid with the first supplier. When I received the same products from the 2nd supplier, I noticed the packaging was much simpler. Instead of several small boxes, there were several red, plastic bags (like grocery store bags). While this seemed cheaply packaged, it was more than sufficient to ship the items safely to me. In addition, it took up much less space (volume) resulting is at least half the ocean freight costs. Plus, it took up less space in my home / garage and I didn't have to cut up and throw away a bunch of boxes. When you're importing items from China, you'll want to know how they are going to pack your goods and you'll want an estimate of the total volume your order will be to estimate ocean freight costs.

Packaging for Lowering Shipping Costs to Customers

When calculating shipping costs, you'll want your items to be as lightweight as possible. Also, if you're selling large products, you'll want to make sure they don't exceed certain size restrictions since oversize packages can cost much more (balloon pricing). Following are some shipping costs taken from USPS (www.usps.com) for shipping from San

Francisco (94103) to New York (10001) in January, 2013.

lb	oz	1st Class	Priority
	1	$1.69	$6.51
	2	$1.69	$6.51
	3	$1.81	$6.51
	4	$1.86	$6.51
	5	$2.04	$6.51
	6	$2.21	$6.51
	7	$2.39	$6.51
	8	$2.55	$6.51
	9	$2.73	$6.51
	10	$2.90	$6.51
	11	$3.08	$6.51
	12	$3.23	$6.51
	13	$3.38	$6.51
	14		$6.51
	15		$6.51
1	0		$6.51
1	1		$9.88
1	8		$9.88
2	0		$13.40
2	8		$16.13

If you're shipping using First Class Mail, everything looks great if your item weighs less than 13 ounces. But, if you're over by just one ounce, you'll have to ship using Priority Mail which costs twice as much. For some of my products, if I package them in a plastic bag, they would weigh 13 oz and only I'd only have to pay $3.38 for shipping. But, they are too fragile to be shipped in a plastic bag so I have had to pack them in cardboard boxes. With cardboard boxes, the weight became 1.7 lb so my shipping cost jumped to $9.88. That's a difference of $6.50 which is quite significant. If you plan on shipping very heavy items, you'll probably want to use USPS Flat Rate boxes, if your products can fit in one of the four sizes available for Flat Rate shipping.

Product Redesign

Most recently, I stumbled upon a product that I considered investment-worthy. My to-be competitors were charging $100 for shipping due to the large size of the item, which had to be shipped using UPS or Fedex. I figured I could redesign the product such that it could be fit in a flat rate USPS shipping box for $16 to anywhere in the US. The difference in price to customers would be a whopping $84.00. Unlike other products, which I buy as is originally designed from manufacturers, this product required some creativity as I had to design it, build a prototype, and test it. Nevertheless, I think the initial efforts will pay off very well when I launch the product. A patent may be necessary, though, to prevent copycats.

Scales

When you're determining shipping costs, you'll need to weigh your packages. Most scales let you change between pounds (lb) and kilograms (kg). Some smaller scales will also display measurements in ounces (oz). I recommend getting a scale that includes ounce measurements with at least 0.1 oz resolution (increments). The scale I use is by WeighMax and it can handle up to 75 lbs and has a resolution of 0.02 oz. This way, I can make sure I'm not overpaying on shipping costs.

Package Planning

Before ordering a large quantity of any one product, make sure you get a sample from the supplier, package it, and determine its shipping weight (and size, if necessary). What I often do is I also buy products from my competitors to see how they have packed the items so I can either copy them or find a cheaper packaging solution.

Packaging Tips

When I choose packaging for a product, I usually use one or a combination of the following:

- cardboard box
- plastic polymailer bags
- plastic polytubing
- bubble wrap

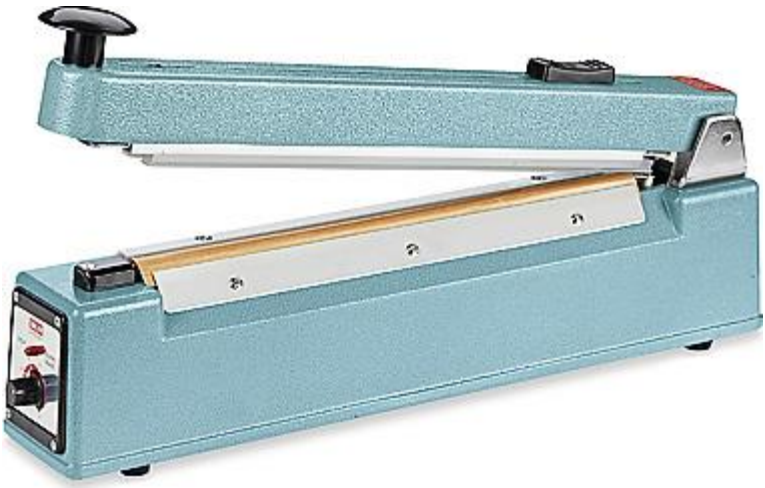
If your products need to be packed in cardboard, then don't try to get away with using something less protective. As mentioned above, I try to order cardboard boxes from China since that can be much cheaper. If you do order cardboard boxes from China, make sure you are very specific and clear in your specifications. The first time I ordered cardboard boxes from China, I didn't think it was going to be a big deal so I just gave my purchasing agent a picture of the box I wanted with dimensions for all three sides. After 1000 boxes had been made, I was shown a picture of the box and noticed that the opening was along the long side instead of the short side. Since these boxes were long, like rectangular cylinders, they were less durable and required more tape to seal the openings. When you order stuff from China, including simple things like boxes, make sure you are very clear about every specification. I will even be overly redundant just to make sure they know how important these details are. If, for some reason, you need to make your own box, I made a website that calculates the size of cardboard you need and where to make cuts. You can use it at

www.howtomakeabox.com.

When it comes to plastic polybags, if the size of the items I will be shipping to customers is fixed, then I will buy plastic polymailer bags that come with the self-adhesive seal that you just pull off. I usually get a few different sizes so that if a customer orders more than one of an item, I can combine the shipping to save on shipping costs. I normally just buy these from sellers on eBay.

If I have products that may come in varying sizes, then I have found it to be cheaper and easier to just buy a roll of heavy duty plastic poly tubing.

This allows me to cut bags to whatever length I want using a polytubing heat sealer with cutter.



In addition to the variable length poly bag, I wrap items in bubble wrap,

which I can get cheaply from Home Depot.

In addition to the above, I also use self-seal poly mailer bags with bubble lining. These are waterproof poly bags that are padded with bubble wrap inside them. This can save time when packing orders and can sometimes be cheaper than wrapping items in bubble wrap and putting them in a poly bag.

When you're printing invoices, having a fast laser printer is handy. However, if you ship a lot of orders, you'll want a thermal printer to print shipping labels. A laser printer requires that you purchase a toner every now and then but a thermal printer doesn't use any ink. The thermal printer I have is the Zebra LP2844.

Order Sample From Competitors

When trying to determine how to package your products, it's good to see how your competitors package the same product. I ordered a magnet from our target competitor and received the following.

As you can see, this seller puts the magnets in a mini envelope which is then placed in a small bubble-wrap-padded rectangular plastic bag (bubble mailer). I'm guessing the mini envelope is to prevent the magnets from moving around too much during shipping. Let's see how much these packaging materials cost so we can use them in our profit / loss calculations later.

As stated above, for these types of packaging supplies, you can probably get a good deal, if not the best deal, on eBay itself. Following are the cheapest deals I found (for shipping to California).

Packaging	Total Price + Shipping	Qty	Unit Price + Shipping
Mini Envelope (3.5” x 2.25”)	$49.99	1000	$0.05
Poly Bubble Mailer (4” x 8”)	$78.68	1000	$0.08

Based on this information, we can determine that our competitor is probably spending at least $0.13 on packaging per customer order. These packaging materials are very small and cheap. But, when you need to ship larger items, the price difference in packaging materials can be big. If we were to sell these magnets, considering how low these costs are, we should probably just use the same packaging.

STEP 7: ESTIMATE POTENTIAL PROFITS

Pricing and Expense Spreadsheet

We now need to determine how much money we can make. This is one of the more fun parts, if you can realistically show that you can make a nice profit. To do this, let's create a spreadsheet and fill in the values that we know.

A	B	C	D
1		Magnet (Competitor)	Magnet (Us)
2	**Sourcing Costs**		
3	Product Cost	$1.40	$1.40
4	Air / Ocean Freight	$0.40	$0.40
5	**Listing Costs**		
6	eBay Listing Fee	$0	$0
7	eBay Final Value Fee (11%)	$0.87	$0.87
8	Paypal Fixed Fee ($0.30)	$0.30	$0.30
9	Paypal Variable Fee (2.9%)	$0.23	$0.23
10	**Packaging Costs**		
11	Mini Enveloper (2.25" x 3.5")	$0.05	$0.05

12	Poly Bubble Mailer (4” x 8”)	$0.08	$0.08
13	**Shipping Costs**		
14	Domestic Shipping (US)	$1.69	$1.69
15	Shipping Label	$0.03	$0.03
16	Packing Slip (1 sheet of paper)	$0.01	$0.01
17	**Total Expenses**	$5.33	$5.33
18	Sale Price	$7.95	$6.95
19	**Profit**	$2.62	$1.62
20	Return on Investment (ROI)	145%	90%
21	If invest $1000, profit =	$1450	$900

Following is an explanation of where I came up with the various values in the table.

C3 – Product Cost - $1.40

We found the cheapest supplier selling one N35 magnet for $0.014. Since the listing we are trying to copy or beat includes these magnets in sets of 100, we multiply 100 by the unit cost to get $1.40.

C4 – Air / Ocean Freight – $0.40

We found the cheapest air freight costs about $200 for 50,000 magnets. That means the unit importation costs is $200 / $50,000 = $0.004. But, we need to know the cost for 100 magnets, so the air freight cost is $0.004 x 100 = $0.40.

C5 – eBay Listing Fee - $0

Since we’re focusing on Fixed Priced listings on eBay that will automatically renew after 30 days using the “Good Till Cancelled” option, we can list once for an unlimited quantity of a single product. eBay will charge us a listing fee once every month. The fee is negligible since we’re only charged once a month as opposed to for each product

so we don't need to include its cost.

