

10 Insider Tips to bidding and Buying at Auction

Welcome, I'm Tom Droege from StampAuctionNetwork, and I'm thrilled to present the 10 insider tips for bidding and buying at auction. Whether you're a seasoned auction participant or new to the scene, these tips hold value on their own merit. However, I'll also demonstrate how StampAuctionNetwork can enhance your auction experience to maximize each tip.

To provide context for my insights, let me share my background. We were pioneers in bringing auction companies into the digital age. Back in 1990, we leveraged database publishing methods to revolutionize catalog production. Our technology powered iconic sales of the '90s, and we introduced online bidding, openings, and prices realized. We set records for the highest price paid through online bidding in stamp auctions, showcasing our commitment to innovation.

Over the years, we've worked with numerous auction houses, including major players like Siegel, Harmers of London and Switzerland, Sothebys, and many more. Our extensive experience places us in a unique position, serving both collectors and auction companies alike. We prioritize transparency and remain free from conflicts of interest, unlike some other software providers.

At StampAuctionNetwork, we're dedicated to advancing the philatelic world through cutting-edge technologies like AI, machine learning, image recognition, and blockchain. Our goal is to lead the industry into the next phase of the digital age and engage younger generations through technological innovation.

As a collector myself, I understand the auction process from both sides. I've sold my collections and continue to participate in the hobby. With this background, I aim to empower you with the knowledge to navigate auctions effectively and protect your interests.

So, join me as we explore these insider tips and unlock the full potential of your auction experience with StampAuctionNetwork.

Tip #1: Embrace Auctions for Value and Selection

Fear not the auction block! Buying and selling at auctions offers unparalleled opportunities to save money, even after factoring in commissions. Whether you're eyeing single stamps, covers, or collections, auctions provide access to wholesale prices and a vast array of items.

Here's why auctions reign supreme:

- Wholesale Market: Auctions boast a wholesale marketplace where 80-90% of buyers procure their philatelic treasures, bypassing conventional dealers and shows.
- Optimal Selling Avenue: Sell directly to collectors and dealers, leveraging auctions' expansive reach and transparent pricing.
- Access to Premium Selection: With \$400 million in offerings annually, auctions showcase the crème de la crème of stamps, ensuring access to the finest specimens.
- Price History Insights: Platforms like StampAuctionNetwork (SAN) provide invaluable access to price histories, empowering informed bidding decisions.
- Steep Collection Discounts: Snag collections at significant markdowns from catalog values, offering exceptional value for discerning collectors.
- Dealer Markup Bypass: Even top-tier stamps, often subject to dealer markups, are available at auctions, enabling direct acquisition at competitive prices.
- Convenience and Expertise: Bid from the comfort of your home, with stamps delivered to your doorstep and options for expert authentication.

StampAuctionNetwork offers a comprehensive platform to navigate the auction landscape efficiently, providing essential resources like auction profiles, prices realized, and expert guidance. So, seize the opportunity and delve into the world of stamp auctions—it's where value meets variety!

https://www.youtube.com/watch?v=o_ahXdZ20uk

Tip #2: Bid Wisely Based on Value

The cardinal rule of bidding: Bid according to value and your budget. Cut through the noise of bidding strategies and focus on what truly matters—what the item is worth and what you're willing to pay. Avoid getting entangled in convoluted tactics like sniping or presale price inflation by staying grounded in value-based bidding.

Here's how to master value-based bidding:

- **Assess Market Data:** Gather essential market data to determine the true worth of the lot.
- **Bid According to Value:** Place bids aligned with the assessed value of the item, ensuring you don't overpay.
- **Stick to Your Budget:** Set a clear budget and bid within your financial comfort zone, preventing impulsive overspending.

By adhering to these principles, you'll navigate auctions with confidence, sidestepping pitfalls and securing prized acquisitions at the right price. Remember, when it comes to bidding, value reigns supreme, making all other auction strategies pale in comparison.

➡ ChatGPT Rewrote my 10 Insider Tips for Bidding at Auction - #2 "The 1st rule of bid..."

