



What Do Buyers of Your Surplus Assets Want?

Exclusive, Data-Driven Insights into Buyer Behavior

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Introduction

Savvy organizations are well aware of the opportunity presented by surplus assets. From obsolete machinery and surplus materials to used vehicles and drill pipe, surplus is a source of value for businesses. By selling these assets in the secondary market, your organization can generate working capital to help maintain your competitive edge.

While the opportunity presented by surplus assets is clear, the path to successfully selling them is murkier. Selling surplus starts with finding the right buyers. Millions of buyers representing virtually every asset category comprise the secondary market. They purchase assets through live and online auctions, retail ecommerce options, and private treaty sales. How do you find these buyers, and how do you get them to pay top dollar for your surplus?

For nearly three years, Liquidity Services has sought to answer these questions by regularly surveying our global network of almost three million registered buyers. In analyzing results from several surveys that together represent input from nearly 10,000 buyers, we've observed that buyers across the world and in virtually every asset category typically value the same things when searching for, selecting, and purchasing surplus.

With this exclusive information at your fingertips, you can deliver the experiences your buyers desire, consequently generating the highest possible recovery for your assets. Read on to discover how to attract, engage, and drive bidding and purchasing activity from today's surplus buyer.



Provide Comprehensive, Accurate Information

Our buyer surveys have all found the same thing: information about surplus for sale is the top factor that determines whether or not buyers purchase. Prospective buyers collect as much information about your surplus as possible in order to make informed purchasing decisions. Make sure this information is as detailed, clear, and accurate as possible.

Here are guidelines on what kind of information to provide.

Asset Description – Include a brief description of the item, key specs, asset condition and age, model number, components, and any other relevant details.

Location and Removal Requirements – These variables can add significant cost for buyers, so they'll appreciate knowing them up front to factor into their purchasing decision.

Photos and Video – Would you buy an item online without seeing a picture first? Prospective buyers of your surplus won't either. Provide large, high-quality pictures, ideally from multiple angles. If you're selling a machine or vehicle, provide a video of it running if possible.

Providing robust, accurate information about your surplus will erode buyer uncertainty and increase recovery.

Drive bidding and buying activity by providing detailed, clear, and accurate information about surplus assets you're selling

Find Buyers Online

Our survey results have repeatedly found that most surplus buyers find and purchase items through the Internet. Nearly 70% of Americans shop online according to a recent survey – why shouldn't this extend to surplus assets?¹

You can capture your share of the online buyer market by promoting your surplus assets through multiple marketing channels, from online ads to Facebook posts. You should also provide an ecommerce site – either yours or a third party's – where buyers can complete purchases.

See below for tips on reaching surplus buyers through online marketing. Providing an effective ecommerce experience is covered later in the section "Make Buying Easy."

Search Engine Optimization and Marketing –

According to our surveys, most surplus buyers start their purchasing journeys on search engines such as Google and Bing. Robust content about your assets – as described earlier – will drive them to the top of appropriate search results pages. You can also place targeted ads about your assets on these pages, paying only when users click through.

Online Advertising – Drive buyers to your assets by targeting them with ads on online industry publications, on auction listing websites, and based on past browsing/search history.

Capture your share of the online buyer market by marketing and selling to buyers through multiple online channels

¹ <http://www.mintel.com/press-centre/technology-press-centre/nearly-70-of-americans-shop-online-regularly-with-close-to-50-taking-advantage-of-free-shipping>

Email Marketing – Generate bids for your assets through timely, targeted emails promoting upcoming and current auctions. Discounts and other promotions can motivate buyers to view your inventory and bid.

Social Media Marketing – Use Facebook, Twitter, and LinkedIn posts to generate buzz for intriguing assets and drive bids for auctions in real time.

A robust online marketing strategy will help you generate bids and sales from interested buyers.

Leverage Referrals and Testimonials

While most buyers use the Internet to find surplus assets, a significant percentage still rely on friends or colleagues as their primary sources, according to our surveys. No matter how easy it is to find assets online, buyers still value referrals from trusted third parties.

How can you leverage referrals to your benefit? Provide a superior experience for buyers of your surplus (the next section covers this topic). Satisfied buyers refer their friends and colleagues. Also consider a program that incentivizes buyers who refer new customers. Considering the potential lifetime value of a new customer, this program is well worth the incentive you provide!

How to Leverage the Network Effect

Create
unforgettable
buyer experiences

Incentivize
customers to
provide referrals

Solicit
testimonials from
satisfied buyers

You could also solicit testimonials from loyal buyers to include in your marketing materials. Like referrals, testimonials are effective because people are more likely to buy something that's recommended by others. While testimonials don't carry as much weight unless your buyer knows the customer, it's still more powerful than your business promoting itself.

