

Handout from the “Introduction to Buying and Selling ONLINE”

Online shopping behavior in the United States - Statistics & Facts

During an April 2017 survey, 40% of internet users in the United States stated that they purchased items online at several times per month, and 20% said they bought items or services online on a weekly basis. Internet-savvy buyers are researching products online and reading reviews to get the best deal possible. Sometimes, they research online and end up buying offline. Around 42% of U.S. consumers had searched and purchased products or services online, while 14% prefer searching online and buying in store. And this data is 2 years old!

Buying AND Selling

- Name of the class but most is about how to sell and make money \$\$\$
- eBay’s **auction** only unfamiliar way of buying
- Fixed-price buying is straight forward
- Any questions on buying – ask!

Vocabulary

- eCommerce = business online
- Flipping – buy cheap, sell for profit
- Insertion fees = Listing fees
- Referral fees = selling fee
- Final value fee = selling fee
- Auction vs. Fixed-price

Flipping - How To Buy and Sell Anything Online For A Profit

<http://flippingincome.com/buy-and-sell-anything-online/>

- | | |
|-------------------------------|---------------------------|
| ❖ Garage sales | ❖ Toys R Us |
| ❖ Thrift stores | ❖ Costco / Sam’s Club |
| ❖ Flea markets | ❖ Target and Walmart |
| ❖ Wholesale companies | ❖ Walgreens / CVS |
| ❖ Going out of business sales | ❖ JCPenny / Kohls / Macys |
| ❖ Outlet Malls | ❖ eBay / Amazon |
| ❖ Craigslist | ❖ Groupon |
| ❖ Dollar Tree | ❖ Amazon Goldbox Deals |

eBay

- Can be used to sell anything – by auction or fixed-price
- Not always highest profit since competition is high
- Sellers offering rare, branded items, vintage goods and collectibles do best
- Fees* for selling are 10% of the total sale value, up to a maximum charge of \$750
- Customizations of eBay storefront; banner image, featured products, larger product photos, product categorization, a customer newsletter, etc.
- Global Shipping Program allows sellers to sell their products in 101+ countries by sending their goods to the eBay warehouse in Kentucky
- Buying is safer than selling; Can hold sellers funds

Starter

Discounts and tools for occasional sellers
\$4.95/ mo with annual subscription

Basic

Tools and lower fees for growing businesses
\$21.95/ mo with annual subscription

Premium

Bigger discounts designed for larger businesses
\$59.95/ mo with annual subscription

Anchor

Lower fees and dedicated support for volume sellers
\$299.95/ mo with annual subscription

Enterprise

The lowest fees and dedicated support for the largest retailers
\$2,999.95/ mo with annual subscription

Buying on eBay

- Auction – bidding or just use “Buy It Now”
- Research to find the listing that gives you the best chance of winning at the lowest possible price
- Try searching using misspelled words e.g. 'porcelane' instead of 'porcelain'. If a listing title contains a typo, fewer people will find it
- Note what time the auction ends
- Automatic bidding
- Second chance offers
- Reserve
- Bid Shilling (not ok) and Sniping (ok)

Amazon

- A titan of online retail - one of the first places that comes to mind
- a wide reach for potential buyers
- an easy-to-use selling platform
- Great for flipping items
- Avoid long term storage fees
- Who is Amazon Best Suited To?
- Almost anyone, selling almost anything
- Must be competitive enough to be a contender without sacrificing too much of your profit margins
- Make sure you're selling the right products

Individual Sellers	Professional Sellers
Selling fewer than 40 items per month	Selling more than 40 items per month
Flat \$.99 per item fee plus.....	Monthly fee of \$39.99
Referral fee avg. 15%	Referral fee avg. 15%
Fulfillment Center*	Fulfillment Center*
	Customized shipping rates Gift-wrapping Special promotions Eligible for top placement

*Amazon stores your products, handle customer service, shipping, and fulfillment for all of your online orders through Amazon.com

How Amazon Compares Directly to eBay

- Both large networks with a very large range of product categories
- eBay is essentially an auction house and it might take a week to sell an item
- Paypal fee
- Amazon is a traditional retail setup, and sales are instant with a fixed price
- eBay charges sellers for listing on the site, **regardless of success**
- **Also** a commission fee charged when a sale is made
- Can list on Amazon for free
- Pay \$0.99 per item sold on top of the commission for the sale
- On eBay, up to the sellers to make good on customer service
- Amazon Fulfillment fees vary based on the dimensions of the item and include the cost of:
- Picking your order, Packaging your order, Shipping your order, Customer service for your order,
- Handling returns for your order

- None of these services are offered by eBay so it is no surprise that Amazon is almost always going to cost more in fees.