C7 – eBay Final Value Fee - $0.87

The eBay final value fee is calculated as a percentage of your sale price including shipping costs, if any, but not including tax, if any. For Fixed Price listings, the final value fee varies between 7% and 13% but most are 11%, depending on category. If you are an eBay Top-Rated Seller, your final value fees will be discounted by 20%. In this example, we set our Sale Price to equal that of our competitor's, namely $7.95. As such, the eBay final value fee becomes $7.95 x 0.11 = $0.87.

C9 – Paypal Variable Fee – $0.23

In addition to a fixed, per-transaction fee of $0.30, Paypal charges 2.9% of each sale amount. Since our Sale Price is $7.95, Paypal gets $7.95 x 0.029 = $0.23.

C14 – Domestic Shipping (US) - $1.69

In the previous chapter, we made a list of shipping costs. I purchased the competitor's product (100 magnets) and weighed it with the packaging. The weight came out to slightly less than 2 ounces so we should round up to just 2 oz. For domestic US shipping, this will cost $1.69 using USPS First Class mail.

C15 – Shipping Label - $0.03

For the shipping label, I am using a thermal shipping label for use with a thermal printer. Each label costs $0.03. Before I started using a thermal printer (which doesn't require ink), I was using my laser printer. The cost of each shipping label (2 per 8.5" x 11" sheet) was also $0.03 but I periodically had to pay for ink.

C16 – Packing Slip / Receipt (1 sheet of paper) - $0.01

When shipping an order to customers, it's good to print their receipt / packing slip. This takes one sheet of paper which costs about $0.01.

C17 – Total Expenses - $5.33

The total expenses is the sum of all of the expenses (C3 – C16) which amounts to $5.33.

C18 – Sale Price - $7.95

Since we want to know how much our competitor is profiting, here we enter the price they are selling their magnets for, which is $7.95.

C19 – Profit - $2.62

To calculate the profit, we subtract our total expenses ($5.33) from the sale price ($7.95), which equals $2.62. This is a low unit profit, but keep reading to find out how much this seller makes per month.

C20 – Return on Investment (ROI) – 145%

To calculate ROI, we divide the product cost (C3) + air freight (C4) by the profit (C19), i.e. $2.62 / ($1.40 + $0.40) = 1.45. We then multiply this by 100% to get a percentage = 145%. The ROI in this case is 145%. Note that I didn't include the other costs because they are either negligible or are considered the cost of doing business.

C21 – If invest $1000, profit = $1450

On this line, I like to see how much I could profit from a $1000 investment. Note here that $1000 is the cost of the product and importation costs, not the total expenses.

Profit Analysis

In the table above, there is a column for the competitor and a column for us. In the competitor column, we can see how much the competitor's expenses are and how much they profit. Assuming they are sourcing their magnets and supplies at the same cost as what we'd pay for them, then our competitor is profiting $2.62 on each sale at 145% ROI. Note, however, that our competitor is a Top-Rated Seller

which gives them a 20% discount on eBay final value fees. So their profit and ROI is slightly higher. To be conservative, I usually ignore this discount.

If you recall from step 1, our competitor generated $1947.75 in revenue of magnets sold in the previous month from a single listing. Since their unit selling price is $7.95, we know that they had $1947.75 / $7.95 = 245 orders. Since their profit per order is $2.62, their total profit for the month was 245 x $2.62 = $641.90. Keep in mind that this is the pure profit (before government taxes) per month from just one listing. The seller has multiple listings in a few different categories which increases their total overall monthly profit.

$2.62 is a low unit profit but at 245 orders per month, this seller makes $641.90 per month from it. $641.90 is also not a large amount but, if the seller had just 10 listings like this, they'd be making 10 x $641.90 = $6410.00 per month. That's more than the national average American salary! … although it doesn't include benefits (health insurance, etc).

Our Analysis

If we wanted to beat the competition on price, we could lower our sale price. For example, if we sell our magnets for $6.95 ($1.00 cheaper than the competition), then our profit would be $1.62 per sale and our ROI would be 90%. In a later step, we will discuss techniques for improving our search ranking and one technique is to sell at cost (no profit, no loss) until we achieve our ranking goal. If we wanted to sell at cost, we would sell our magnets for $5.33, which is equal to the total expenses and $2.62 cheaper than the competition.

STEP 8: IMPORT PRODUCTS

Most of the products you import from China will be via ocean freight since that's much cheaper than air freight or ground freight.

Freight Forwarder

A freight forwarder is an independent company that acts as an agent for the importer/exporter in moving cargo from its country of origin to its foreign destination. Freight forwarders are licensed by the International Air Transport Association (www.iata.org) to handle air freight and the Federal Maritime Commission (ww.fmc.gov) to handle ocean freight. A freight forwarder will arrange transportation of your cargo from one location to another, e.g. from the Port of Shanghai to the Port of Oakland. They can also arrange transportation from a factory in China to your sea port. Following are the different types of arrangements.

DOOR-TO-DOOR: e.g. from a factory in China to your home / warehouse in the U.S.

DOOR-TO-PORT: e.g. from a factory in China to your sea port in the U.S.

PORT-TO-PORT: e.g. from a sea port in China to your sea port in the U.S.

PORT-TO-DOOR: e.g. from a sea port in China to your home / warehouse in the U.S.

If the freight forwarder transports your cargo from a factory in China, e.g. in the case when the manufacturer quotes you an EXW (Ex-Works) price, then you will be quoted a charge to transport your cargo by truck from the factory to the origin sea port.

If the freight forwarder transports your cargo from the destination sea port to your home / warehouse, then they will quote you a charge to deliver your items to you as opposed to you picking up your cargo at a warehouse near the port.

Customs Broker

In addition to transporting your cargo, you will need to clear customs at both the origin and destination countries. Clearing customs in China is usually taken care of by the manufacturer or by a purchasing agent, if you have one, at an additional cost. Clearing customs in the U.S. can be done on your own or using a customs broker. I have tried to learn how to clear customs on my own in the U.S. but the process is a hassle and definitely not average-person-friendly. I guess if the process were made simple, customs brokers would go out of business. Many freight forwarders are also customs brokers so they can handle everything for you.

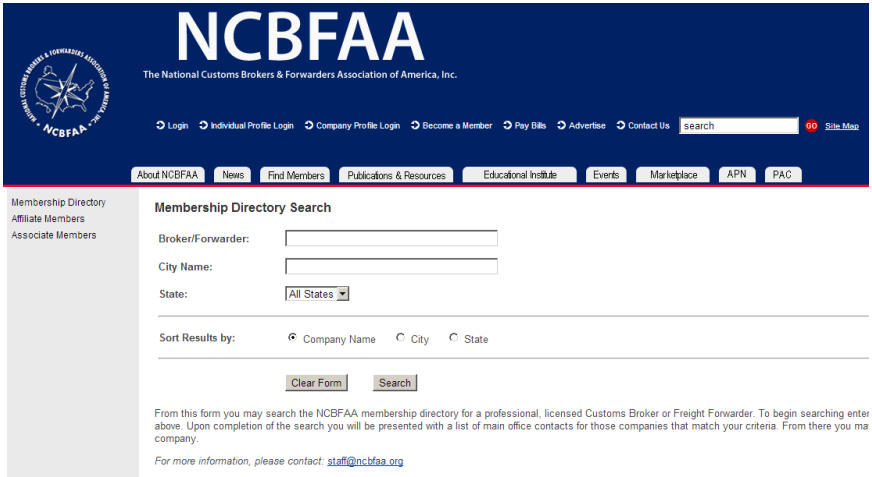
My experience and preference

Although it’s possible to find freight forwarders in China who will handle transporting my cargo to the U.S., I would have to hire a separate customs broker to clear customs for me in the US. I personally prefer to hire a freight forwarder and customs broker near my home so that if anything goes wrong, I can literally just drive to their office to resolve any issues in person or even sue them. If I were to hire a freight forwarder in China, they could take my money and it would be hard to go after them. Since most of my suppliers quote me an FOB price, they

are responsible for delivering my goods to the port in China where my freight forwarder would then receive and forward the goods to the port of Oakland (via the port of Long Beach). I would also pay my freight forwarder to clear customs for me but I would normally pick up the goods at the warehouse myself to save money on destination delivery costs. In other words, I normally just need PORT TO PORT service plus destination customs clearance.

Finding a Freight Forwarder / Customs Broker

To find a freight forwarder and customs broker, go to the website of the National Customs Brokers and Forwarders Association (www.ncbfaa.org). Click on “Find Members” and fill out the “Search Members “ form.



This directory contains a list of licensed customs brokers and freight forwarders.

Contacting a Freight Forwarder / Customs Broker

Once you've found a freight forwarder / customs broker, you can call or email them to request a quote for importing your goods. I normally email them with a message similar to the following:

Hi,

I'm interested in importing some magnets from China. I will need port-to-port transportation via ocean freight from the port of Shanghai to the port of Oakland. I will also need customs clearance. Once the cargo has cleared customs, I can go and pick it up from the warehouse myself. The details of the cargo follows:

Product: magnets
Material Composition: NdFeB with Zinc coating
Picture:

Volume: 1.3 cbm (cubic meters)
Weight: 0.1 tons

Please give me a quote for both ocean freight and customs clearance including a complete breakdown of costs.

Thank you

Notice here that I specified the composition of the item. This is usually required to determine the classification of the product and consequently its duty / tax rate and whether it is importable. In addition, I specified the volume and weight. Ocean freight rates are charged by volume or weight, whichever is more expensive. Normally, since you probably won't be importing really heavy items, you'll be paying by volume.

Example Freight / Customs Quote

Following is a sample response from a freight forwarder.

Thank you for your enquiry. Please see below the breakdown of costs. Ocean Freight: $55 - $70 per cbm / $65 per ton Customs Clearance & Handling: $225 Messenger Fee: $25 AMS Filing: $25 Customs bond: $5 per thousand of invoice value, minimum $80 Customs Duty / Harbor Maint. Due / Processing Fee: on actual Examination Fee: on actual

Following is an explanation of some of the costs.

- **Ocean Freight:**
  "cbm" means "cubic meter". Unless you're importing heavy items, which you probably will not be doing since it'll cost more to ship those items to your customers, you'll be charged by volume. The rate is seasonal and can vary with oil prices. The rates I've been quoted varied between $55 and $80. There is also a rate by ton. This only applies if it will be more expensive to ship your items by weight. Ocean freight costs are not rounded up. So, if the volume of your cargo is 2.7 cbm and your quoted rate is $65 / cbm, then your total ocean freight charges will be 2.7 x $65 = $175.50.
- **AMS Filing:**
  AMS stands for Automated Manifest System and is used to file the importer security filing. CBP (U.S. Customs and Border Protection) "Importer Security Filing and Additional Carrier Requirements"

(commonly known as “10+2”) applies to import cargoes arriving to the United States via ocean vessel. The Importer Security Filing program requires the submission of 10 data elements from the importer and 2 data elements from the carrier to CBP at least 24 hours before the goods are laden on board the vessel. The ISF importer must provide a complete, accurate and timely filing or risk liquidated damages in the maximum amount of US5,000.

