

## SNIPING ON EBAY

Sniping is the practice of submitting your bid so close to the closing time of an auction (typically within seconds) that other bidders do not have enough time to counter your bid with a higher one. Now, there are both bidders and sellers who hate sniping and think it should be outlawed, but the fact remains that it is completely legal and ethical to snipe.

eBay does have a proxy bidding system, which allows you to bid your maximum and then just forget about the auction. It notes your bidding ID as the high bidder and posts one standard advance over the next highest bid on the auction page. But there are two powerful reasons not to use it and to snipe instead:

**1. CYBER-ZOMBIES:** Your ID is posted on the auction page for all to see, from the instant you submit your bid until the instant the auction closes. And, as part of its “search” function, eBay allows users to search for auctions a particular user has bid on. If your bidding ID becomes known to many people, you will attract a flock of cyber-zombies, who watch your every bid thanks to this search function.

I used to use my selling ID to bid, but because I’ve been in the stamp business for several decades and bid at the wholesale level, I quickly picked up a flock of these creatures. Their reasoning is simple: “If it’s worth \$X to a wholesale buyer, then it must be worth \$X plus \$1.00 to me.” So, I would lose auction after auction to cyber-zombies, sometimes after doing considerable research.

The final straw for me was to lose a parcel of raw veneer which would have been perfect for the keyboard instrument I was restoring at the time. A cyber-zombie outbid me. This particular cyber-zombie had been a good philatelic customer during my auction days in the late 1970’s and early 1980’s, and he had discovered me on eBay and become a good customer once again. I know for a fact that this person couldn’t pound nails without shattering his thumb. He never read the description; he just bid blind in the last moments. I sure hope he enjoyed his veneer! More to the point, I patiently searched for another four months and never did find a parcel of veneer that was as perfect as this one had been. I had to settle for veneer that wasn’t quite as “right,” and the instrument wound up the poorer, thanks to this cyber-zombie.

So, I obtained another ID, which I used solely for bidding. But my bidding pattern is distinctive, and within a couple of weeks, I had attracted another flock of cyber-zombies and was being outbid very regularly once again.

The only way to beat off your flock of cyber-zombies is to snipe.

**2. SHILL BIDDING:** Shill bidding is the practice of a seller, a confederate of the seller, or someone who has it in for you placing a single or multiple bids with the intention of driving up your bid. It is a felony under federal law, where it’s considered a form of wire fraud. Most states have laws against shilling, as do many foreign countries.

Every so often, eBay makes an example of some really blatant shiller and either slaps his wrist with a suspension or NARUs him. But eBay does nothing about the tens of thousands of other vendors and bidders who regularly shill.

After I obtained sniping software, it seemed to me that I was getting auctions both more frequently and at somewhat lower prices than I had before. So, I analyzed the two months before I got sniping software and the

two months after. I lost that analysis to a hard-drive crash plus a corrupted CD-rom backup years ago, but as close as I can remember, here's the comparison:

	<b>percent won</b>	<b>increments below my high bid</b>
bidding "naked"	40%	3
with sniping software	70%	10

The right column needs explanation. An increment is a standard set amount by which eBay will raise the bidding level over the under bidder's maximum bid. If the under bidder bid \$100.00 and you bid \$100.01, you will not get the auction — at that level, the increment is \$1.00, so you'd have to bid at least \$101.00 to prevail. Before I used sniping software, on average, my \$100.00 bid would fetch me the auction for \$97.00; after obtaining a sniper, my \$100.00 bid would fetch me the auction on average for \$90.00. Multiply the savings by many auctions won, and I think the mathematics become clear when you consider that sniping fees or program costs range from very cheap to free.

**HOW TO SNIPE:** There are three methods to snipe: by hand, via a sniping program on your computer and via a web-based sniping service. There are benefits to and disadvantages of each method.

**1. SNIPIING BY HAND:** You open two browser windows on your computer. The first contains the auction page and the other contains the bid box with as much filled in as possible (i.e., bidder ID, password, and sometimes your maximum bid). You keep clicking the "refresh" button on the auction page as the seconds to closing tick down. Within seconds of the closing (depending on many factors: eBay's website stability right then, whether you have to key in your bid, how close your nerves are like steel, etc.) you click the "submit" on the bidding page. With any kind of luck, eBay doesn't hiccup, and your bid slams home with seconds to spare.

There are advantages to sniping by hand. First, it's totally free to do so. Second, nothing quite matches that adrenaline rush of nailing the auction. It's as close to making that three-point bucket to win the game just as the buzzer sounds as most of us will ever get.

