

Online Profit Strategy: Amazon -> eBay Arbitrage

Dear Profit Seeker,

I have something interesting and potentially very profitable to share with you today and, more importantly, this is so quick and easy you can be earning money in a matter of days!

Arbitrage

If you have been in business before, or investigating Internet Marketing for any length of time it is highly likely you will have come across the term arbitrage. The current Wikipedia definition of arbitrage is:

“In economics and finance, **arbitrage** is the practice of taking advantage of a price differential between two or more markets: striking a combination of matching deals that capitalize upon the imbalance, the profit being the difference between the market prices.”

Simply put this means buying in one market (where the price is low) and selling in another (where the price is higher). The difference between the higher sales price and the lower buying price is your arbitrage profit.

eBay

eBay is a fantastic place to make money principally because of the huge volume of buyers visiting the site every day, all keen to get a deal or a discount on a wide range of goods.

As you will already know, a hungry market is an essential component for any profitable business venture - you only realize a profit when you make a sale so you need a market of buyers!

The other great reason to consider eBay is that there is no barrier to entry, you can set up an account, upload your items for sale or for auction in a matter of minutes.

The close relationship between eBay and Paypal removes the need for any complicated or expensive merchant accounts or fancy ecommerce systems. Both are free to register and you can get started straight away.

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What To Sell On eBay?

Now this is the big question. Get this right and you can consistently and easily make a steady profit from your listings. Get it wrong and you could end up with a garage full of unsold, expensive stock!

The simplest answer (and the best answer) is to sell what people are already buying! Kinda obvious I know but it really is that simple.

Once you have registered your account with eBay (registration is free and only takes a few minutes) you can use the advanced search feature and look for "completed items".

This will tell you not only whether other sellers are making sales but also what the average auction closed for (an indication of the profit you can expect).

The alternative way to find out what is selling is to look at an auction with multiple units for sale (typically this will be Buy It Now - fixed price listings) and examine the Seller's feedback. You will then see how many of a given item have been sold during the time the listing was (or still is) running.

Okay, so now you know how to very quickly asses whether a product is selling on eBay and what the expected sale price is likely to be.

So far, so good.

Hacking Amazon...

Please don't be alarmed by this subheading. I am not going to tell you (or show you) how to break into the Amazon website or do anything illegal.

(Side note: originally - and to many purists it still does - hacking meant investigating a system to find out how it worked, without any malicious intent. Cracking is the correct term for activities that are designed to break into computer programs, websites and the like in order to cause damage, mayhem or for other criminal activities. Unfortunately the media obsession with the term hacking has meant this is widely used to refer to any malicious computer activity. Rant over!)

Amazon is one of the most successful eCommerce companies on the planet and as such it has a huge range of products available frequently at a great discount from manufacturers Recommended Retail Price (RRP). Like eBay, Amazon has millions of web visitors browsing it's virtual stores shopping for bargains.

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However, Amazon is also a very efficient and very organised commercial organisation. While it's brand is synonymous with great discounts, not everything for sale on Amazon is at the lowest possible price.

As you will have noticed if you are a frequent Amazon customer, you are frequently recommended or suggested a range of products (related to your current browsing or previous purchases) and the majority of these are not offered at a massive discount.

Right, now I bet you are a little confused! Here I am telling you that Amazon will not always point you in the direction of the cheapest price yet this whole report is based on an arbitrage principle...buying cheaply in one market and selling in another...

Well, in the last 24 hours I was shown a neat trick by a friend of mine who used this to get up to 90% discount on some very expensive beauty products. (Side note, I had no idea Amazon sold make up and beauty products...honest...I really just use it for books and games ;).

Anyway, back to my friend...she has no interest in eCommerce or starting her own online business and just pointed this out as a technique she uses to save money on her make up products.

When I saw what she was doing I realized that this could be the easiest and fastest way for someone to start their own little eBay business. This involves minimal risk, very low start up costs and, as previously mentioned, you could be making money in your first 48-72hrs.

The Tweaking Amazon URL...

