

Penny Auction Tips & Strategy Report



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Penny Auction Strategies

There are some absolutely crazy deals to be had right now on penny auction websites. More and more sites are coming online everyday and most new platforms lose money up front to acquire a strong base of active bidders. These new sites also increase the number of penny auctions running market wide. We feel this has created a market imbalance and now is a great time to jump in.

HOWEVER, just signing up at one penny auction site and bidding does not mean you'll be a winner. The key to dominating penny auctions is being informed and having a solid strategy. Below are our penny auction tips and strategies that will get you on your way to racking up the penny auctions wins.

The following are various strategies (or lack of) that you will likely see when bidding on penny auction sites. It is best to have a strategy going into an auction and also make note of the strategies other bidders might be using.

Lotto Ticket Strategy

The lotto ticket strategy is basically no strategy at all. This is what most first time penny auction bidders use and it typically results in no wins. You will see these bidders jump in auctions and make a few bids and leave. They typically do this from one auction to the next until they have no more bids. This method of bidding is the result of not taking the time to understand the penny auction model. The lotto ticket user typically walks away from penny auctions disappointed and likes to cry foul because of they didn't take the time to understand the rules. Don't be this guy/gal.

Win Rate: Rare

Deal Level: Random

Early Aggressor Strategy

Bidders looking to get an extreme deal tend to use the early aggressor strategy. They are looking to get an insane bargain so they will start bidding at the very beginning of the auction. While bigger ticket items don't always end a few dollars into the auction it does happen and the early aggressor gets the spoils. Any early aggressor tends to bid a lot early and will exit an auction in the early to mid stages. We only use this strategy when we are prepared to pay retail for an item (like holiday shopping or for a gift) on sites that credit losing bid values toward a Buy It Now Price. We do not recommend using this strategy on sites that do not offer a Buy It Now option.

Win Rate: Low

Deal Level: Extreme or Buy It Now

Stalking Sniper Strategy

The stalking sniper strategy is very prevalent among penny auction bidders although it is typically not all that effective. With this strategy the bidder waits until the last 1 or 2 seconds of an auction to bid and then repeats trying to wear the rest of the bidders out. As opposed to the stalk and strike strategy this method typically results in a fruitless effort primarily because the bidder uses this strategy due to a low number of available bids. Although this method does work with some success on lower value items we don't recommend this strategy as a whole. (See Stalk and Strike)

Win Rate: Low/Medium

Deal Level: Good

Bully Sniper Strategy

The bully sniper strategy is when a bidder jumps into an auction very late with a dominant presence. This bidder will typically outbid any other bidder immediately. This strategy is often successful but requires good/lucky timing so we don't recommend it for an auction you really want to win. It is also often a sign of a low number of available bids so more experienced bidders might hang on through the surge of bids. If you are low on bids and don't plan to obtain any more this is a decent strategy although it's not very popular with regular bidders who are heavily vested in the auction. There might be recourse bidding later if you continue to use this strategy on the same site (this is more for smaller and niche sites).

Win Rate: Medium

Deal Level: Good

Stalk and Strike Strategy **Our Preferred Method**

The stalk and strike strategy is a multi-faceted bidding strategy. The bidder will enter the auction just before the average final auction value for the item with a stalking strategy only bidding when there are 1 to 2 seconds left on the clock. This mode is used to gauge the pace of the auction and the other bidders. Once the bidding weakens to only a few bidders (non auto bidders and non power bidders) the strategy then shifts to an aggressive bully mode. As the aggressor/bully the bidder will automatically outbid any user using an auto bidder (if available). The idea is to make the remaining bidders give up with a dominant presence.

Note: If you switch modes too early and 4 or more bidders become active switch back to a stalking/passive mode of bidding. Make sure you have a budget and plenty of bids available before implementing this strategy and do not bid

emotionally. We have found it to be highly successful when used at the right time.

Win Rate: High

Deal Level: Good/Very Good

Super Bully / Power Bidder

The super bully strategy is typically used by very active power bidders who want to garner an “Avoid” reputation and might be reselling penny auction wins as a business. These bidders will typically enter an auction early for lower value items or about 50% to 75% of the average final auction value range on high value items with a very strong presence. Many power bidders use the auto bidder feature exclusively trying to wear down any other bidders.

We’ve found that bidders that use the super bully strategy are typically either :

- a)** Experienced users who are willing to go up to retail or higher to maintain a reputation and earn lower auction wins later because of that reputation.
- b)** Emotional and aggressive bidders who will win at any cost. These are typically newer users.