- **Customs Bond:**
  A customs bond is a contract required by Customs between a principal and a surety to ensure the performance of legal obligations incurred upon importing merchandise. Customs is the beneficiary. If you use a Customs broker, they can use their “surety bond” as a guarantee to cover any potential duties, taxes, penalties, etc.
- **Customs Duty / Harbor Maint. Due / Processing Fee:**
  Most products imported will be taxed a customs duty. These charges are by US Customs and “on actual” simply means you will pay whatever the actual cost is as specified by US Customs.
- **Examination Fee:**
  In some cases, US Customs may want to examine your cargo. If they do, you’ll need to pay for this.

Legal Compliance

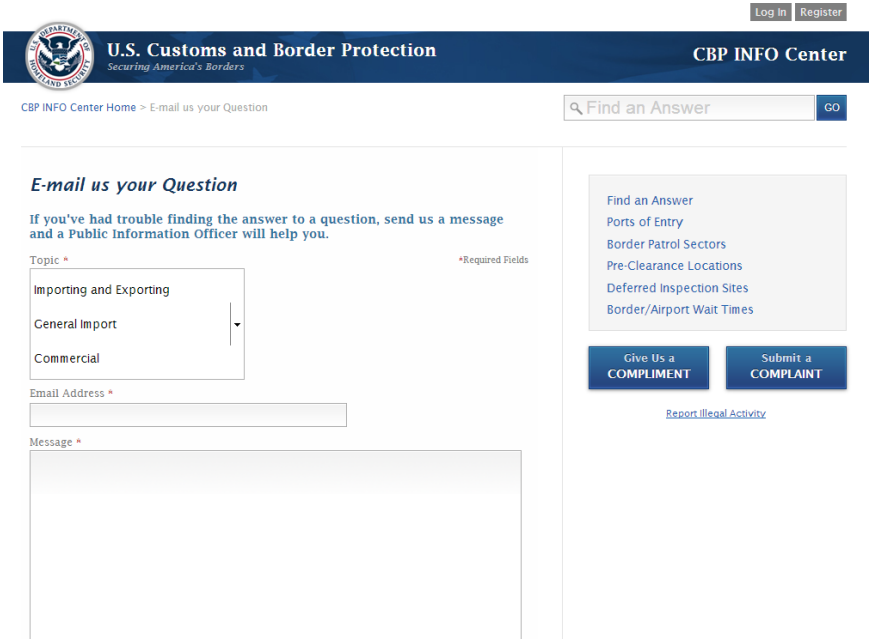
Some products are not allowed to be imported into the US or must meet certain requirements. For example, you are not allowed to import any corn. Also, you may not be allowed to import raw wood. To determine whether you can import a particular item or not, you can ask your freight forwarder or contact the appropriate US department. For example, the Department of Agriculture can tell you whether you can import corn or raw wood or certain types of wood like wood that has been sanded and painted. Following are some US departments that handle different types of products.

- U.S. Consumer Product Safety Commission
- Department of Transportation
- Department of Commerce
- Environmental Protection Agency

- Department of Agriculture
- U.S. Food and Drug Administration
- Department of Homeland Security
- Federal Communications Commission
- Department of Energy

You can also contact CBP if you have any doubts or questions about importing certain products. These people are called “commodity specialists”. They have an online form where you can select Importing and Exporting > General Import > Commercial in the topic drop-down menu and type in a message with your question.

https://help.cbp.gov/app/ask



Import Quotas

Some types of products have a limit as to how much of it can be imported into the US. There are two types of quotas:

- **Absolute Quotas**
  A specific amount of a particular product that may enter the US during a quota period. Some are global (from any country) or specific to certain countries.
- **Tariff Rate Quotas**
  Tariff rate quotas allow for a specified quantity of goods to be entered into the country at a reduced rate of duty during a given period. After that period, the duty is higher.

Additional information on quotas can be found at www.customs.gov/xp/cgov/import/textiles_and_quotas/quota_restrict.xml

Textiles is the one category of product that if the quota period is closed, they won't be able to enter the US and either must be returned to the seller or warehoused, at a great expense.

Customs Duty / Tax

As stated above, you will most likely need to pay customs duty / tax for the products you are importing. Customs duties are either

- **Ad valorem:** a percentage rate is applied to the dutiable value of the imported goods, which is usually the price paid for the goods as shown on the invoice
- **Specific:** a rate of duty that's per pound, gallon, etc
- **Compound:** ad valorem and specific

Don't mix / commingle goods of different types as commingled articles will be subject to the highest rate of duty applicable to any part of the shipment.

Products (or articles) are grouped into classes and the customs duty rate can be determined by consulting the Harmonized Tariff Schedule for the United States (HTSUS) which is available online at http://www.usitc.gov/tata/hts/bychapter/index.htm.

Country-of-Origin Markings

US Customs requires that each imported item produced abroad be marked with the English name of the country of origin. The marking should be legible and located in a conspicuous place so as to indicate to the purchaser the country in which the article was purchased. That is why you often see boxes that say “Made in China” on them. If the article is not properly marked at the time the goods are imported, a marking duty equal to 10% of the customs value will be assessed unless the article is exported, destroyed, or properly marked under supervision by US Customs.

Bill of Lading, Airway Bill

The bill of lading / airway bill is required evidence of ownership of the goods in order to enter them into the US. You can provide evidence of right of entry to enter imported goods or hire a customs broker to do it. If you hire a customs broker, they must have a “power of attorney” in order to act on your behalf to clear customs for you. See Customs Form 5291 – Customs Power of Attorney.

Department of the Treasury
U.S. Customs Service
141.32.CR.

Customs Power of Attorney

ID# _____

Check appropriate box:
☐ Individual
☐ Partnership
☐ Corporation
☐ Sole Proprietorship

KNOW ALL MEN BY THESE PRESENTS: That, _____

(Full Name of person, partnership, or corporation, or sole proprietorship (Identify)

_____

a corporation doing business under the laws of the State of _____ or a _____

doing business as _____ residing at _____

having an office and place of business at _____, hereby constitutes and appoints each of the following persons

_____

(Give full name of each agent designated)

_____

as a true and lawful agent and attorney of the grantor named above for and in the name, place, And stead of said grantor from this date and in all Customs Districts, and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal, declaration, certificate, bill of lading, carnet or other document required by law or regulation in connection with the importation, transportation, or exportation of any merchandise shipped or consigned by or to said grantor; to perform any act or condition which may be required by law or regulation in connection with such merchandise; to receive any merchandise deliverable to said grantor;
To make endorsements on bills of lading conferring authority to transfer title, make entry or collect drawback, and to make, sign, declare, or swear to any statement, supplemental statement, schedule, supplemental schedule, certificate of delivery, certificate of manufacture, certificate of manufacture and delivery, abstract of manufacturing records, declaration of proprietor on drawback entry, declaration of exporter on drawback entry, or any other affidavit or document which may be required by law or regulation for drawback purposes, regardless of whether such bill of lading, sworn statement, schedule, certificate, abstract, declaration, or other affidavit or document is intended for filing in any customs district;
To sign, seal, and deliver for and as the act of said grantor any bond required by law or regulation in connection with the entry or withdrawal of imported merchandise or merchandise exported with or without benefit of drawback, or in connection with the entry, clearance, lading, unlading or navigation of any vessel or other means of conveyance owned or operated by said grantor, and any and all bonds which may be voluntarily given and accepted under applicable Laws and regulations, consignee's and owner's declarations provided for in section 485, Tariff Act of 1930, as amended or affidavits in connection with the entry of merchandise.
To sign and swear to any document and to perform any act that may be necessary or required by law or regulation in connection with the entering, clearing, lading, unlading, or operation of any vessel or other means of conveyance owned or operated by said grantor;
To authorize other Customs Brokers to act as grantor's agent; to receive, endorse and collect checks issued for Customs duty refunds in grantor's name drawn on the Treasurer of the United States; if the grantor is a nonresident of the United States, to accept service of process on behalf of the grantor;
And generally to transact at the customshouses in any district, any and all customs business, including making, signing, and filing of protests under section 514 of the Tariff Act of 1930, in which said grantor is or may be concerned or interested and which may properly be transacted or performed by an agent and attorney, giving to said agent and attorney full power and authority to do anything whatever requisite and necessary to be done in the premises as fully as said grantor could do if present and acting, hereby ratifying and confirming all that the said agent and attorney shall lawfully do by virtue of these presents: the foregoing power of attorney to remain in full force and effect until the ____ day of _____, 2_____, or until notice of revocation in writing is duly given to and received by a District Director of Customs. If the donor of this power of attorney is a partnership, the said power shall in no case have any force or effect after the expiration of 2 years from the date of its execution.

IN WITNESS WHEREOF, the said _____

Has caused these presents to be sealed and signed: (Signature) _____

(Capacity) _____ (Date) _____

WITNESS: _____

(Corporate seal)

Customs Form 5291 (10-07-80)

Clearing Customs

To make or file a customs entry, the following documents are generally required:

- **Bill of Lading**
  A bill of lading, airway bill, or carrier's certificate as evidence of the consignee's right to make entry. (Your supplier or purchasing agent in China would send this to you.)
- **Commercial / Pro-Forma Invoice**
  A commercial or pro-forma invoice obtained from the seller, showing the value and description of the merchandise. (You would get this from your supplier when you place an order.)
- **Entry manifest or Entry/Immediate Delivery Form**
  Entry manifest (Customs Form 7533) or entry/immediate delivery (Customs Form 3461). (Your freight forwarder will provide this to you.)

- **Packing Lists, etc**
  Packing lists, if appropriate, and other documents necessary to determine whether the merchandise may be admitted. (Your supplier or purchasing agent in China will send this to you.)