Tip #3: Bid and buy with the end in mind

In the world of auctions, foresight is key. Here's why:

- **Consider the End Game:** Auction houses typically sell valuable items as individual lots, while the rest are bundled into collections. Keep this in mind when purchasing—buy stamps with the end in sight to maximize returns.
- **Quality Matters:** Opt for quality over quantity. Building a collection with sound stamps ensures they'll be sold at higher value and lower commissions. Avoid the pitfall of purchasing faulty stamps, as they'll likely be sold as such, diminishing their resale potential.
- **Strategic Purchases:** Invest in inexpensive stamps within collections for added value. Conversely, splurge on high-priced stamps that will be auctioned as individual lots, often commanding lower commissions and higher returns.

Remember, your bidding strategy shapes the outcome. Prioritize quality, foresight, and strategic purchases to secure optimal returns on your stamp investments.

(ChatGPT Rewrote my 10 Insider Tips for Bidding at Auction - #3 "Bid and buy with t...")

Tip #4: Have fun and choose a lane

Stamp collecting should be enjoyable and tailored to your preferences. Consider these popular approaches:

- Aim for Completion: Focus on completing collections of entire countries. Start by merging multiple collection lots to obtain inexpensive items, then concentrate on acquiring individual stamps to fill the gaps. StampAuctionNetwork (SAN) can aid in your pursuit.
- Embrace Accumulation: Explore box lots and face lots for modern stamps. While accumulating collections can be fun, be wary of buying with the expectation of revisiting them in the future. Only proceed if you're ready to engage with the material now.
- Prioritize Quality: Invest in the best-quality stamps rather than opting for cheaper alternatives. Avoid filling albums with stamps that may end up as remainders—keep your collection curated with high-quality stamps for lasting satisfaction.
- Specialize Wisely: Choose a niche area and become an expert in it. Whether it's collecting a specific issue or mastering a particular theme, specialization can lead to a rewarding stamp collecting journey.

By selecting a stamp collecting lane that aligns with your interests and preferences, you can enhance your enjoyment and satisfaction in this hobby.

(ChatGPT Rewrote my 10 Insider Tips for Bidding at Auction - #4 "Have Fun and Ch...")

Tip #5: Specialization: Pros and Cons

Specializing in a specific area of stamp collecting has its advantages and disadvantages. Let's explore:

Pros:

Expertise Development: By focusing on a niche area like the Exporta, you can become a knowledgeable expert in that field.

Value Recognition: Specialization allows you to identify valuable stamps and covers more easily, enabling you to spot bargains and make informed purchases.

Cons:

Limited Market: As one of only a few collectors specializing in a particular area, you may find that the market for your collection is narrow.

Decreased Demand: If the demand for your specialized material is low or declines over time, it may be challenging to find buyers for your collection.

Despite the potential drawbacks, specialization can lead to a fulfilling stamp collecting experience, provided you are aware of the market dynamics and potential challenges.

➡ ChatGPT Rewrote my 10 Insider Tips for Bidding at Auction - #5 – Specialization

Tip #6: Your Auction Tool Box

When it comes to bidding at auctions, having the right tools in your arsenal can make all the difference. Here are some essential strategies to consider:

- OR Bidding: Use OR bidding to compete effectively on equivalent lots. This strategy allows you to bid on multiple lots simultaneously, increasing your chances of securing at least one of them.
- Limit Bidding: Set a limit on your bids to ensure they stay within your budget. Limit bidding helps you avoid overspending and ensures you remain in control of your finances.
- Up to and Break Tie Bidding: Be cautious with Up to and Break Tie bids, as they are often used for marketing purposes. These bids may not always be seen by the auction house or may be entered with an additional increment. Instead, bid

the maximum amount you're willing to pay for a lot to ensure clarity and transparency.

- Confirm Auction House Policies: Before utilizing these bidding strategies, ensure that the auction house accepts them and understands your preferences.

By incorporating these bidding techniques into your auction approach, you can navigate the bidding process with confidence and maximize your chances of success.

<https://www.youtube.com/watch?v=-RiF7JomESM>

Tip #7: Don't depend on “The Market”

In the world of stamp auctions, it's crucial not to rely solely on market trends or the actions of other bidders. Here's why:

- Bid Based on Value: Instead of blindly following market trends, bid according to your own assessment of the item's worth and your budget, as outlined in Tip #2.
- Beware of Market Dynamics: While auction companies may aim to drive up prices through pre-auction interest, remember that stamps are not traded like stocks. The actions of a single bidder can significantly impact prices, especially for items with limited demand.
- Specialization: While specialization can be rewarding, remember that there may be few others competing for the same items. Don't assume that the price you paid will guarantee a similar return when selling, as market dynamics can change.
- Absentee Bidding: Avoid relying solely on absentee bidding, as the final price may not accurately reflect the true market value.
- Consider Supply and Demand: Recognize that 80% of stamps may not have sufficient supply or demand, making it crucial to assess each item individually.
- StampAuctionNetwork 1000: Utilize resources like the StampAuctionNetwork 1000 to access valuable market data and make informed bidding decisions.
- Sniping: Contrary to popular belief, sniping (last-minute bidding) is not a reliable strategy in real auctions, as market dynamics can shift unpredictably.