Unless you are operating on all of the major penny auction platforms and reselling wins as a business we don’t recommend using this method. We do recommend avoiding auctions with super bully / power bidders if possible.

Win Rate: High

Deal Level: Medium (Some Excellent, Some Retail+)

For An Updated List Of Our Recommended Penny Auction Sites Click [HERE](#)

Penny Auction Tips

- **Know The Rules** – Each penny auction site has it's own rules and terms. Make sure you know the bidding rules, win limits and site terms before getting started.
- **Observe** – Take some time to observe the site, auctions and bidders before jumping in. The bidding methods and activity of the user base can change drastically from site to site.
- **Patience Pays** – Penny auctions are a lot of fun and it is easy to get caught up in the action. With that said, resist the temptation to bid for the sake of bidding. Only bid on auctions you really want with the best opportunities. Do the research and pick your spots and you will be rewarded.
- **Don't Forget The Small Sites** – To add to the patience tip don't forget to play the smaller and newer penny auction sites. While these sites tend to have a lot fewer auctions than the bigger sites they typically have much less competition as well. We recommend monitoring all of the newer penny auction sites on our list. There might only be one or two auctions per day that interest you but the odds of scoring a big deal are really good if you stay with it. Join a few of the larger sites for more action while you wait.
- **Check The Time** - Try to bid on auctions during non-peak traffic hours when the competition is lower. We've noticed that weekdays around the typical lunch hour and end of business hours are the best times to score a deal.
- **Start Small** – Get a feel of each penny auction site by starting small. Learn the intricacies of the bidding platform and other users with a smaller value item (less than \$15 retail).

- **1 Auction At A Time** – Don't try to bid on multiple items on the same site at once. We have tried it and more often than not we end up missing a crucial bid and someone else gets the deal.
- **Avoid Bid Pack/Lot Auctions** – We only recommend bidding on a bid pack auction when you have an initial beginner auction available (if they are offered). After that avoid bid pack auctions. You might be able to break even but they are typically some of the most competitive auctions and end up being a waste of time (and bids).
- **Don't Forget The Gift Cards** – The competition for gift cards varies from site to site. We have found gift cards draw much less attention and competition at various sites. If you are targeting a high dollar item you might want to look at the final values of past auctions and compare your item to the final value of gift cards from merchants that sell the same item. Sometimes the best way to get a big ticket item is by picking up a gift cards.
- **Study Up** – If available, study the final values of past auctions. Note the day of the week, time of day, number of bidders and bidder names. This can prove very valuable to pick the auctions you want to participate in. (Note: we are currently gathering data to provide a searchable database with much of this information)
- **Know The Community** – To add to the "Study Up" tip if you plan on using a penny auction site for a while you should take note of frequent bidders. Know who the power bidders are and try to stay away from them. If you "jump" a regular bidder at the end of an auction they are heavily vested in you might get some retaliation later on. Many penny auction platforms have regular users that have an unwritten code of ethics. While there is no rule or penalty against jumping a bidder late in an auction late it can get you a bad reputation and you might have problems later. This is more of an

issue on niche and lower traffic sites.

- **Have Time Available** – If you are bidding on a bigger ticket item make sure you have time available to stay with the auction. High value auctions can last several hours.
- **Have Bids Ready** – Make sure you have plenty of bids available before starting an auction. The worst thing you can do is run out of bids and have to get more mid auction.
- **Average Your Bid Costs Down** – Get the larger bids packs at a discount and take advantage of site promotions to average your bid costs down.
- **Monitor Your Competition** – Know the available bid pack sizes for the site you are using and monitor the other bidders as you go. Sometimes you can spot a user is about to run out of bids and use that to your advantage.
- **Have A Budget** – Make note of how many bids you are willing to use and how much you are willing to spend on an item before starting an auction. Stick to these limits.
- **Use Auto Bidders To Your Advantage** – We use manual bidding most of the time but there are times that auto bidders are great.
 - 1) If you need to get up for a minute set an auto bidder so you don't run the risk of missing the auction end.
 - 2) When the bidding gets weak and only a few bidders are left you can often use an auto bidder to drive the remaining bidders out.

- **Never Assume Logic** – Many of the penny auction bidding strategies involve game play so don't assume others are using a logical thought process in their bidding. Some bidders let emotion get the best of them and others will intentionally drive an auction past retail value to garner a bully/power bidder reputation. Don't get emotional with your bidding.

For An Updated List Of Our Recommended Penny Auction Sites Click [HERE](#)

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