



# SKYHIGH AUCTIONS

How to Boost your  
Online Auction Profits  
by 200% or more

Part 1



## SKY HIGH AUCTIONS PRESENTS...

### HOW TO BOOST YOUR ONLINE AUCTION PROFITS BY 200% OR MORE!

#### PART 1

Welcome to the first of 5 very special Sky High Auction videos on how to boost your online auction profits by 200% or more!

We're very excited about this 5-part course, because we believe it is the first time that there has ever been a course teaching this cutting-edge information – let alone for free!

These 5 videos and accompanying notes will give you a glimpse of what you can expect from the full Sky High Auctions course.

#### INSIDE THE FULL SKY HIGH AUCTIONS COURSE YOU'LL GAIN ACCESS TO:

- Over **20 hours** of video lessons
- Written versions of each lesson
- PLUS: Interviews with numerous **eBay powersellers** who share their *secrets for making money with online auctions*.

That said, we do expect that if you follow the advice in this set of 5 videos alone, you should see your profits from online auctions increase by 200% or more.

We'll be cramming quite a lot of material into these five videos, so if it seems too fast for you, or that we've assumed too much prior knowledge on your part, don't worry!

In the full Sky High Auctions course every aspect of making money from online auctions - from registering on eBay, through to listing your first item, photo editing, using wholesalers, getting powerseller status, opening an eBay store...plus much more, will be covered in step-by-step detail. So if things are going a bit too fast for you now, just remember, you can always refer back to these lessons later on once you have become more familiar with eBay.

#### THE FOUR FUNDAMENTALS OF A SUCCESSFUL EBAY BUSINESS

To start this exciting series, we're going to take a look at the four fundamentals of a successful eBay business.

They are:

**LEADS x CONVERSION RATES x MARGINS x AVERAGE NO. TRANSACTIONS PER CUSTOMER**



# SKYHIGH AUCTIONS

For the purposes of this example, we're going to assume that you're selling items that you can regularly stock and replenish, such as iPods, as opposed to rare items, such as antiques and unique collectibles.

So, let's say you're selling iPods and iPod accessories.

## 1. WHAT ARE LEADS?

The number of leads you have is the number of different people who visit your auction listings for iPods and iPod accessories.

It is not the number of people who buy, but the number of people who simply visit – even if they only stay on the page for a couple of seconds.

In other words, **leads** are all visitors to your listings, whether they buy anything or not.

**Leads = Number of visitors to your Auctions**



## 2. AND CONVERSION RATES?

Your conversions are the number of leads, or visitors to your auction, compared with the number of people who actually buy.

You can easily calculate your conversion rate by dividing the number of sales that you make by the number of leads that you get.

For instance, let's say you are running a 7 day auction.

**You sell:** 25 iPods + 14 iPod Accessories

**You get:** 1,839 visitors

**Conversion Rate:** 25 iPods + 14 Accessories = 39 Total Sales = **0.0212 (2.12%)**

1839 Leads

In other words, out of every 47 visitors to your auctions, you get approximately 1 sale.



### 3. LET'S LOOK AT MARGINS

Your margins are the amount of profit that you make on each sale, once you have taken out your costs.

So, if the iPods and accessories that you sold during the week cost you \$2831 to buy wholesale, and you received \$4329 from your sales, then your total margin for the 39 items you have sold this week is \$1498.

**Sales:** \$4329 –

**Cost:** \$2831

**Margin:** = \$1498

You can then work out your average margin per item by dividing the total margin of \$1498 by the 39 sales, which works out at \$38.41 per item. Although in reality, you would want to calculate your margins separately for your iPods and accessories.

**Margin per item:** \$1498 Total margin / 39 Sales = \$38.41

#### Note:

Bear in mind that on eBay, your costs will also have to include eBay listing fees, Paypal fees and any other overheads you may have, so these all have to be taken into consideration when working out your margins.

### 4. FINALLY - AVERAGE NUMBER OF TRANSACTIONS

Your average number of transactions is the number of times that each customer buys from you.

So, if 1 out of every 8 people who purchase an iPod from you buys an accessory or a second iPod, then your average number of transactions per customer would be 1.125

1 iPod + accessory / 8 iPods = 0.125 x 100 = **1.125 Transactions per customer**

### NOW WE CAN WORK OUT OVERALL PROFITABILITY...

<b>Leads</b>	1839 x
<b>Conversion Rate</b>	2.12% (0.0212) x
<b>Margins</b>	\$38.41 x
<b>Transactions per Customer</b>	1.125%
<b>OVERALL PROFIT</b>	= \$2022.39



The reason why these profit factors are so important is that, if you can increase each of the four profit parts by a small amount, it can have an exponential result on the performance of your business!

If you can increase the number of Leads to your listings, your number of Conversions, your profit Margins and the Transactions per customer – all just by a tiny amount, then overall, you'll see a HUGE increase in profitability!

For example, if Mr Brown owns the iPod business in our example, and he increases each of these factors by 40%, here's how much his profit would increase by:

## LOOK AT WHAT A 40% INCREASE CAN DO!

	BEFORE		AFTER
<b>Leads</b>	1839 x	+ 40%	2574.6 x
<b>Conversion Rate</b>	2.12% (0.0212) x	+ 40%	2.98% (0.0298) x
<b>Margin</b>	\$38.41 x	+ 40%	\$53.77 x
<b>Transactions per Customer</b>	1.125%	+ 40%	1.575
<b>OVERALL PROFIT</b>	= \$2022.39	+ 40%	<b>\$6497.50</b> <b>(221% increase!)</b>

That new figure of \$6497.50 represents an increase in profit of **221%**!

So, we've established that these 4 factors play a crucial part in generating your online business profits on eBay:

1. Leads
2. Conversion rate
3. Margin
4. Transactions per customer

And you'll be pleased to know that in each of the following 4 videos we're going to be taking a closer look at each of these factors and specific ways to boost each of these in your online auction business.

See you next time!