By trusting your own judgment and staying informed, you can navigate stamp auctions with confidence and increase your chances of success.

<https://www.youtube.com/shorts/wrzilwqBcGM>

Tip #8: The sweet spots

In the world of stamp auctions, understanding the nuances of different price ranges can give you a competitive edge. Here's what you need to know:

- The \$500 - \$1000 Range: This price range presents a unique challenge. It's often considered the "sweet spot" where stamps can be difficult to sell. Why? Because it's a range where many collectors may find it financially challenging to make a purchase, yet those building extensive collections may have already acquired these stamps. If you find yourself in this range, consider bidding strategically by aiming lower and making post-auction offers to secure better deals.
- Premium Stamps \$1,000 - \$25,000 Range: While premium stamps may seem expensive, they can actually offer great value. These stamps are typically sold to collectors or dealers who have a specific buyer in mind, meaning they may be flipped for a significant profit. Keep an eye on these stamps, as they could potentially be lucrative investments.
- Buying Unsolds: While it may seem tempting to pursue unsold stamps, it's not always a reliable strategy. Some auction houses may allow it, but others may view it as counterproductive. If you're considering this approach, be sure to inquire with the auction house and proceed with caution.

By understanding the dynamics of different price ranges and bidding strategically, you can increase your chances of success in stamp auctions and secure valuable additions to your collection.

<https://www.youtube.com/shorts/NruTGnLV-d0>

Tip #9: Bidding Theory and Strategy.

In the realm of auction bidding, understanding the intricate techniques can significantly enhance your success. Here's a breakdown of essential strategies:

- Absentee Bidding: Submitting bids in advance through platforms like StampAuctionNetwork allows you to participate in auctions remotely. While it can secure your position, it may limit your flexibility in adjusting bids based on real-time developments.
- Phone Bidding: Engaging in live bidding via phone enables you to react swiftly to auction dynamics and adjust your bids accordingly. It offers a balance between convenience and real-time participation.
- Live Bidding: Whether in person or through online platforms, live bidding provides an immersive auction experience. It allows you to gauge the competition, react to bidding patterns, and make informed decisions in real time.
- StampAuctionNetwork Agent Bidding: Leveraging StampAuctionNetwork's agent bidding feature empowers you to have a dedicated representative bidding on your behalf. This ensures proactive bidding while providing flexibility to adapt to changing circumstances.

By mastering these bidding methods and understanding their nuances, you can navigate auctions with confidence and maximize your chances of securing desirable items for your collection. For comprehensive insights and detailed examples, explore our in-depth video resources on bidding strategies.

Here's a detailed breakdown of essential strategies:

- Absentee Bidding: Bids can be submitted in advance through various channels such as StampAuctionNetwork, phone, fax, or mail. These absentee bids are recorded in the auctioneer's "book," where they serve as your representation during the bidding process. The auctioneer acts as your agent and executes bids on your behalf according to the predetermined instructions.
- Floor Bidding: When a lot is presented for auction, it is opened up for bidding on the "floor." Bids can be made via multiple channels, including the internet, physical floor, telephone, and agents. Each lot is auctioned individually, and bids are accepted until the highest bidder emerges.

Considerations: Timing and transparency play crucial roles in successful bidding. While absentee bids offer convenience and allow for strategic planning, they may not always

reflect real-time market dynamics. Only a fraction of lots are typically awarded to absentee bids, highlighting the importance of understanding the auction environment.

Strategic Insights: Absentee bidding can be advantageous in scenarios where you anticipate minimal competition and wish to capitalize on a tie bid situation. For instance, if you believe the true market value of a lot is \$200 and anticipate no other bidders, placing an absentee bid at this amount could secure the item without engaging in competitive bidding.