Types of Entry

There are different ways you can enter products into the U.S. as follows:

- **Immediate Delivery**
  For shipments you want to be released immediately after arrival.
- **Warehouse Entry**
  For shipments that you want to be stored in a bonded warehouse under the control of US Customs. This allows you to delay the payment of duties and entry of goods since, technically, the goods are not considered to have "entered" the United States yet. Goods can be stored in a bonded warehouse for up to five years.
- **Foreign Trade Zones (FTZ)**
  This is similar to a bonded warehouse entry except in a foreign trade zone, you can modify the goods, which is not permitted in a bonded warehouse.
- **Mail entry** (Fedex, DHL, UPS, etc.)
  You're allowed to import via the postal system shipments not exceeding $2000 except for certain products, which are limited to $250, as follows:
    - Billfolds and other flat goods
    - Feathers and feather products
    - Flowers and foliage, artificial or preserved
    - Footwear
    - Fur, article of
    - Gloves
    - Handbags
    - Headwear and hat braids
    - Leather, articles of
    - Luggage

- Millinery ornaments
- Pillows and cushions
- Plastics, miscellaneous articles of
- Rawhide and skins
- Rubber, miscellaneous articles of
- Textile fibers and products
- Toys, games, and sports equipment
- Trimmings

If we were to import the magnets from China, we could do so via the postal system since the minimum order we calculated was around $700 and magnets are not one of the products that may be imported at a maximum value of $250.

You / your customs broker will most likely enter your cargo using immediate delivery which requires filing Customs Form 3461 prior to the arrival of the merchandise.

DEPARTMENT OF HOMELAND SECURITY U.S.
Customs and Border Protection

OMB No. 1651-0024
Exp. 04-30-2013

ENTRY/IMMEDIATE DELIVERY
19 CFR 142.3, 142.16, 142.22, 142.24

1. ARRIVAL DATE	2. ELECTED ENTRY DATE	3. ENTRY TYPE CODE/NAME	4. ENTRY NUMBER
5. PORT	6. SINGLE TRANS. BOND	7. BROKER/IMPORTER FILE NUMBER	
	8. CONSIGNEE NUMBER		9. IMPORTER NUMBER
10. ULTIMATE CONSIGNEE NAME		11. IMPORTER OF RECORD NAME	
12. CARRIER CODE	13. VOYAGE/FLIGHT/TRIP	14. LOCATION OF GOODS-CODE(S)/NAME(S)	
15. VESSEL CODE/NAME			
16. U.S. PORT OF UNLADING	17. MANIFEST NUMBER	18. G.O. NUMBER	19. TOTAL VALUE
20. DESCRIPTION OF MERCHANDISE			

21. IT/BL/AWB CODE	22. IT/BL/AWB NO.	23. MANIFEST QUANTITY	24. H.S. NUMBER	25. COUNTRY OF ORIGIN	26. MANUFACTURER NO.

27. CERTIFICATION

I hereby make application for entry/immediate delivery. I certify that the above information is accurate, the bond is sufficient, valid, and current, and that all requirements of 19 CFR Part 142 have been met.

SIGNATURE OF APPLICANT

PHONE NO. | DATE

29. BROKER OR OTHER GOVT. AGENCY USE

28. CBP USE ONLY

☐ OTHER AGENCY ACTION REQUIRED, NAMELY:

☐ CBP EXAMINATION REQUIRED.

☐ ENTRY REJECTED, BECAUSE:

DELIVERY AUTHORIZED: | SIGNATURE | DATE

Paperwork Reduction Act Statement: An agency may not conduct or sponsor an information collection and a person is not required to respond to this information unless it displays a current valid OMB control number and an expiration date. The control number for this collection is 1651-0024. The estimated average time to complete this application is 15 minutes. If you have any comments regarding the burden estimate you can write to U.S. Customs and Border Protection, Office of Regulations and Rulings, 799 9th Street, NW., Washington DC 20229.

CBP Form 3461 (10/09)

If you pick up your goods instead of paying your freight forwarder to deliver it to you, your freight forwarder will give you the Entry / Immediate Delivery Form (Customs Form 3461). They will then provide you with the contact information of the warehouse where your goods will be delivered to from the port. You would need to contact the warehouse to check when your goods are ready for pickup and to find out how much the release fees are. The release

fees are typically some administration and forklift fees. Some warehouses also require a cashier's check for payment and don't accept cash, personal/business checks or credit cards. When talking to a warehouse representative, they will often ask what the bill of lading (B/L) # is for your shipment. There is the House B/L and the Master B/L. The only difference between the two is who is the shipper and receiver (consignee). These numbers are often listed after the acronym HBL and MBL. You will see them on the Entry / Immediate Delivery form.

Imported merchandise not entered through Customs within 5 days after its arrival (excluding Sundays, holidays, or any authorized extension) is sent by Customs to public storage to be held as unclaimed. The importer is responsible for any storage charges. If the goods are unclaimed for 1 year, they are sold at auction. Go to www.treas.gov/auctions/treasury/gp for more information on these auctions.

The Import Process – Step-by-Step

Following is a simplified step-by-step process of what you may only care about when you import items via ocean freight.

1. You will find a freight forwarder / customs broker and get a quote
2. You will provide a power-of-attorney to the freight forwarder / customs broker to act on your behalf
3. You will provide the freight forwarder / customs broker with your supplier's contact information
4. The freight forwarder arranges pickup of the goods from the supplier in China
5. The freight forwarder tells you when your goods will depart China and arrive in the US.
6. You will get a commercial invoice and a packing list from the supplier which you must provide to the freight forwarder / customs broker before the goods arrive in the U.S.
7. Your goods will arrive in the U.S.
8. The customs broker clears customs.

9. The customs broker either delivers the goods to you or provides you with an Entry / Immediate Delivery document (Customs Form 3461).
10. If you will pick up the goods yourself, then your customs broker will tell you where the goods are located and who to contact to determine whether they are ready for pickup. You will also have to pay a fee to the warehouse before picking up the goods, e.g. a forklift fee and paperwork fee, and give them the Entry / Immediate Delivery document.
11. Your freight forwarder / customs broker will invoice you.

STEP 9: SET UP YOUR PRODUCT LISTINGS

Listing Title

Your listing's title is one of the most important things you need to think about when setting up your product listings. When people search for a product, the first thing eBay looks at is your listing title and if keywords in the search criteria match keywords in your listing title, your listing will appear in search results. However, the better your keywords match a user's search phrase, the better your chances are of your listing appearing higher in search results. Don't underestimate the importance of keywords in your listing's title. Once someone buys at least one of your products, that listing's title cannot change. Following are some tips for writing an effective title.

80 characters

Each product listing's title can contain up to 80 characters. Try to use all of the space available to describe your product. Even if you feel that a title is sufficiently clear, add more keywords such as synonyms until you have no more space left, e.g. purse, handbag. Don't waste space using words that don't describe your item like wow or l@@k and don't use special characters like punctuation marks or asterisks.

Category Name

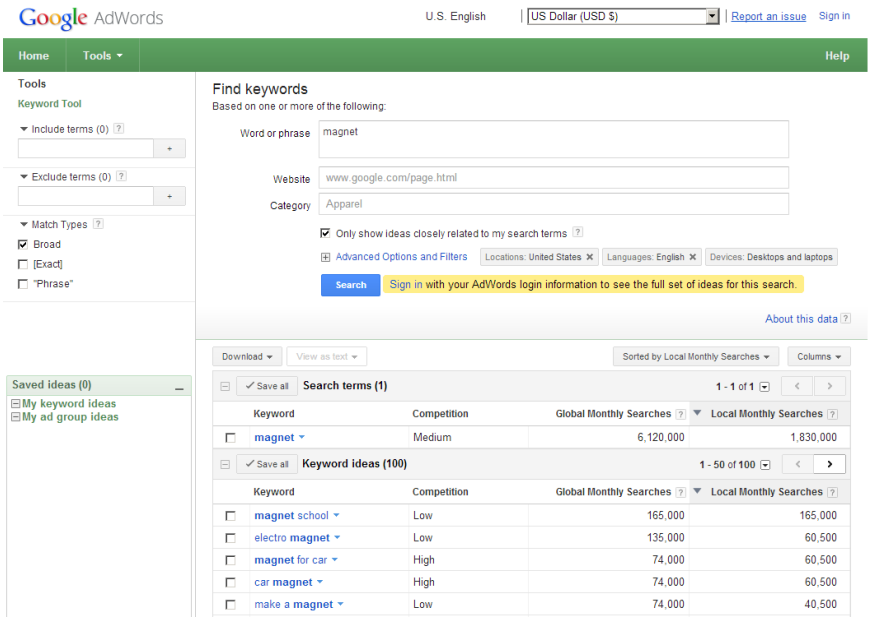
State exactly what your item is, even if your title repeats the category name.

Case

Use sentence or title case with correct spelling. Don't use all capital letters or special characters like punctuation marks or asterisks.

Keywords

When picking keywords for your listing, use keywords that clearly describe your product and, if applicable, the category of your product. See what keywords your competitors use. For the case of the neodymium magnets we discussed earlier in step 1, consider using the same title or words used in the primary competitor's listing. One tool that I often use to find popular keywords that people search for is Google's Keyword Tool (https://adwords.google.com/o/KeywordTool). For example, if we wanted to know what keyword phrases that contain the word "magnet" are popular searches, we would enter "magnet" in the "Word or Phrase" field and check the checkbox next to "Only show ideas closely related to my search terms". I normally then sort by "Local Monthly Searches" in descending order. Below is a screenshot of the results.



The keyword “magnet” is searched 1.83 million times per month (in the US) in Google. The keywords “electro magnet”, “magnet for car”, and “car magnet” are searched for approximately 60,500 times per month (in the US). If you scroll down more (not shown in the screenshot), you’ll find that “neodymium magnet” is searched for 12,100 times per month in the US.

If your product can be described using units of measure that differ based on where a user is located, e.g. US size and metric size, consider including both units of measure in the title. This could increase your chances of people finding your listing when they search using either system of measure.

Listing Photos

It amazes me at how ugly many product photos look. Some of the biggest problems I see with product photos on eBay are

1. Photos are too small
2. Photos are on an ugly background
3. Photos are blurry or are too dark

Product photos are the first things people see when browsing search results. Clearly, the better the photos look, the greater the chance are people will click on them. From my experience, taking photos with a SLR / DSLR camera produces better results but that's not necessary. Taking pictures with a regular point-n-click camera or your smartphone in good lighting can product sufficiently good quality photos. Following are some tips for taking and editing your product photos.

Resolution

Take high resolution pictures with a minimum of 1600px in width. 1600px is the new ideal picture size set by eBay. This allows users to zoom in on your product photos.

