

# Savvy Sellers and Bargain Hunters: Online Edition

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For centuries, the town marketplace has been the hub of buying and selling. The same is true today, although the nature of the marketplace has changed. Buying and selling is shifting from brick-and-mortar-type stores to online retailers. The U.S. Census Bureau reported nearly \$453.5 billion in e-commerce sales in 2017.

As a consumer, it is important to know the pros and cons of online marketplace transactions. It is helpful to be aware of potential pitfalls when buying and selling online, ways to protect your identity, and which online marketplaces are available.

Consider the following information when visiting the online marketplace.

## Buying Online

### Pros

**Convenience.** Buying online is convenient. Rather than making a trip to the store to make a purchase, online shopping allows you to make purchases from home. You no longer have to deal with wasted trips to sold-out supermarkets, endless lines at the check-out counter, and traffic. By shopping online, you can check the availability of the products you want, add them to your virtual cart, and purchase them at the click of a button at your convenience.

**Accessible.** Online marketplaces are widely accessible. You only need access to a smartphone, tablet, or computer with an internet connection, as well as a credit card or other form of electronic payment.

**Easy comparison shopping.** A unique advantage of online shopping is the ability to compare product features and prices. Instead of driving here and there and back again, online shopping allows you to compare products with a few clicks of the mouse. Some search engines even have a “shopping” tab where a search of any particular item yields a list of similar products on one page. This simplifies the process of comparing products to find the best deal.



**Reviews.** In addition to price checking, online shopping also allows you to see reviews of the products or the seller. Reviews, written by other consumers, allow you to make informed decisions about the products you are considering. You can filter results to see both positive and negative reviews. In addition, you can see how your peers have rated the seller and their experience when working with them. This ensures that you get the best products available.

**Coupons.** Buying online also allows you to find coupons that may not be available in-store. There are websites dedicated to finding coupons for online retailers. This allows you to find savings easily without even leaving your house.

### Cons

**Financial risk.** One of the biggest drawbacks of shopping online is the risk of having your credit card information compromised. Later in this publication you will find recommendations for ways to protect your identity online.

**Examining items.** Online shopping does not allow you to try on items of clothing to check for sizing or damage. You may order products that are incorrectly sized or damaged, or they might be damaged while be-

ing shipped. You need to familiarize yourself with the return policies of various online marketplaces so you do not get stuck with a damaged or ill-fitting product.

**Shipping.** A particular drawback of online shopping is the cost of shipping. The vast majority of online retailers or marketplaces have shipping costs. Some may be higher than others, while some online retailers and marketplaces may offer free shipping. It is important to know the cost of shipping before making a purchase, so that you know exactly how much you are paying for the item.

## Selling Online

### *Pros*

**Cheaper.** The cost to sell your items may be less than it would be if you decided to sell in a consignment store, and you also earn more for your items. In essence, you are able to cut out the middleman (or at least reduce the amount you give up to the middleman). Do your research to see which sites have the lowest fees for selling items to maximize your profits.

**Wider market.** Selling online provides sellers with access to a much wider virtual market. Rather than selling at a pawn shop or consignment store in town, sellers have access to an online marketplace that stretches across the country or even across the globe! This will almost certainly increase the rate of return and the speed with which you are able to sell your items.

**Convenience.** Selling online is as convenient as buying online. You can market, package, and ship items without ever leaving your home. There is also less hassle when selling online. There is no need to pack all your things up and take them to a physical store, it is all done in the comfort of your home. All you have to do is take a couple of pictures, upload them online, and post them on the marketplace of your choosing. Most online marketplaces have tutorials that walk you through the entire process.

### *Cons*

**Competition.** An unfortunate consequence of the convenience of online marketplaces is that they are being used by almost everyone. As a result, you may find there is increased competition on online markets. If you are using bidding sites like eBay, you may find that the competition drives down the price at which you can sell your items.

**Fees.** While there may be ease in selling things online, there are also fees and costs involved. Fees can come from the platform you are selling your items on and you will have costs when packing and shipping the

items. The fees may not be as much as selling an item in a store or consignment shop, but they are still something to consider.

