

# Buy now, sell later

Services that take the hassle out of selling unwanted goods over the internet are encouraging people to buy things for temporary use.

Welcome to the leasing generation | **Kris Frieswick**

→ LIZ CALVERT, a school principal in South Pasadena, California, wanted to sell her Madame Alexander dolls on eBay, the worldwide auction website that moved over \$44 billion in merchandise last year. She had tried selling stuff on eBay before, and found it a supreme hassle. Her digital photos of the items looked poor. She was certain that she wasn't setting the right reserve. Once she sold something, taking the goods to the post office to send them to the buyer was inconvenient. The Madame Alexander dolls gathered dust in her cupboard.

Driving through Pasadena one day, the bright green sign of an iSoldIt store caught her eye. iSoldIt is a

chain of eBay drop-off stores owned by authorised eBay "trading assistants", who will sell your goods on eBay for a percentage. The trading assistant does all the heavy work, including marketing, photographing your item, packaging it and sending it to the buyer, and paying the sales fees to eBay. Last year, iSoldIt, a privately owned company created by Pasadena resident Elise Wetzel in 2003, saw gross sales of over \$30m.

"For me, it was a convenience thing," says Ms Calvert, who brought her dolls to the store the next day. "They sold my dolls really quickly on eBay, and I got more for them than I thought I would get." She is now a regular at iSoldIt, selling everything

from Coach handbags to a typewriter from the second world war.

iSoldIt is just one of a number of eBay trading assistants springing up to take advantage of the fact that (by some estimates) only 5% of eBay buyers ever sell on eBay. But those 5% are very busy indeed. More than 700,000 people make a primary or secondary income by selling items on eBay, according to a recent study conducted by the company. Some 14,000 of those sellers have registered with eBay's trading-assistant programme, a designation that means they have achieved high total sales as well as a reputation for quality among eBay buyers. It also allows them to use the eBay name when marketing to their customers.

## Power sellers

Although iSoldIt is the biggest trading assistant on eBay by sales volume, the business is dominated by individuals who operate their own home-based shops, like Bob Kopczynski, a trading assistant based in Chicago. Mr Kopczynski has been selling an-



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tique toys, collectables and vehicles on eBay for nearly a decade, and has been a “power seller”, an eBay designation for the most active sellers on the site, for the past eight years. He was one of the first registered trading assistants. He’s sold everything from antique toys to \$20,000 cars on eBay, and charges about 30% of the final sale value as a commission. His business has been so good that he constructed a special outbuilding with air purifiers on his property to store the delicate antiques he trades.

Entrepreneurs such as Ms Wetzel and Mr Kopczynski, and the thousands like them, aren’t just making it easier for all those busy people to sell their items to the eBay masses. In the process, the secondary auction industry may be changing the way people think about the products they buy.

Daniel Nissanoff, the author of “FutureShop: How the New Auction Culture Will Revolutionize the Way We Buy, Sell, and Get the Things We REALLY Want” published earlier this year, suggests that as it becomes easier to resell things that we no longer

want, we will begin to factor the resale value of those items into our initial purchasing decisions.

Most people already do that when buying wasting assets such as a new car. Mr Nissanoff envisages a world in which we make those calculations about everyday items such as watches, shoes and pushchairs—in fact, anything with a hot secondary market on eBay.

“As a society, we’re evolving into one of temporary ownership,” says Mr Nissanoff, who recently started a luxury trading site called Portero.com. “We used to buy and hold everything, let it gather dust or break, and then we threw it away.” Because people realise that the value of goods declines over time, they will start parting with them while they still have value—and use the money they make to upgrade.

Pushchairs are a good example. The resale value for luxury strollers such as those from Bugaboo (which retail for up to \$750) is high. Two-year-old models go for as much as \$500 on eBay. If you sell the item

TRADING ASSISTANTS eBay.com provides a searchable directory of trading assistants. iSoldIt (www.i-soldit.com) operates stores in the United States, Canada, Britain and Ireland.

after two years, the total cost of ownership is \$250—no more than what you’d pay for a middle-range stroller that would lose almost all its value after two years. Companies such as Blockbuster Video and Callaway Golf are already tapping into this resale trend by allowing customers to drop off used items for store credit. The companies then resell them.

“Eventually, we will become leasers of our property rather than owners of it,” says Mr Nissanoff. While he admits that the transition to a leasing nation is still some way off, the trading assistant boom is bringing that day faster than most people realise. Ms Calvert, for one, is already a convert. She has set up a box by her front door into which she deposits anything of value she no longer wants. Once a month, she makes a trip to the iSoldIt store. ■

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