

Setting Reserves in Online Auctions

How and where you set your reserve in an online auction can make all the difference whether or not your horse gets sold. When setting your reserve, there are several things to consider.

1. **What is your motivation for selling?** There are many reasons for selling, some more urgent than others. If you have lost your job and you can no longer afford to keep your horse, then your motivation would be very high. If you are just checking out online auctions for the first time, and want to see how they work, your motivation might not be as high. You have to determine that.
2. **How long has your horse been for sale?** If your horse has been for sale for several months on one of the online listing sites, and hasn't sold, chances are the horse is priced too high. People want to buy the right horse, but they also want value for their money. When buying a horse, they do not take into account how much you have invested in that horse. They only consider how the horse compares to other horses that will do the same job priced in that category. If your horse does not compare favorably to his competition, he will not sell.
3. **What is "Plan B" if your horse doesn't sell?** Sometimes the auction IS Plan B. If your horse doesn't sell, what will you do with him/her? Do you have a rider in place? Another home? How much will it cost you to keep the horse until you have another offer? These are all things to consider when setting your reserve.

When filling out your entry form, you will be given three choices. Please remember, that all of them are flexible. We will be glad to work with you throughout the process to help you get the most for your horse.

1. **Sells without reserve.** This choice is taken if you absolutely know that the horse needs a new home. Our minimum opening bid is \$500 and is significantly more than any "killer buyer" is willing to pay for a horse, so that is not a worry. If the horse does not bring the minimum bid it is not sold. Many times we have "bidding wars" over well broke, safe, older horses that just need a new kid to love, that sell with "no reserve", so, it is a viable option. This is the only option that is NOT flexible once the bidding has started!!
2. **Sells with reserve.** You know you have to have "X" amount of dollars for your horse and you won't take a penny less. Say that amount is \$10,000. Part of our job will be to ask you if you will take \$9,000. If you say "yes" then we know that \$10,000 is NOT your reserve. If you say I "might" take \$9500 then \$10,000 is STILL not your reserve. There is also a difference between "I would like to get" and "I have to have", but sometimes it takes a while to realize what that amount is.

3. **Sells subject to seller confirmation within 24 hours.** This is the equivalent of our “play it by ear” in our live auctions. There is not too much difference between this option and the “Sells With Reserve” option, except that it gives the seller a little more time to think about whether or not they want to accept the last bid. There is a little more flexibility in this option, so it is popular with sellers.

When selling your horse, you can get a bidder’s number and bid on your horse, or we can do it for you. Remember, this is a “Reserve” auction. It is perfectly legal, and ethical. At all the major Thoroughbred Auctions, announcements are made before the auctions that the auctioneers and/or sellers have the right to bid on the seller’s behalf.

You can bid one of two ways:

1. **Bid one step ahead of the potential buyer.** Each time the buyer places a bid, they are essentially making an offer on your horse. You can do nothing (other offers may be made by other potential buyers), or bid on your horse staying one step ahead of the potential buyer. Remember, however, that each time you bid, you have just turned down their offer. They may not make another offer, and if there is the slightest possibility that you could live with that offer, then you should not bid. Approximately 80% of the bidding on most horses comes in the last 2 hours of the auction. DO NOT panic if your horse is moving slowly up to your reserve price.
2. **Proxy Bid.** This can be a tricky one. If you are absolutely rock solid certain that you will not take a penny less than X for your horse, you can place a proxy bid, and you won’t have to sit by your computer. Our system will bid for you, just like ebay. It will only bid in increments just enough to stay ahead of the other bidder until they reach your maximum bid. The problem with this is that people change their minds, and we have seen sellers place proxy bids and see buyers get ALMOST there and quit, and there is not much that we can do. Also, we do not know what your proxy bid is unless you tell us. All we will see is your number displayed as they high bidder.

We are here to help you sell your horse and get the most money possible. We want your online auction experience to be positive and fun. We will be in touch with you throughout the process, to help you and answer any questions you might have. You can always reach Tim or Cathy at: 866-652-7789