

Title:

Shopping With Uncle Sam - A Breakdown Of Government Auctions

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389

Summary:

A Retailer's Bargain Paradise?

We have all heard about the amazing deals you can find at government auctions—the planes, trains, and automobiles your neighbor's uncle's cousin picked up for a song. But how true are these stories? Are government auctions really a good source for purchasing products for resale? The answer to that is they CAN BE, but you have to know what you are doing.

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Article Body:

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Where do Govt. Auctions get their products?

Government auctions are can be held online, live 'in-person' or sealed-bid. They acquire their products from two main sources-

- 1.Goods they seized due to criminal activities or delinquent taxes.
- 2.Goods an agency of the government has but no longer needs.

According to Ian Aronovich, president and CEO of

<http://www.GovernmentAuctions.org> ®, the reason that the auctions can provide

such great deals is that "the government either attained [the items] for free or cheap and because the government does not have a traditional profit like a corporation does." They'll sell to the highest bidder even if they're getting less than market value.

Product Sourcing Tip 1: Research before you bid

If you source products thru government auctions to resell online make sure you know the market value of the product before you bid. The key to not overbidding is to research the items ahead of time. Most government auctions will publish a list of available items 2 to 3 weeks prior to the auction. And that is when you need to start your homework.

Blue Books are a great source for researching product value. There are price guides out there for basically anything you are interested in. Some of the most popular ones are:

- Automobiles—Kelley Blue Book. (<http://www.kbb.com>)
- Electronics—Orion Blue Book. (<http://www.orionbluebook.com>)
- Antiques—Kovels Antiques and Collectibles Price Guide (<http://www.Kovel.com>)

Product Sourcing Tip 2: Set a bidding limit

Once you figure out the market value of the items that interest you, just subtract the profit you hope to make. The result is your top bid for the item. You absolutely need to know the maximum amount you are willing to bid on any item before you go to the auction or you may get caught up into paying much more than an item is worth. Know your maximum bids, and stick to them.