Examples of selling on Amazon vs eBay

<http://entresource.com/amazon-fba-vs-ebay-better-sellers/>

Etsy

- Creative homemade, vintage items, or craft-related resources
- 3 basic selling fees: a listing fee, a transaction fee, and a payment processing fee.
- Etsy charges \$0.20 per item listed.
- 5% transaction fee on the sale price (including the shipping price you set)
- Etsy Payments also collect a 3% + \$0.25 payment processing fee
- No subscription program for power sellers YET
- Plus \$10 per month and Premium is coming
- You ship the items yourself

How Etsy Compares Directly to eBay

- Sell pretty much anything on eBay and Amazon
- Etsy caters to the handmade/vintage/boutique niche
- eBay has mass-sold items and big brands
- Etsy's buyers enjoy the unique nature of the products they're getting
- Etsy is similar to eBay in that they both charge a listing fee, however:
- eBay listings are up to 10 days, or 30 days for fixed price
- Etsy's listings last 4 months = 4 times as long on Etsy before renew
- Etsy is cheaper charging only \$0.20 listing fee per item, and a fixed 3.5% commission
- Fixed pricing model is much simpler than Amazon and eBay!
- eBay gets more traffic than Etsy with its larger market and audience
- Etsy has better support

Bonanza

- "Find everything but the ordinary"
- One of the easiest selling platforms to use
- The most recommended selling venue

How Bonanza Compares Directly to eBay

- Similar to eBay in that a huge range of different products are sold on both
- Many items on Bonanza are quirky and unique - extraordinary items do well here
- Much higher profit margins
- Free to list an item on Bonanza, and the average fee per sale can be as little as 3.5%, which is considerably less than eBay
- Fixed-price marketplace
- Bonanza sends every item listing to Google and Bing
- Sellers have the option to get more exposure by advertising their listings in other channels
- Easy-to-use import features for listings on eBay, Etsy, and Amazon.
- Monthly traffic is lower than eBay's, the ratio of shoppers to sellers on Bonanza is much higher 1,300 to 1 on Bonanza vs. less than 10 to 1 on eBay.

Sears.com

- Sears allows smaller retailers access to their audience of millions through its own popular [marketplace program](#).
- For \$39.99/month, you can list your products in almost any category that Sears sells, and your products will appear on Sears.com, the Sears Mobile app, and in kiosks found throughout Sears retail locations.
- Outside of the monthly fee, Sears only charges on a performance basis, with a standard 2.5% interchange fee, and commissions ranging from 5.50% – 17.50% depending on the category you're selling in.

Walmart

- Free and easy to set up
- Similar to Amazon in that you could be competing with Walmart itself

How Walmart Marketplace compares directly with eBay

- Referral fee of between 8% and 20% for successful sales
- Could be competing against some Walmart-owned brands, which may be given priority
- Walmart's online sales are lagging behind eBay (and Amazon), but it's still early
- Expect lower margins

Who is Walmart best suited to?