However, it's essential to recognize the limitations of absentee bidding, particularly when the auctioneer represents the consignor's interests. In such cases, the auctioneer may prioritize selling the lot at its perceived market value, potentially resulting in a higher purchase price for absentee bidders.

By understanding the dynamics of absentee and floor bidding, you can develop a strategic approach tailored to maximize your chances of securing desirable items at auction. For further insights and practical examples, explore our comprehensive video resources on bidding strategies.

<https://www.youtube.com/shorts/GTC1i6hcpWE>

Tip #10: Unleash the Power of Search and Research

In the dynamic world of stamp collecting, knowledge truly equates to power. Let's delve into the invaluable resource of StampAuctionNetwork, which offers far more than just pricing data—it's a treasure trove of information waiting to be explored.

StampAuctionNetwork grants you access to a vast database comprising 3.0 million auction sales, complete with detailed descriptions of each stamp that has crossed the auction block. Imagine having the equivalent of countless auction catalogs at your fingertips, providing invaluable insights and reference material without the need for specialized dealer knowledge.

Auction descriptions can be extensive, particularly for rare stamps, often shedding light on their historical significance and unique attributes. This wealth of information empowers you to make informed decisions and uncover hidden gems in the stamp market.

One common misconception is that previous sale prices hold no relevance to current bidding decisions. However, understanding past pricing trends is essential for informed bidding. Auctions serve as prime opportunities to acquire stamps, and pricing information serves as a guiding beacon in your bidding journey.

Keep in mind the global nature of stamp auctions—what may fetch a high price in one region could present a bargain opportunity elsewhere. For instance, consider the case of a used \$5 Columbian stamp that soared to nearly \$14,000 in a 2012 US auction, only to resurface in Europe seven years later, fetching a mere €1,200. Such examples underscore the importance of broadening your scope and seizing opportunities beyond your immediate market.

While pricing information is invaluable, delving deeper into provenance and census data adds another layer of insight. By tracing the pricing history of specific stamps or covers and combining it with census information, you gain a comprehensive toolkit to gauge the true value of a stamp and determine your bidding strategy accordingly.

As you embark on your stamp collecting journey, make the most of StampAuctionNetwork's BASIC or PREMIUM extended features to expand your knowledge base. Remember, the journey of stamp collecting is as much about exploration and discovery as it is about acquisition. Dive into the world of search and research, and unlock the full potential of your stamp collecting endeavors.

<https://www.youtube.com/watch?v=BbEfGKUI3iY>

Applying these Tips: Learning from Experience

Experience serves as the ultimate teacher when it comes to applying these bidding tips effectively. If you find yourself consistently winning lots at your maximum bid, it's crucial to reassess your approach in light of Rule #2. Winning at your maximum bid may indicate that you're either employing a strategic "bottom fishing" approach or potentially over relying on the market or auctioneer to determine prices. However, if you're adhering to Rule #2, you can confidently bypass concerns about market influence or individual auctioneer tactics.

While these tips are tried-and-true, their effectiveness hinges on your understanding of a stamp's value, demand, and supply. This is where StampAuctionNetwork's market data, provenance, and census features prove invaluable.

Market data provides a comprehensive overview of bids and sales, offering insights into quantity, price ranges, and historical transaction details. However, it's essential to analyze and interpret this data independently to inform your bidding decisions effectively.

Provenance enhances your understanding by showcasing the price history of specific stamps or covers, allowing you to track previous offerings and evaluate their performance over time.

Census takes this analysis a step further by sorting provenance results based on the highest price paid for each item. This allows you to gauge the stamp's standing relative to its peers and make informed predictions about its potential selling price. Whether the item is graded or not, census data offers a comprehensive overview to guide your bidding strategy.

In a rising market, prices may fluctuate, but armed with comprehensive knowledge, you can make more informed purchasing decisions and potentially secure better deals.

Personal Experience: My recent purchase of a stamp from the WFs series exemplifies the value of census data. Despite limited knowledge about WFs, I felt confident in my purchase thanks to insights gleaned from the census. By understanding the factors influencing a stamp's value, such as condition, centering, and cancelation, I made a purchase with greater assurance.

Stamp collecting in the digital age offers new avenues for enjoyment, such as browsing purchased stamps on platforms like StampAuctionNetwork. With the right tools and knowledge at your disposal, even stamps that may not belong in the top 10% of the market can offer value and enjoyment to collectors.