Backgrounds

Remove the background from your photos. If you don't know how to do this, you can easily find people in India via Elance (www.elance.com) to do this for your within 48 hours for around $1 per photo.

Levels

If you're not a graphic designer, you probably don't know what this means. Basically, adjusting the levels of your photos allows you to improve the lighting so that pictures taken in poor lighting can be improved. Again, if you don't know how to do this yourself, e.g. in Photoshop, just hire someone in India or somewhere via Elance to do it very cheaply.

Angles

When taking pictures, take them at different angles and, if useful, be

creative by doing things like holding the product in your hand or putting it next to a common object to show relative size.

Detail

If you're selling a used product, take photos that show any scratches or flaws the item has.

Listing Descriptions

Many sellers just type text in their product listings. Since they don't know HTML, CSS, and how to include images in their listings, they just use different colored text of different, often humongous, sizes. The result: a very ugly product description.

Templates

I'll say it again. Hire someone in India or somewhere via Elance to create fancy HTML page listings for you. You can browse eBay for listings that you like and email the link to a freelancer to design something similar for your listing. You can then just edit the text content in eBay's WYSIWYG editor. You can then use this code as a template for other listings.

Cross Sell

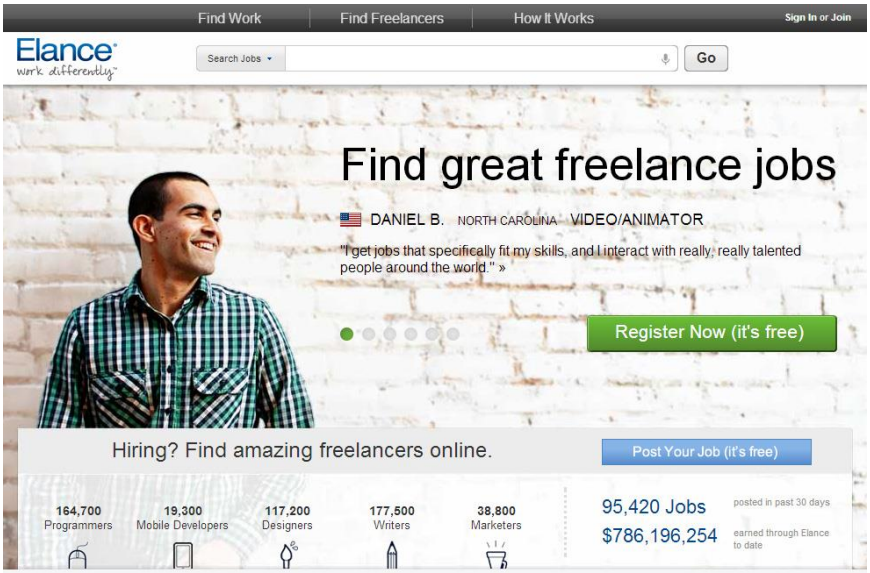
If you sell many similar products or related products, cross sell them in your listings. Some sellers go overboard and cross sell many unrelated products. I doubt that's effective. Keep it simple and focus only on cross selling products that are related to the product in the listing.

Other

- **Product Category(ies)**
  List in 2 categories, if applicable, to increase your chances of being found.
- **Item Specifics**
  Item specifics are things like “brand”, “country of origin”, “make”, “model”, etc. These item specifics will be used in filters when people want to narrow down their search results. Complete as many of the recommended item specifics as possible to insure your items are returned in search results and ranked properly.

Outsource Image Editing / Web Development

As mentioned above, you can easily outsource image editing and web development for really cheap to India. As a web developer myself, I know how to do this kind of work and when I’m busy (or lazy), I outsource to India. Not only is it cheap, the turnaround time is very fast, like within a few days. I normally hire people in and around India where freelancers are willing to do the work for less than in other countries. Background removal can be done for about $1 per photo. HTML/CSS development can be done for probably $40 for a single product listing.


Find Work
Find Freelancers
How It Works
Sign In or Join
Elance
work differently
Search Jobs
Go
Find great freelance jobs
DANIEL B. NORTH CAROLINA VIDEO/ANIMATOR
"I get jobs that specifically fit my skills, and I interact with really, really talented people around the world." »
Register Now (it's free)
Hiring? Find amazing freelancers online.
Post Your Job (it's free)
164,700 Programmers
19,300 Mobile Developers
117,200 Designers
177,500 Writers
38,800 Marketers
95,420 Jobs
posted in past 30 days
$786,196,254
earned through Elance to date

STEP 10: GET TO THE TOP OF SEARCH RESULTS

Ranking and Sales

Below is a screenshot of some of my listings in eBay's Listing Analytics tool. The numbers are lower than they normally are because I was on vacation for 2 weeks (Caribbean cruise) and had turned off my eBay listings during that time. Nevertheless, this data will suffice for the purposes of this demonstration. All of the listings in this screenshot are of similar products in the same product category. The actual product titles have been redacted. This data is for one month and shows various metrics including

- impressions (the number of times a listing appeared in search results)
- clicks (the number of times the listing was clicked on)
- sold items (the number of times the item was purchased)

Looking at this data, guess which listing ranked # 1 in "Best Match" search results for the US only and "Buy It Now" only? If you guessed the listing with 9,423 impressions, you are right! The other listing with 3,148 impressions would fluctuate between the #2 and #3 spots. Compare how many impressions these two listings got to the other listings. The

difference is huge, and consequently, the difference in total sales is huge as well. The point of this screenshot is to prove to you that being in the top 3 spots in search results makes a huge difference in sales and that should be your primary marketing goal.

	Title	Format	Impressions	Clicks	Click through	Sold items	Sell through	Watchers	Sales	
	[redacted]	Fixed Price	2,289	21	0.92%	1	4.76%	14	$3.98	Revise
	[redacted]	Fixed Price	1,187	6	0.51%	1	16.67%	18	$3.98	Revise
	[redacted]	Fixed Price	793	5	0.63%	2	40.00%	5	$7.96	Revise
	[redacted]	Fixed Price	668	1	0.15%	0	0.00%	13	$0.00	Revise
	[redacted]	Fixed Price	594	1	0.17%	0	0.00%	14	$0.00	Revise
	[redacted]	Fixed Price	3,158	58	1.84%	10	17.24%	124	$199.90	Revise
	[redacted]	Fixed Price	9,423	436	4.63%	38	8.72%	418	$531.62	Revise
	[redacted]	Fixed Price	2,346	24	1.02%	1	4.17%	16	$3.98	Revise
	[redacted]	Fixed Price	3,646	28	0.77%	8	28.57%	11	$31.84	Revise
	[redacted]	Fixed Price	2,735	25	0.91%	5	20.00%	9	$19.90	Revise
	[redacted]	Fixed Price	1,539	18	1.17%	5	27.78%	18	$19.90	Revise

Below is a screenshot of another product that I sell in a different category. One of the listings is # 1 in search results and the other is either # 2 or # 3. The reason for the low numbers is because I sold out of these items for the last week of this report and I was on vacation for 2 weeks before that. Nevertheless, these items sold very well on a daily basis, which is why I'm now sold out on them and am eagerly awaiting a new shipment from China.

	Title	Format	Impressions	Clicks	Click through	Sold items	Sell through	Watchers	Sales	
	[redacted]	Fixed Price	9,470	111	1.17%	20	18.02%	150	$479.80	Revise
	[redacted]	Fixed Price	9,149	88	0.96%	16	18.18%	146	$518.85	Revise

Items per page: 25 | 50 | 100

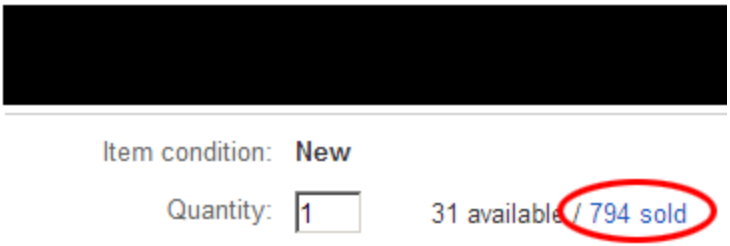
Ranking Factors

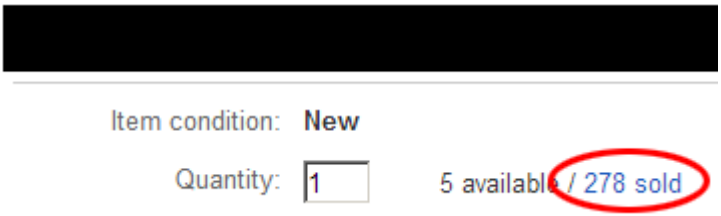
According to eBay, the factors that affect a listing's ranking in Best Match search results are

- listing is relevant to buyer's search
- item popularity (quantity sold)
- value to buyers (competitive pricing)
- listing is complete and of high quality
- listing's terms of service (return policy and handling time)
- seller's track record or risk profile on eBay

Quantity Sold

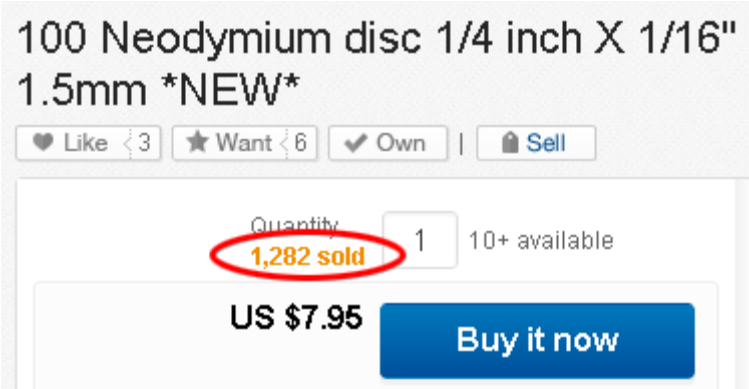
Of the factors listed above, one that I've noticed to be of particular importance is an item's popularity which is determined by the number of times an item was sold. For the products in the Listing Analytics screenshots above, the quantity sold are



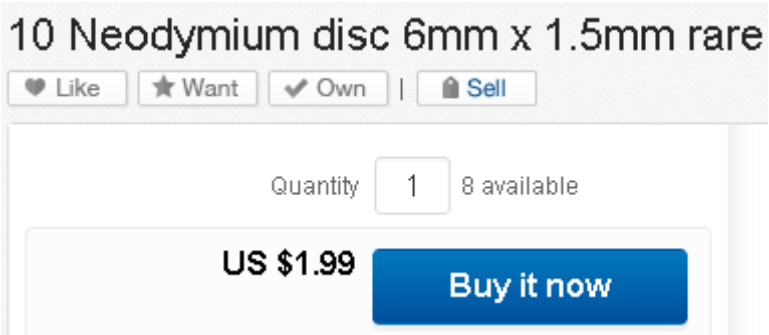


As you can see, when compared to similar listings, that's a large number of sold items for each of those individual listings. Now, let's go back to the search results for the neodymium magnets and see how many were sold and what their rankings were. The listing in the

#1 position had sold 1,282 as shown in the following screenshot.



