

Auction Survival Guide: I

by
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We often get inquiries as to the process and strategy involved in mail-auction bidding. What constitutes a “fair” bid? How many bids can be submitted? Are multiple bids on the same lot permitted? Are “open bids” permitted? How can I be sure that I get the lot that I bid on?”

I’ve consulted some of the hobby’s biggest mail-bid auction masters as to answers, hints, and basic auction information, and here’s what I’ve come up with in an effort to help you be successful in your bidding efforts, especially if you’re a novice to bulletin mail-in bid auctions. Plus, of course, the RMS Bulletin auction is especially important since it helps support the bulletin...so happy customers make a happy bulletin!

First, let’s go over the general mechanics of mail-auction bidding. First, normally anyone can bid in any auction, but you have to be a member of that club in order to submit lots. You look over the auction flyer that you receive with your bulletin and see which lots strike your interest. Read carefully the description of each lot so that there is no confusion or misunderstanding of the covers involved. Always double check what is in the lot and how many are in the lot. Technically, a lot may consist of anything from a single cover or box to an entire collection. Practically speaking, however, lots usually consist 1-50 items.

Now, you mark your bids down for those lots you want, one bid per lot, and mail them into the club person handling that auction. For example, Dan Bitter handles it for Sierra-Diablo, Richard Lauck is the person for Pacific Northwest Matchbook Collectors Club, and Bud Shappell does that job for RMS. Another thing that always needs to be kept track of at this point is the deadline for getting your bids in. The clubs always take care to give readers sufficient time, but occasionally it’s a tight squeeze because of late arriving mail.

The club’s auction person eventually goes through all the bids received for that particular auction, determines which is the high bid for each lot, and notifies the appropriate collectors that their bids have been accepted on those particular lots. Upon receiving such notification, the collector should then promptly send off payment for the lot or lots that he or she has successfully bid on. Note that some clubs also ask for the

appropriate postage to be included, as well. Prompt payment is very important. Not only is it an expected courtesy, but otherwise it causes real headaches for the person handling the auction. It gives him/her one more thing to keep track of, costing additional time and effort—and, meanwhile, the seller is waiting for payment. Within a reasonable amount of time, you receive the lots you won in the mail.....Simple!

Well, perhaps not. The big question is always, “How can I guarantee that my bids win?” You can’t, not unless you want to ridiculously overbid each time. So, let’s take a look at some strategies and hints that at least will give you a better shot at success while making the entire process less frustrating.

As far as formulating a bid is concerned, consider a number of factors. How many dupes of what you already have is that lot likely to have? This would be an important consideration for the more experienced collector with an already fairly large collection in that particular category. How common are those covers likely to be? If you’re looking at a lot of “25 RS 30-strike Ship Lines,” you’re likely to end up with the same 25 Ship Line covers that everyone in the world already has, including you. On the other hand, if you’re looking at a lot of “25 RS 30-strike Foreign Ship Lines,” the chances of dupes are not so great.

If there are multiple items in the lot, base your bid on what you would pay for a single item in the lot and then multiply that figure by how many items are in that lot. The reverse is often dangerous; that is, simply bidding on the overall lot without breaking it down to price per cover. For example, you might see a lot consisting of 50 stock Holiday Inns. Right off the top of your head, you decide that you’ll put in a bid of \$15. That might seem reasonable; after all, there are 50 covers in the lot. However, if you stop to consider the price per cover, you realize that you’re about to bid 50¢ each for those stock Holiday Inns. That may not seem reasonable.

What if you don’t know what’s “reasonable”? Most, if not all, of the clubs that have bulletin auctions publish the winning bids for the previous auction, and you may want to see what similar lots have gone for in the past and form your bid accordingly. That may give you a ball park idea on where to start, but such figures are notoriously unreliable because they represent who wanted those lots much more than what the lots were actually worth. That last auction lot of 20 Pre-War Navy Ship covers, for example, may have gone for \$5 because it was the December auction and most collectors were distracted by the holidays, relatives, shopping, etc. That same lot, had it attracted the attention of just a couple of ardent Ship collectors, might easily have gone for \$80.

The reality of the situation is that you can check the last auction stats, price guides, or whatever, eventually all you can do is ask yourself, “What am I willing to pay for this lot?” and bid that amount. That’s what it always comes down to. How badly do you want that lot? If there’s someone else bidding on that same lot who wants it more than you do, you’re probably not going to get it. All your strategizing, all your price analyses, all your record keeping can easily come to naught...simply because some other collector has already decided that he wants that lot badly enough to submit a bid that will be head and shoulders above everyone else’s...including yours. There’s nothing you can do about that. It’s part of the process of any auction. So, part of any buyer’s strategy should be the philosophy, “If I get it, I get it; if I don’t, I don’t. There’s always next time.” If you actually see a lot and feel that obtaining it is a life and death situation, then you become that collector who submits a ridiculously high bid (ridiculous to most others, but not ridiculous to you, because you want that lot!). When it comes right down to it, mail-bid auctions are a “crap shoot.” You don’t know who you are bidding against, and you don’t know what you are bidding against. All you can do is make your bid and take your chances. That’s really part of the fun inherent in the process. *[Next issue—Part II]*