The disadvantages are many. First, you have to be sitting in front of your computer. What if the auction, posted by an insomniac, an early riser or a seller clear on the other side of the world, closes at some bizarre hour? Set your alarm clock! Second, eBay's user interface glitches frequently and can slow down or fail just as you're getting ready to ram home your bid. Third, in the heat of battle, all your fingers can turn into thumbs and you thus blow the bid by keying in the wrong amount or clicking on the wrong button.

**2. USING A SNIPIING PROGRAM ON YOUR COMPUTER:** Unless you're a programming whiz-kid who has hours and hours to blow writing your own bidding program (and then updating it whenever eBay makes one of its frequent database or interface changes), you purchase a sniping program. Typically, these are both cheap and include lots of features, such as providing a better "watch" function than anything eBay has come up with, having a seller blacklist, allowing "or" bids and including feedback and other management functions.

I've tried a bunch of these programs. The best by far that I've found is Jason Novak's "Merlin" program. It's extremely full-featured and easy to learn and use, Jason does a yeoman job keeping the program updated whenever eBay changes something, and whenever he changes the program or adds new features, they're really worthwhile. Here's the link:

<http://www.merlinsoftware.com/auctionmagic/>

You can test-drive the program for free for 15 days (after which point it stops working). The full version costs \$16.95 and updates are free forever.

By the way, I get nothing for endorsing Merlin. I point it out here simply because it's the best, by far, that I've found. I've been a happy Merlin user for more than six years.

The main advantages of a sniping program are three. First, you can't klutz the bid — you enter it into your sniper at your leisure and the program takes care of the actual bidding process. Second, most sniping programs enter your bid via one of eBay's "back doors," which sometimes continue to function even if the user interface part of the website throws a hissy-fit. Third, having your maximum bids locked up in your computer means they can't be hacked off some web-based program or eBay itself: your maximum bids stay off the Information Superhighway until the instant the program makes your bid.

The disadvantage is that your computer has to be powered up and the program has to be running in the background (you don't have to be on the internet — most will auto-dial and log on before trying to place bids).

**3. USING A WEB-BASED SERVICE:** These give you a program to download which looks much like the programs supplied by the sniping program vendors. The difference is that your user ID, password and bids are stored (invisibly and usually encrypted) on the service's website. You enter your bids into the upload program and they're magically whisked away to be bid at the precise second you specify. The services usually charge a small fee (commonly a percent of successful bids).

There are three advantages to using a web-based service. First, because they don't have to supply you with a program update when eBay changes its database or user interface (they just change their master bidding program), they intrinsically can respond faster to eBay's changes. Second, the standalone sniping programs have problems with multiple auctions closing at the precise, same instant (you have to massage the bidding times on such auctions), while the web-based services can bid on multiple auctions simultaneously. Third, if you're a Mac user, you can use a web-based service, but I know of no standalone program available for Macs.

The main disadvantages to web-based sniping services are two. First, your user ID, password and maximum bids are out there and can be hacked by anyone diligent enough to want to do it. Granted, if you use a standalone program, they're there on your computer, and thus hackable as well. But, as the noted bank robber Willie Sutton answered when asked why he robbed banks ("Because that's where the money is!"), so the web-based services offer mighty tempting targets to cyber-criminals. Second, because most of them charge a percent of successful bids, you get to pay and pay forever. Remember, a 1% fee on \$1,700.00 worth of successful bids buys you Merlin to have and own. (In my case, \$1,700.00 is about a month's successful bids.) If you buy much over the course of several years, those fees add up.

**COMPARISON SHOPPING:** Here is one source on various sniping programs and services available:

<http://www.auctionbytes.com/cab/pages/sniping>

It doesn't list all the programs (they call them "software") or services (they call them "hosted") available, but they do list many of them and provide links. They don't list Merlin, hence the extensive information and the link I've supplied.

**HOW I FEEL ABOUT SNIPING:** I enthusiastically endorse sniping and believe eBay would be a much poorer place without it. Yahoo permits sellers to extend auctions until no more bids have been received after a set period. In part, the reason Yahoo has failed as an auction site has to do with permitting such extensions, in my opinion.

As a buyer, I won't bid unless I can snipe, for the reasons I've enumerated above. Also, by using a sniper, I know that I only have one shot, so I have to bid my maximum. I can't shilly-shally around, "climbing the ladder" by entering multiple bids. But I also have the confidence that there will be no monkey-business with my bid and that I really will get the auction for one advance over the under bidder's maximum bid.

As a seller, it sometimes drives me crazy to offer a truly desirable item only to have it sit with no bids until the closing couple of minutes. But the bids come in anyway, and most of the time I'm happy with what items sell for.