Okay, so here's the big secret that is not a secret. What you see on an Amazon web page is dictated by the URL or web address that typically starts with <http://www...>

So, if we go to the Amazon.com homepage and select "Books" we end up here:

http://www.amazon.com/books-used-books-textbooks/b/ref=topnav_storetab_b?ie=UTF8&node=283155

There is a lot of information embedded in this URL and this describes what is shown on the page.

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This means that by tweaking the URL we can change what information is shown on the web page.

Still with me?

Now a tiny part of the tech-speak-code-fest that is the Amazon URL can refer to the price or rather the discount available on a particular item.

Can you see where this is going yet?

Right, let me give you a concrete example by shopping for discounted books...

In the previous Amazon.com URL there was a section “node=283155”. It turns out that the node works like a category description. Node 283155 is the category for Books.

Now I realize that not everyone will get excited by the prospect of cheaper books but if you click here:

<http://www.amazon.com/s?ie=UTF8&node=283155&redirect=true&pct-off=70-99>

You will see that the browser window is titled “Amazon.com: 70%-90% off: Books” and all the books listed do indeed have 70-90% off the RRP.

Now Amazon is famous for cheap books but the same technique can be used to find bargains in other Amazon departments.

Just swap out the node=xxxx for your desired category and you find your category node number by clicking on the “Category” menu on the lefthand side of the Amazon site.

Here are some obvious ones for you to check out:

Node Number	Category/Product Type
468642	Video Games (general)
14210751	Playstation 3 Games & Accessories
14218901	Nintendo Wii
14220161	Xbox 360

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Node Number	Category/Product Type
193640011	Blue Ray Store
387545011	DVDs
3760911	Beauty Products
377110011	Watches
3410851	Golf
502394	Cameras & Photography

Each subcategory has a different number if you want to be more specific in your bargain hunting. For example node 3411341 is for Golf Training Aids.

Now the observant among you will have noticed the end of the URL I gave you had some numbers in and these numbers corresponded to the discount on offer.

Here it is again in case you missed it before:

<http://www.amazon.com/s?ie=UTF8&node=3411341&redirect=true&pct-off=70-99>

In this case, this url will list all Golf Training Aids with between 70% and 99% discount from the manufacturers RRP.

So, changing the numbers at the end of this URL will alter the products displayed based on the current discount Amazon is offering.

i.e. A golf training aid currently being sold by Amazon at a 50% discount from RRP will not be displayed in the above search but will be displayed if the last section of the URL was =50-99

<http://www.amazon.com/s?ie=UTF8&node=3411341&redirect=true&pct-off=50-99>

Please note, tweaking the URL in this way does not change the price of the item (otherwise I would have every hi-tech gadget that Amazon sells already installed in my living room!) it simply forces the Amazon.com website to display items for sale with the discount specified in the modified URL.

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Amazon -> eBay Arbitrage For Quick Profits

Okay, so now you have the two components needed to profit from this idea, here is the simple process I recommend:

1. Go to Amazon and find a category of products you'd like to sell
2. Tweak the URL to get a list of products with a large discount
3. Go to eBay and verify that the product is being actively bought and sold
4. If there is sufficient difference between the Amazon buy price and the average eBay sales price you have an arbitrage opportunity to make a profit!
5. Buy the item from Amazon, list on eBay and make some money :-)

While researching this idea I have found dozens of Xbox and other console games being sold on Amazon (both .com and .co.uk) at over 70% discount and all of these could be sold for a profit on eBay.

Following my friends initial lead I also discovered that the Beauty products categories offer tremendous arbitrage opportunities as do a range of branded goods.

For example:

Playboy Pink Ladies Messenger Bag

Amazon.co.uk: £6.99

eBay.co.uk average listing price £18.99

You will need to factor in delivery fees (though if you are an Amazon Prime customer you can get most items delivered free), paypal and eBay listing/transaction fees and packaging but you should be able to make a steady and consistent profit on items you can find with a decent arbitrage margin.

Amazon.com vs The Rest of The World

One quick note about the examples listed here in this report. All of the node references are for Amazon.com

Each Amazon regional store (.co.uk, .fr, etc) will have different node numbers for the same categories. To identify the correct node number for a particular country's Amazon store you just select the Category from the main navigation and look in the URL for either node= or nid= (this seems to be a node id reference).