Like all buyers, buyers of surplus count on their networks to recommend purchases. Through referrals and testimonials, you can leverage this dynamic to your advantage.

Make Buying Easy

Our research has repeatedly found something interesting – and perhaps unexpected – about buyers of surplus assets. Most buyers register for an ecommerce site for surplus assets because they want to buy immediately.

This makes it important to provide a positive ecommerce experience from initial search through payment. A smooth, helpful experience could result in a sale the same day. A slow, confusing one could drive prospective buyers away – and to a competitor's site.

Ask these questions about your ecommerce site to ensure you're providing an optimal experience.

Is it easy to use? Registering, bidding, buying, and arranging payment and removal should all be a breeze. If not, prospective buyers may take their business elsewhere.



While a smooth, helpful ecommerce experience could result in a quick sale, a slow, confusing one can drive buyers away



Is it easy for buyers to find what they want?

Does your ecommerce site include intuitive search and taxonomy functions that make it easy for buyers to find assets by price, category, condition, location, and more? Does it provide recommendations based on buyers' interests or what they've already bought? Buyers will appreciate if they don't have to look hard for what they need.

Does it provide helpful, responsive customer support?

Most buyers shopping online still want the option to talk to a knowledgeable support person. Make sure prospective buyers with questions or concerns can talk to a live person – a trained customer service representative who knows your assets, not an anonymous call center rep – as quickly as possible. Your sale may depend on it. Some buyers prefer email or web chat support, so be sure to provide those options as well.

Be Upfront About Removal Costs

What is the number one reason why buyers decide not to purchase an asset? "Cost" seems like the obvious answer, but that's only half-right. The cost of asset removal specifically is the top reason why buyers we surveyed don't purchase.

Removing capital assets from their original locations – especially large or cumbersome items such as drill pipe and heavy manufacturing equipment – can indeed be expensive. It may be tempting to hide removal costs, but this is disingenuous and not in your best long-term interest.

What Do Buyers of Your Surplus Assets Want?

When selling surplus as when selling anything else, you're looking to create loyal customers. And buyers who feel deceived or misled are not likely to become loyal. If you downplay or obscure removal costs, you might win a sale but lose the chance at a long-time customer. If you're upfront about the cost, you might lose that particular sale but win a loyal customer in the long run, as the buyer will appreciate your honesty and consider buying from you next time.

If you find removal cost a frequent sticking point for new buyers, consider offering a one-time "free removal" for first-time buyers. Taking this short-term loss could help you build long-term buyers. Just be sure to emphasize that free removal is only a one-time deal.

Our previous surveys have concluded that buyers need to feel they trust sellers from whom they purchase surplus assets. As with many transactions involving used items, buyers are naturally wary of what the seller might be hiding. Counter this by being as transparent as possible about details such as removal costs, condition, and age.



Top Reasons Why Buyers Don't Purchase Surplus*

**Cost of
asset removal**

**Level of detail
about items**

**Additional
costs/fees**

Asset quality

Other

*According to our most recent survey.

Conclusion: An Expert Partner Makes Surplus Simple

In nearly three years of surveying buyers, we have unearthed clear, consistent conclusions about how to reach, engage, and sell your assets to a vast global network of buyers. Today's buyers find the surplus they need online. You can reach them through online marketing methods and turn them into loyal customers by providing positive ecommerce experiences that include complete asset information, ease of search and purchase, and helpful service.

Selling your surplus takes time, effort, and specialized expertise. If you're wondering where you'll find the resources to launch a surplus sales program, you're not alone. Another Liquidity Services survey of organizations found that "lack of resources" was a major stumbling block for implementing a surplus program.

Fortunately, there's a better way. Just as you likely outsource certain aspects of your business to contractors, surplus management, too, can be outsourced to a trusted provider. Look for a professional partner that can deliver in all of the areas covered in this white paper. The right provider should have stats and case studies that speak to its success selling capital assets across a wide range of industries.

By helping you effectively reach, influence, and sell to buyers, a trusted partner will transform your surplus from a burden into a continuous capital source. No longer will your assets sit idle on your floor or in storage. They will become capital that fuels your investment in core business.

About Liquidity Services

Liquidity Services (NASDAQ: LQDT) employs innovative e-commerce marketplace solutions to manage, value, and sell inventory and equipment for business and government clients. We operate a network of leading e-commerce marketplaces that enable buyers and sellers to transact in an efficient, automated environment offering over 500 product categories. Our superior service, unmatched scale, and ability to deliver results enable us to forge trusted, long-term relationships with over 10,000 clients worldwide. With nearly \$7 billion in completed transactions, and 3 million buyers in almost 200 countries and territories, we are the proven leader in delivering smart commerce solutions. Visit us at [LiquidityServices.com](https://www.LiquidityServices.com).