That's a lot which means it's a popular item. No wonder it shows up as #1 in Best Match search results. How about the last listing in search results? That listing didn't sell any as shown in the screenshot below.



Abdullah's Strategy

Now that we've seen how big of a positive impact the quantity sold metric has on ranking, how can a new eBay seller compete with these already-popular listings and get their listings to the top. The strategy I use, which I guess I'll call the "Abdullah Strategy", is as follows:

For each new item, sell at cost and monitor your ranking in Best Match search results. When you reach the desired ranking, e.g. #1, #3, #5, update your pricing to your target profitable level.

I highlighted this strategy for you because it should be highlighted. You will not be making any money in the beginning as you sell at cost but you won't lose any money either. I found this strategy to be the easiest way to get to the top without violating eBay's policies, e.g. buying the product over and over yourself.

Other Factors

Although the Quantity Sold factor is one of the most important for high ranking, it will not work alone. According to eBay, following is a more detailed list of factors that affect your ranking.

- **Top-Rated Seller**
  - Benefits
    - Improved search standing for fixed price listings in Best Match search results
    - USPS Commercial Plus pricing (up to 35% off) if you are a Top-Rated Seller with 2500 transactions per month
  - Requirements
    - Have an eBay account that's been active for at least 90 days.
    - http://pages.ebay.com/help/sell/top-rated.html
- **Top-Rated Seller Plus**
  - Benefits
    - 20% discount on final value fee of an item's sale price (not including shipping)
    - Greatest, on average, advantage for fixed price listings in Best Match search results
  - Requirements
    - Top-Rated Seller

    - 14-day or more return policy
    - Ship within 1 business day
- **PowerSeller**
- **Positive Feedback**

All of the factors above are not hard to achieve and maintain, except for doing 2500 transactions per month which would be hard to do unless you're an established business (e.g. Radio Shack) or you sell a lot of cheap products which many people don't need to think twice about before buying.

Out-Of-Stock Strategy

Let's say that you've reached your goal, you're in the Top 3 search results, your items are selling left and right, and your inventory is quickly getting low. While you're excited about how easy it is to make money, even while you're sleeping, you realize that this will all come to an end if you have nothing left to sell. So, you contact your supplier in China and place another order. The production time is about three weeks and ocean freight transit time is about another 3 weeks. Add up customs clearance, holidays, and various other delays, and you're looking at a minimum 2 months before you get more stock. You're down to 5 pieces of a very popular product. If you sell the last 5, your listing ends. If you create a new listing, the "Quantity Sold" counter starts at 0. Your listing would go back to the bottom of search results and you would have to start all over again. Knowing that this can very well happen, I use the following strategy to address this.

When a product is low on stock, e.g. you only have 5 left, change your price to some outrageously high number, e.g. from $23.99 to $100. This will discourage people from buying the last few that you have and so that your popular listing doesn't end. When you get more stock, reduce your price back to normal levels.

Another thing you can do is to turn on your vacation setting but that

will pause all of your listings, not just one.

True Story

I had a very popular product (#1 in search results) that sold very well. I had 5 pieces left and it would be 2 months before I got a new shipment. I changed the price from $38.99 to $99.00. Within one hour, someone bought it for $99.00. I was down to 4 pieces left. So, I changed the price again but this time to $399.00. That seemed to do the trick.

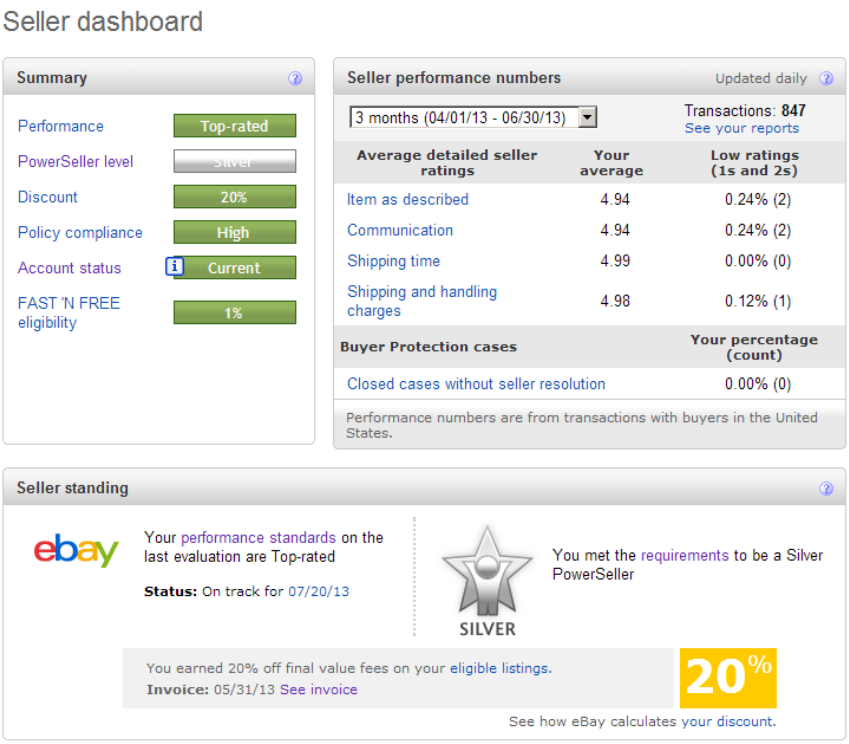
Here's one lesson learned that's definitely worth highlighting.

You can have a worse product or a more expensive product than your competitors, but if your marketing is better than theirs, e.g. you're ranked # 1, you can still make more money than them.

Unless you're working on a hobby, make sure you have a marketing plan before you spend any money or time on your business ventures. Think about the marketing *as* you are designing or building a product or researching products to resell, not afterwards.

Seller Dashboard

Keeping track of your seller's performance to determine whether you're on track to achieving or maintaining Top-Rated Seller status can be easily done by viewing your Seller Dashboard in eBay.



The screenshot above is my seller dashboard. It shows that I am a Top-Rated Seller, a PowerSeller, I am getting 20% off of my eBay Final Value Fees (FVF), and that I am on track to maintaining my Top-Rated Seller status for the 7/20/2013 performance evaluation. From here, you can find links to your detailed performance to achieve or maintain both the Top-Rated Seller status and the PowerSeller status. If you have not achieved these status levels, you will see exactly why and what you need to do to achieve them for the next performance evaluation period.

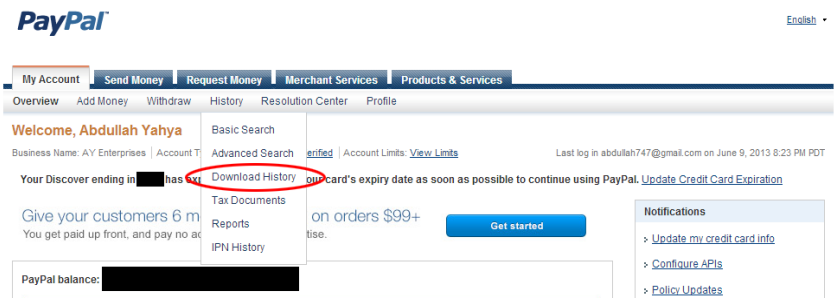
VARIOUS TIPS

Marketing

Mass Email

Logically, you would think that keeping in touch with your customers and emailing them about new products and specials is something eBay would encourage you to do. Unfortunately, they don't make it easy because they're afraid that if you have all of your customers' email addresses, you'll just direct them to purchase from your own website outside of eBay. eBay lets you see a customer's email address after they've made a purchase, but only for a limited period, after which time you'd have to contact them through eBay's messaging system. Also, eBay doesn't give you a link to download all customer email addresses for mass marketing.

To get around this eBay restriction, just go to Paypal, if you use it for payment processing. In Paypal, you can download all of your transactions into Excel allowing you to easily sort data, remove non-applicable ones, and create a contacts database for importing into a tool like ConstantContact (www.constantcontact.com) for contacting your customers.



Brochures

When you ship orders to customers, you have an opportunity to market to them when they open the package. The great thing is only your ad will be there and no one else's. What I've done is I designed and printed many brochures of products and specials related to the products people order and I include a brochure in orders where the

products are related. In other words, don't include a brochure on gardening if you're shipping an iPhone case. Keep your cross-selling relevant. The chances of someone buying a gardening product when they receive their iPhone case is very slim. It amazes me at how many eBay sellers waste money sending me brochures of products that are completely unrelated to my purchase.

Shipping to Customers

Garbage Bag

When I first started selling on eBay, I could carry a day's orders in one hand. Then, as it grew, I found I needed a better solution. I decided to buy cheap, thin, disposable garbage bags. Each bag cost $0.03 so I didn't mind leaving it at the post office. That made carrying and dropping orders off very fast and easy.

USPS First-Class Mail / Package

When you ship products to customers, you'll want to pay for shipping labels online so you can drop off your orders at the post office and not have to wait in line. For some reason, the post office's website (www.usps.com) doesn't allow you to pay for First Class Mail / Package. You can get this option if you buy the shipping label through eBay or Paypal.

Tracking Numbers

One key metric for becoming and maintaining a Top-Rated Seller is to provide tracking numbers for a certain percentage of your orders. Sometimes, to save money, you'll want to consolidate orders into one shipment. If you do this, make sure to add that same tracking # to the other order so eBay records it.

Finances

Taxes

No one likes to pay taxes. But, if you structure your eBay business well, you can benefit from taxes. The government encourages people to go into business because that drives the economy. But, going into business is risky and you will not make money right away. If you have a business, there's a lot more that you can write off than if you didn't have a business, e.g. cell phone, internet, transportation, travel, a portion of your home's utility bills and property taxes. In my case, 25% of my home is used for my eBay business, so 25% of my home costs are used to lower my taxes, which can amount to quite a bit. Of course, you can't lie about purchases that were never intended for business use, but if you can argue, with proof, that a purchase was for your business, then it's perfectly legal, and you won't get audited or lose one. Critical to this is keeping your receipts. I use an app on my phone that allows me to take pictures of my receipts and tag them.

The world of taxes is too complicated, and probably unnecessarily so, to include everything here, but here are some key tips to follow.

- **Separate your personal finances from your business ones.**
  To benefit from business tax write-offs, you need to act like a business, even if it's home based. Open a separate business checking / savings account.
- **Keep all receipts**
  Especially for big ticket items, e.g. a plane ticket to China. You will be asked for this if you get audited. But if you're not lying and have proof, there's nothing to worry about.
- **Write off a portion of your home expenses**
  This is a big one and worth doing. Measure the square footage of the space you use for your eBay business and determine its percentage of your entire home. Then, write off that percentage of your property taxes, utility costs, etc.

- **Write off whatever else is used for your business**
  Even if you use your internet service for personal use, you obviously depend on it for your eBay business. In this case, you can write the whole thing off, not a percentage of your internet bill.

Sending money to China

When I was in Shenzhen, China, I figured I could save money transferring money to various suppliers from a bank account in China to my suppliers' bank accounts in China. I opened up a bank account with ICBC (Industrial Commercial Bank of China) - http://www.icbc.com.cn. It's a big bank in China and it's also translated into English. I started with the minimum deposit of $10 and flew back to the US. When I tried to use their website to do online banking, I was surprised to find how unintelligible the English translations were and how broken the website was. What I really didn't understand was why a bank, which probably makes a ton of money, couldn't even hire a Chinese – English translator to correctly translate the website and a half-way decent web developer to build a functional site. I decided to abandon that account, lose the $10 deposit, and just use Citibank, which has the cheapest international wire transfer fees and has locations both in the US and China.

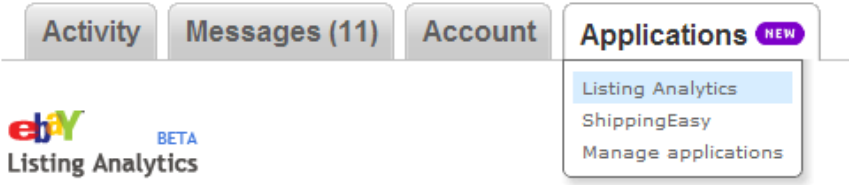
Other

Listing Analytics

eBay's Listing Analytics tool may not be as powerful as Google Analytics, but Google Analytics is probably too powerful for the average eBay seller. With eBay's Listing Analytics, you can see some key metrics of a listing such as the number of times your listing appeared in search results, how many times it was clicked on, how many times people purchased an item, etc. For a detailed explanation of all of the terms, visit

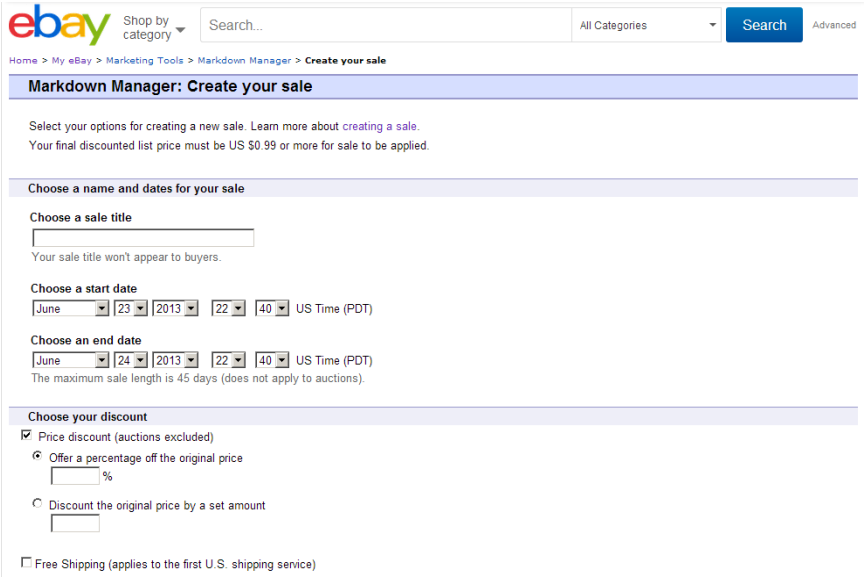
http://pages.ebay.com/sellerinformation/sellingresources/listinganalyticsapplication.html#

You can access Listing Analytics by going to http://app.listinganalytics.com/?pg=report# or clicking on the link in the Applications tab.



Markdown Manager

Another tool I find useful is called Markdown Manager. You need to have an eBay store to use this feature. Basically, it allows you to create sales by creating a discount for some or all of your items based on a percentage or a fixed dollar amount. Below is a screenshot showing the interface for creating a sale.



When an item is on sale, buyers will see this fact in the listing. In the example screenshot below, the sale is 5% off the original price. Buyers can also see that their dollar savings is $1.00 and that the sale ends in 7 days.

Since everyone likes sales and you want to get people to buy as soon as possible, one strategy you can use is to double your original price and

then create a sale for 50% off. This looks attractive to buyers. Also, to get them to buy ASAP, set your sale period for something like 2 days. People will think that they should buy right away before the sale is over. Since it's not really a sale (from your point of view), you'll want to keep this sale going on indefinitely. The difficulty will be in creating this sale every 2 days (or whatever period you choose). There may be an app that automates this process which you can search for in eBay's Applications page.

Agent in China & Consolidating Orders

When I first started importing products from China, I was always worried Chinese suppliers would take my money and run away. I would communicate with them for a couple of months before finalizing a deal and transferring a deposit to them. I felt I needed someone I could trust in China in case something went wrong. Before I flew to China, I researched import / export / buying agents in China and made an appointment with one. I wanted to meet them and inspect their place of business for legitimacy. They picked me up at the airport, took me to my hotel, and then to their office. We had tea, chit-chatted a bit, and then I hired one of their translators at $30 per day for 3 days to guide me through the Yiwu marketplace. During that trip, I ordered products from multiple suppliers. I hired this agent to handle a few things for me including:

- Communicating and coordinating production of goods with the suppliers
- Inspecting and showing me photos of the goods after production
- Resolving any problems with the suppliers
- Consolidating all goods before shipping to the US
- Handling customs clearance in China and other export requirements

They charged me 3% of the total cost of the goods or $300, whichever

was higher. In addition, I had to pay for customs clearance / export documentation and the transportation cost of the goods to the port. I probably spent a total of about $450.

Most recently, I needed to order products from three different suppliers. I compared the cost of using the agent to just paying each supplier an FOB Shanghai price. FOB means “Free on board” which means the supplier is responsible for everything up until the goods are ready to be placed on the cargo ship. FOB Shanghai means that their responsibility is to deliver the goods to Shanghai where the sea port is. The FOB price also includes customs clearance and export documentation. After comparing both options, I found it cheaper to pay each supplier an FOB Shanghai price instead of an Ex-Works price and using my agent. Ex-works means that the supplier’s responsibility is at their factory. I would be responsible to arrange pick up of the goods from the factory, transportation, and customs clearance. Although my agent would have done some of these things, I would have had to pay the agent to do them.

Based on this experience and others, I now have the following policies.

- If I order products from just one supplier, I always request an FOB price to keep things cheap and simple.
- If I order products from multiple suppliers and the total cost of goods is less than $10,000, I request an FOB price for the same port, e.g. FOB Shanghai (port), from each supplier.
- If I order products from multiple suppliers and the total cost of goods is greater than $10,000, I compare the cost of paying an Ex-Works price and using an agent to paying an FOB price from each supplier, and make a decision based on the comparison.

When it comes to product inspection, either my agent or the suppliers send me photos of the goods for me to visually inspect.

Now that I have an agent in China who I can trust, if I choose not to use

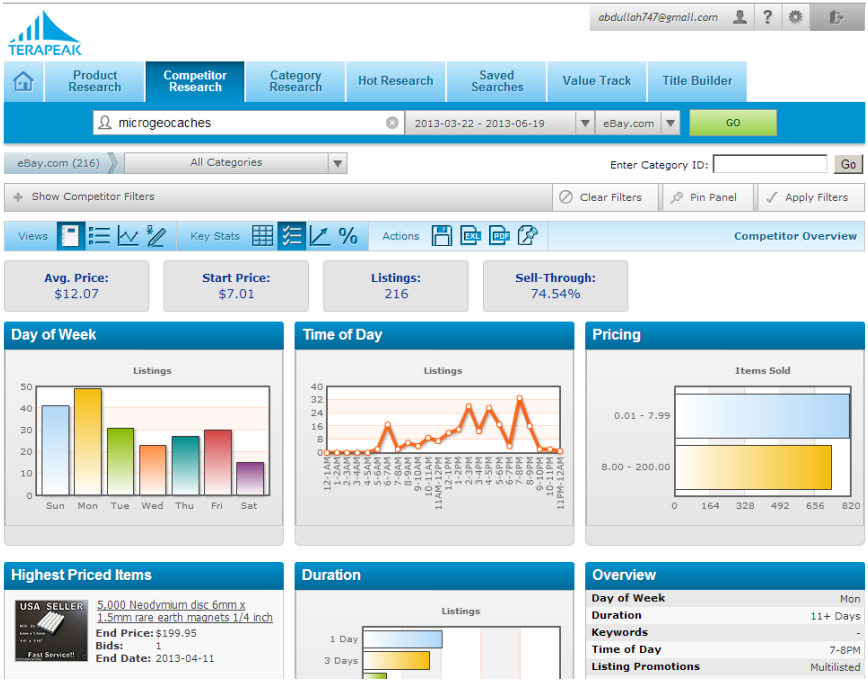
them and one of my suppliers decides to ignore me or run away with my money, I can pay my agent to contact them and figure out what's going on.

You can find agents in China by searching Google for "export import buying agent".

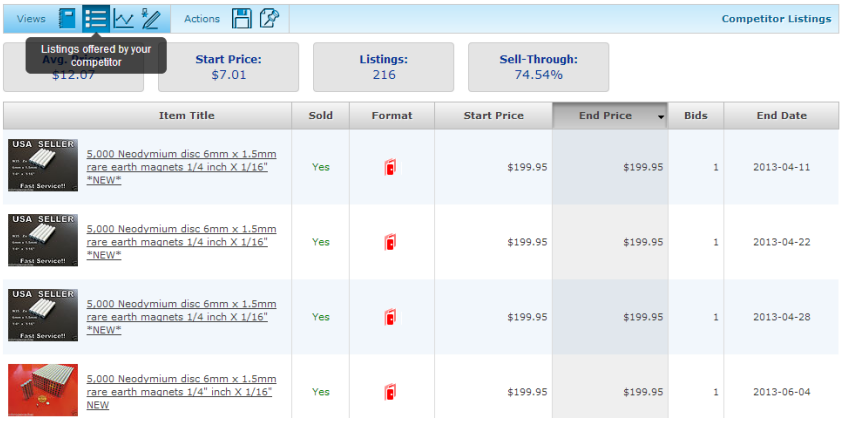
How much revenue do my competitor's make per product?

Wouldn't it be nice to be able to see how much money any private business makes? If we could, I'm sure many people would be surprised. What if I told you a limo driver was making $200K a year or a food truck was generating about $1000 a day in sales. You probably would think "No way!" Well, that can and does happen, and the amount of money that you guess a small business makes is probably a lot less than what they actually make.

Unlike traditional, private, brick-and-mortar businesses, eBay businesses are dependent on eBay which stores tons of data regarding various aspects of each business in its marketplace. This data is then sold to third parties which provide tools to make it easy to analyze this data in a meaningful way. TeraPeak is one company I use to do much of my research including finding out how many times a competitor has sold a particular item. I introduced you to TeraPeak in step 1. Let's say we wanted to know how much the magnet seller we found in steps 1 and 2 was making. That seller's eBay user ID is "microgeocaches". By logging into TeraPeak, clicking on the "Competitor Research" tab, entering "microgeocaches" in the search field, and clicking Enter, we can see how their overall sales were.



If you wanted to see all transactions made by your competitor, click on the 2nd view icon for "Listings offered by your competitor ", which shows us the following.



My favorite view is where I can see a competitor's best-selling titles. Click on the icon 4th view icon to see this data.

Views

Competitor Top Titles

Your competitor's best selling titles

	Item Title	Total Sales	Total Listings	Sell-Through	Avg. Price	Bids
	100 Neodymium disc 1/4 inch X 1/16" rare earth magnets 6mm x 1.5mm *NEW*	$2,548.55	2	100%	$7.82	326
	100 Neodymium disc 1/2" inch X 1/16" rare earth magnets 13mm x 1.5mm *NEW* Craft	$1,111.60	1	100%	$19.85	56
	500 Neodymium disc 6mm x 1.5mm rare earth magnets 1/4 inch X 1/16" *NEW*	$1,102.15	2	100%	$29.79	37
	500 Neodymium Disc 13mm x 1.5mm Rare Earth Craft Magnets 1/2 inch X 1/16" NEW	$1,050.60	2	100%	$87.55	12
	50 Neodymium disc 1/2" inch X 1/16" rare earth magnets 13mm x 1.5mm *NEW* Craft	$987.00	2	100%	$11.75	84
	150 Neodymium disc 3mm x 1.5mm rare earth magnets 1/8 inch X 1/16" Warhammer 40K	$806.84	2	100%	$9.49	85
	5,000 Neodymium disc 6mm x 1.5mm rare earth magnets 1/4" inch X 1/16" NEW	$799.80	2	100%	$199.95	4
	500 Neodymium disc 3mm x 1.5mm rare earth magnets 1/8 inch X 1/16" Warhammer 40K	$722.10	2	100%	$19.00	38
	15 Black Geocaching Containers Bison Tubes w/Logs Cache Supplies Container	$635.68	1	100%	$10.96	58
	500 Neodymium disc 9mm x 1.5mm rare earth magnets 3/8 inch X 1/16" NdFeB NEW	$503.55	1	100%	$55.95	9

With this view, you can see what's probably of most interest to you – a seller's best-selling products. You can then decide whether you can compete with this competitor on this product and what your profit margins would be and estimate how much money you can make.

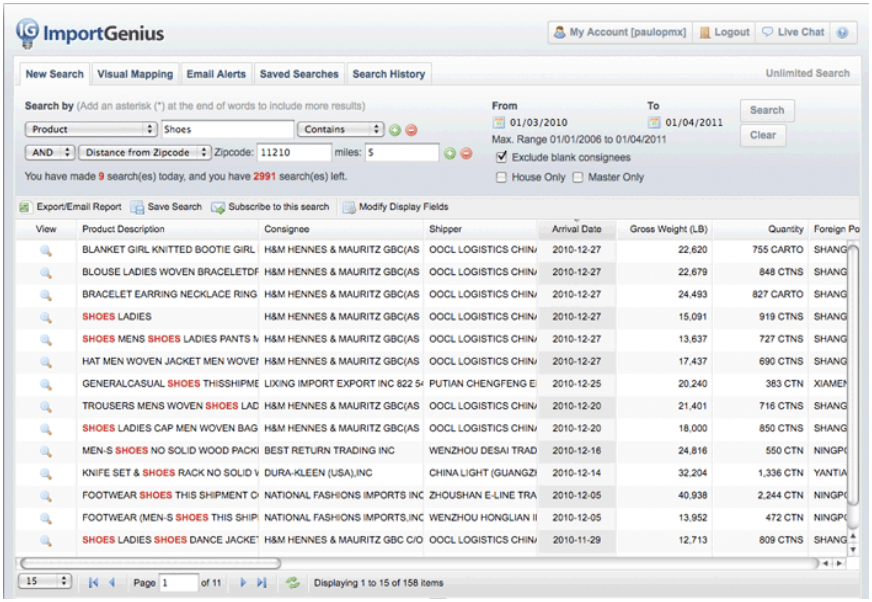
Where do my competitors get their products?

ImportGenius.com is a website that gives you insight into ocean freight shipping activity. Two things I find most interesting about it are the ability to

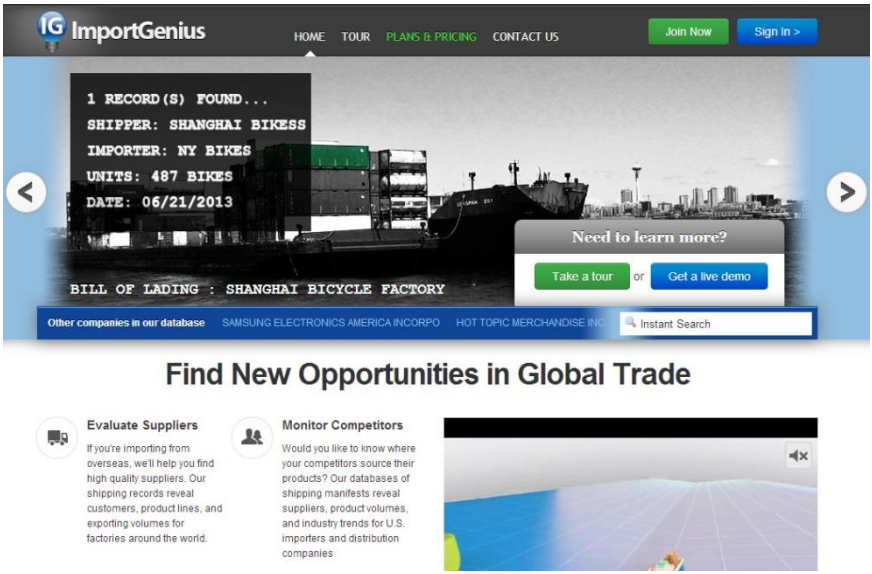
- Research the shipment activity of competitors and suppliers
- Identify and vet new sources for any kind of product

One piece of information sellers never share is their product sources. What if you wanted to know where a competitor sourced their

products? With ImportGenius, you can search for that supplier and find out which factories supply them with their goods. You could then contact that factory and order your products from them as well. You can also search for all ocean freight shipments by product name like “shoes” and find out which factories (shipper) supplied which buyers (consignee) with shoes.



Every shipping vessel that enters and leaves the United States is required to submit shipping records that document its cargo. This information is pubic record but, as you’d expect, the government doesn’t make it easy for people to get this information. With FOIA (Freedom of Information Act), ImportGenius was able to get this free information from US Customs and build a database and website that makes it easy for people to search and find ocean shipping-related information.



Negotiating

When discussing pricing with suppliers, they almost always start off high. Don't be afraid to negotiate. Negotiating is very common in China. One book that I found to be useful to learn how to negotiate is *Secrets of Power Negotiating* by Roger Dawson.

CONCLUSION

You've now reached the end of this book. While I have made every effort to make it as complete and clear as possible, this is the first edition and I'm sure you may have some questions that I have not addressed. As I continue to learn more about the world of international trade, online retail, and eBay, I plan on releasing newer editions of this book. If you have any questions that you would like answered, please contact me at www.abdullahyahya.com and I will try to answer them for you and include them in future editions.

Thank you again for buying this book. I hope you have found it to be useful, informative, and worth every penny you spent. Please take a moment to leave a positive review of it on Amazon. Your support is much appreciated.

Sincerely,
Abdullah Yahya
www.abdullahyahya.com

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Abdullah Yahya is an eBay Power Seller and web developer with over a decade of experience working for non-profits and for-profits in both the government and corporate sectors in Silicon Valley and the San Francisco Bay Area. He holds a bachelors degree in engineering from the University of California, Berkeley and a masters degree in computer science from San Francisco State University. His interests include internet / mobile startups and technology, interior design, and international travel.

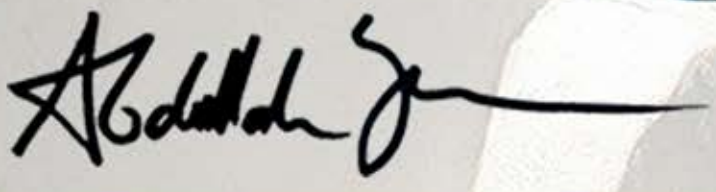
This book will teach you how to succeed on eBay. It is the only eBay book you need.

HOW IT'S DIFFERENT:

1. Includes step-by-step guide with screenshots
2. Teaches strategies using **actual market data**
3. Answers the 3 most critical questions:

1. What products should you sell?
2. How and where do you get products?
3. How do you market your products?

Abdullah Yahya is an eBay Top-Rated Plus Power Seller and a web developer with over a decade of experience working for non-profits and for-profits in both the government and corporate sectors in Silicon Valley and the San Francisco Bay Area. He holds a bachelors degree in engineering from the University of California, Berkeley and a masters degree in computer science from San Francisco State University. [www.abdullahyahya.com]



Written by Abdullah Yahya in California