- Established businesses with solid brands stand to do well on the Walmart Marketplace

How to succeed on Walmart

- Be in a position where you can still make good profit margins with competitive pricing
- Provide great customer service and fast shipping
- Chase those customer reviews

Swap, Poshmark, thredUP, The realreal

Swap is a specialty shop for selling new and used clothes

- Send you a box and you ship them the clothes and they take pictures and display it for you
- All you have to do is set the price

Poshmark - men's, women's and children's clothing

- Fee structure under \$15, a \$2.95 fee; over \$15, the fee is 20%
- Buyer pays \$6.49 for shipping
 - print out a prepaid shipping label, box up your clothing and send it off

[thredUP](#) – world's largest online secondhand store

[TheRealReal](#) – consignment of name brands

[Mercari](#) – 10% selling fee

Ruby Lane and Bookscouter

Ruby Lane - serious antique and vintage sellers

- Pay \$100 to set up your store
- Pay \$0.19 cents per item you list
- Plus a monthly maintenance fee based on the number of items in your store up to 80 items in your store for a monthly fee of \$69

Bookscouter = best site for selling books. They show you prices from book buyers from over 10 different sites who are all competing for your business. Professional version \$29.99 per month

Selling Apps

LetGo mobile app and website

Free / No fees

large thumbnails and pinpoint filter

Uses AI to categorize the product and title it

In-app chat platform to talk to the buyers and sellers

Pay to boost your listing

Offerup - Similar to Letgo

Wallapop - a free, mobile virtual flea market/classifieds app for Android devices (4.0+)

To sell locally

Craigslist - reach is enormous, everything is local, be careful extreme hagglers

- Only charges for a small handful of post types, like job listings or vehicles.
- Other products are free to list.
- You arrange for pick-up or drop-off of items plus handle all disputes
- "Free" section – good for flipping
- Good option for selling items that are perhaps too big or expensive to ship, such as furniture
- Small social element
- Cash-in-hand, no network or shipping fees

Facebook's Marketplace - specialized corner for local stuff to buy or sell

You can "know" the person through their social profile. Opt for verified profiles.

You can talk to the seller using Facebook Messenger.

Nextdoor – very local, free, private social network for your neighborhood

Similar to FB and has a section to sell items for free

Last but certainly not least.....

Your Online Store: The No-Competition Option

- Selling on your very own website really is the ultimate option if you want to increase your profits and build a business that will become a long-term asset
- Have to establish your own traffic, which can make it a little slower to get started than selling in a bigger marketplace
- Don't have to compete with anyone else and your sales are all your own.

How Selling on Your Own Site Directly Compares to eBay

- Building your own brand
- Choose things like which payment forms to accept or tweak the design of your store to suit your preferences (and your branding).
- No competition with any other sellers on the same platform
- Selling on your own website used to be expensive and complicated, but it doesn't have to be!
- "[Get Buyers to Your Store](#)" and "[4 Ways to Advertise Your Store.](#)"

Hands-on Time

Take your phone out (Android or Apple)

First look and see if you already have **Nextdoor** on your phone

Go to Google PlayStore (for Android users) or the App Store (for Apple users)

Search for the **Nextdoor** App

Download it

Install it

Open it

Resources

This 28-year-old made \$2,400 in 4 months selling things online

<https://www.cnbc.com/2018/05/30/top-tips-from-a-28-year-old-who-made-2400-selling-things-online.html>

10 Sites to Sell Your Products Online: What's Best for Your Business? (no date)

<https://quickbooks.intuit.com/r/online-store-and-retail/10-sites-to-sell-your-products-online-whats-best-for-your-business/>

9 Places to Sell Your Stuff Online

<https://www.nerdwallet.com/blog/finance/where-to-sell-your-stuff-online/>

Sick of eBay? Try the best alternative places to sell in 2019 ..

<https://www.salehoo.com/blog/sick-of-ebay-try-these-alternative-places-to-sell>

Online shopping behavior in the United States - Statistics & Facts

<https://www.statista.com/topics/2477/online-shopping-behavior/>

Amazon FBA vs EBay – Which Is Better for Sellers?

<http://entresource.com/amazon-fba-vs-ebay-better-sellers/>

Other “Tech” classes taught by Prof G:

Introduction to Social Networking

Instagram

YouTube

Twitter

Fun apps; Snapchat, Pinterest, NextDoor

Cutting the Cord

Other classes taught by Prof G:

Human Sexuality for Older Couples

Human Sexuality for Women only

Prof G on Social Media:

YouTube: ProfG999

Instagram: prof_golden

Twitter: @Prof_DebbyG

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