Case Study 3 Quibids.com

1. Quibids.com is a pay-to-play e-commerce business model and an online marketplace which provides an environment where sellers and buyers meet to bid and sell merchandise. Quibids.com business strategy is that it works like an online auction where all bids start at $.60 and its mission is to redefine shopping by providing the best possible deals for its customers with a unique, fun and exciting online experience by using a timed auction system. Its gives customers the option to walkway with a product and even if the customer loses the bid then they can still have a chance to buy the item at less than retail value. Winners of the auctions are able to save money due to a discounted price. For example, when an online user won an iPod touch for $9.00, when originally you would have to pay about $200.00. I feel quibids.com has a viable business model in the short-run because, you can get high-priced items for cheap, but after some time more users will become attracted to the cheap prices and lessen the chance others have of winning an auction.

2. Quibids.com business strategy role of e-commerce is to make the company money. Buying and selling goods electronically, as well as services, are all part of an e-commerce strategy. Yes it is providing a satisfactory solution to the business strategy because, they make their money off of the amount of bids that are placed, not how much the item is worth or sold for. For example, a Mac computer is $2,000 and if it sold for $500 then that means the bidder got it for $1,500 less than it was worth and the company can make up to $3,000 if zero bidders don’t put their bids toward another auction item.

3. Unlike eBay or Craigslist you can buy in for just $.60, as to those companies where you have to start off has the highest bidder to have a chance at the auctioned item. Due to the fact that Quibids.com only asks for $.60 per bid, it quickly attracts many customers over time. The trick behind this is that those bids will add up to a significant amount that is returned to the company as a massive profit. No need to worry though because Quibids.com provides help known as “BidOMatic”. BidOMatic is a tool that allows you to put in a specific amount of bids up to a certain amount of money under a period of time. For example, you can tell BidOMatic a maximum of 25 bids and minimum of 3 bids at a time. It will automatically place the bid for you
between 0 and 20 seconds. This tool can also be activated and deactivated. So in this case you can take a break from the computer and make a stop or food run, you can and you will not miss any bids. (Quibids)

4. The difference between eBay and Quibids.com is that Quibids.com charges users to make bids, $.60 is charged for every bid made and you can buy a large amount of bids and let the tool “BidOMatic” control your bids for you. Also there is a set time limit that increases every time you make a bid. On eBay you can buy as many bids as you want and it does not cost, but if you win then you only have to pay what you bid. On eBay items are auctioned off by the previous owners of the item, not the actual website. A significant difference would be that on eBay, there is a set time limit that cannot be changed.

5. Quibids.com revenue model consist of advertising and participation fees. The fees are based on the bids and the prices of the item for sale. So in this case the more the bidders the more money they make. Instead of earning a penny per bid, they earn $.60 per penny. For example, if an item sales for $50.00 that is 500 bids and the amount Quibids makes is $300.00. We feel the revenue models are sustainable because people are still bidding and there business strategy will always attract some form of user. Also due to the short amount of time, the company tries to keep all the users at the computer, so therefore they will not lose money or the item.

6. We agree in a way that all penny auctions despite of reputations are not good ideas and should be reverted. The reason being, these penny auction sites require people to pay for the choice to bid, but they don’t allow changing the amount of the bid. In this case Quibids.com is forcing the price up while profiting the whole time. Leon Bricjhhouse said “IF quibids DOES actually use bots or employees to outbid you then THAT IS A SCAM. It wouldn't surprise me one bit if they did and I'm not even sure it would be illegal for them to do so. The fact that many people have stated that they have lost auctions to users who bid way too many times to be even close to worth it makes me think that they must be bots or employees. If that is the case, illegal or not, it's dishonest and unfortunate.” (Bricjhhouse) Then in a way we disagree to because even though the site may be a scam user’s still win high priced items as if they were stealing them. If I walked away with an Ipad touch for $74.60 when its retail price is $499.00, I would not care if it were a scam or if the company made a huge profit because so would I. Ithornto stated that “I love Quibids and it is because of all the losers that I love it. All of you who spend lots of bids and have never won is how I am able to get things cheap.” (Ithornto)

7. There are a couple of strategies in winning on a penny auction site that many people use. As we watched these live auctions go down we noticed two strategies people were using. The first one was a XBOX Kinect with nineteen bidders. As the auction was going on we noticed that one individual bid after one person would and was pretty much dominating the auction. It was almost as if he were trying to scare the other bidders off with intimidation. Another we watched was with a Toshiba 55”
HDTV with only 14 bidders. As we watched this one there was a user by the name of intimidater2 who was bidding off the wall trying to use the intimidation strategy, but we noticed that another bidder came in late and was bidding when the time got to 2 seconds left. This allowed him/her to use less bids and in a way still stay on top.
Works Cited


