

Online Auctions

By Bob Osgoodby

Online Auctions

Bob Osgoodby
bob@adv-marketing.com

Advanced Marketing <http://adv-marketing.com>

As popular as they are, online auctions should be approached with care. Many times, merchandise is offered that either may be illegal, fraudulent, or simply doesn't exist, and the vendor takes your money and runs. So what can you do to protect yourself if you enter bidding in an online auction.

You should understand how the auction works. Many online auctions simply list items that people want to sell. They don't verify if the merchandise actually exists, or if it is described accurately.

You should therefore check out the seller. If it is a company, contact the state or local consumer protection agency and Better Business Bureau where you live, and also where the company is located.

Many auctions have a feedback section for comments about the seller. Be aware that a clean complaint record doesn't guaranty that someone is legitimate, and that glowing reports could be "planted" by the seller.

You should know the value of the product before you bid. If the product is brand new, check to see what price retailers are charging for it. If the product is used or reconditioned, you will want to pay way less than the retail value.

Be especially careful if the seller is a private individual. Most consumer protection laws and government agencies that enforce them, don't deal with private sales, so if you have a problem, it could be impossible to resolve. Always get a physical address and other identifying information. You'll need the seller's name, street address and telephone number to check them out, or follow up if there is a problem. Don't do business with sellers who won't provide that information.

You should ask about delivery, returns, warranties and service. Get a definite delivery time and insist that the shipment is insured. Ask about the return policy. If you're buying electronic goods or appliances, find out if there is a warranty and how to get service. Don't get caught up in a bidding war; you may end up paying more than the product's worth.

Be especially wary of claims about collectibles. Since you can't examine the item or have it appraised until after the sale, you can't assume that claims made about it are valid. Insist on getting a written statement describing the item and its value before you pay. Online auctions will, sometimes, allow you to check the merchants history with their auction. Check to see if people have complained about the their products or business practices before you decide to bid.

Pay the safest way. Requesting cash is a clear indication of possible fraud. If possible, pay by credit card because you can dispute the charges if the goods are misrepresented or never arrive. If you pay by check, make it out to the seller. But remember that the merchandise probably won't be shipped until your check is deposited and cleared, so stopping payment is not an alternative.

PayPal, while very convenient and used by many, it has been reported that they may not provide the same protection as a regular credit card in the event of fraud. It is my opinion that they fall into the same category as paying by check.

Someone who has a bank account is not normally a person who "hits and runs". Know if the merchant offers a warranty or money back guarantee or before bidding on a product. You don't want to get stuck with a product that does not work or you're not satisfied with.

If you do have a problem, let the auction site know. Some sites investigate problems like "shills" being used to bid prices up or other abuses of the auction system. They may also want to know about sellers who don't deliver or misrepresent their wares. A bad record may result in a seller being barred from using the site in the future.

Above all, use common sense to guide you. Ask yourself: Is what the seller promises realistic? Is this the best way to buy this item? What is the most I am willing to bid for it? If someone does out bid you, don't be afraid to out bid them. Remember however, not to go over your maximum bid price.

If you follow these simple rules, you may find the online auctions to be a source of some great deals. If you don't, you may still get that great deal, but you could also find yourself wishing you had.

Did you know that subscribers to Bob Osgoodby's Free Ezine the "Tip of the Day" get a Free Ad for their Business at his Web Site? Great Business and Computer Tips - Monday thru Friday. Instructions on how to place your ad are in the Newsletter. Subscribe at:
<mailto:tipofday-subscribe@topica.com>

Get-Articles.com : 1000's of reprintable business and internet marketing-related articles.

[Submit your article for reprint.](#)