## Cautions and Considerations

In addition to these potential cons of online marketplaces, you also have to consider how to keep your information safe, whether a website is reliable, and what to do if an online buyer or seller wants to make a transaction in person. Below are some things to consider when doing business online.

**Keep your accounts safe.** The most important thing to consider is the safety of your bank account information and identity. Make sure to do research on the websites where you decide to sell products. They should be reputable and well-known. In addition, make sure you have secure passwords for your accounts, and use credit cards instead of debit cards to protect your bank information. A secure password typically is a unique combination of numbers, letters, and symbols. You do not want to use the same password for all of your online accounts.

**Check out the seller.** Most online marketplaces have the seller's feedback score on the same page from which you would purchase an item. You can see both positive and negative reviews of the seller from previous buyers. In addition, you can also see how long it takes them to ship an item to a customer. Finally, you can see their return policy, in case there is an error with your order. If you are using a social media marketplace, this could be more difficult since people are often making one-time sales. However, if it is a city or town page, they will let people know if any customer has been scammed by a seller.

**Meet in public.** If you do decide to sell or buy something on a social media marketplace or online classifieds website, the sellers on these websites may ask you to meet somewhere to make payment for an item. Always meet in a public place, and bring a friend with you to make sure the transaction goes smoothly.

## Protecting Yourself Online

When buying or selling online, stay away from websites that are unfamiliar, or ones that you have not researched. Always make sure the website is a secure website by looking at the top left of your browser bar. There will either be a "lock" symbol or the letters https (not just http). Make sure the website looks up-to-date and that you can find reviews on the company.

After purchasing an item, do not reply or click on any links in emails that ask for follow-up financial information. Safe websites will ask you to fill out a form with

your financial information at the time of purchase, they will not ask for it through an email. The only thing you should receive from an online purchase is a confirmation of purchase or shipping email.

Most likely your credit card includes identity protection if you see charges you did not make. Stay up-to-date on your account balances, and check for unauthorized purchases.

Keep your passwords updated and secure. If you have the same password for every account, make sure you update it periodically. It may be best to have different passwords for different accounts, especially those with sensitive information connected to them.

When making an online purchase, always be sure to use your credit card instead of your debit card. Also, be sure that the payment option is secure. For example, Google Wallet and PayPal are reputable, secure methods of payment. In addition, when buying something from a seller on a social media marketplace or online classified ad, pay with cash or money order instead of a check.

When doing any type of online browsing, purchasing, or selling, have updated virus software. Your software should send an alert when you have a virus on your computer and may also alert you to websites that could be dangerous. Do not click on advertisements or pop-up windows.

## Types of Online Buying and Selling

**E-commerce.** The most well-known and used websites for buying and selling are electronic commerce, also known as e-commerce. Most of the websites focus on selling quality items, which can range from electronics and furniture to antique items and homemade jewelry. Buying and selling are all done through the website.

Examples: Etsy, Amazon, eBay

**Online yard sales.** These types of online options are where you can sell pretty much anything you want. Buyers may not necessarily be concerned with the quality of the items being sold.

Examples: VarageSale, OfferUp

**Online classifieds.** Like online yard sales, classifieds give you the opportunity to sell any item imaginable. However, you are selling to people who are in your area. This type of platform is one where you could be meeting your buyer or seller in person to do the final transaction. As a reminder, always be cautious when meeting someone in person.

Example: Craigslist

**Online consignment.** These online stores are where you would want to sell more quality clothing and accessories. Buyers on this platform may be looking for higher-end items. When selling, clothing should not have any signs of wear. A highlight is that all you have to do is send your items to the company, they put them online, and then you get your money when the item sells.

Examples: ThredUp, Swap, Poshmark

**Social media marketplace.** One type of platform for buying and selling that is gaining popularity is the social media marketplace. Like the majority of the websites listed, you can sell any item on these platforms. The bulk of items that are bought and sold on these sites are furniture and housewares. You may have to meet your buyer or seller for the transaction, so heed the advice above about meeting in public.

Example: Facebook Marketplace

## Reference

Quarterly Retail E-Commerce Sales. (2018). U.S. Census Bureau News. Retrieved March 28, 2018, at: [https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf).