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Taking 'e' out of e-commerce: Meet the eBay middleman

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RETAILING REPORTER

UPDATED AT 7:56 AM EDT

Wednesday, Oct 6, 2004

Imagine This Sold Ltd. is launching next month what observers say is the first major operation in Canada that will serve as a "middleman" for those who want to sell items on the popular on-line auctioneer eBay Inc.

The initiative, which will start in a store in Toronto and expand across the country through franchised outlets, comes on the heels of similar services that have spawned a cottage industry of U.S. middlemen over the past year.

For a fee, the middlemen take in products for auctioning, assess them, price them, photograph them, write up descriptions and then work through the eBay process, sending a cheque to the customer and taking a cut of the selling price.

"There is value in the effort, work and time spent to support and facilitate a sale on eBay," said Peter Wohl, 36, co-owner with his wife Kim, 38, of the new Canadian concern. "We're a value-added service, bringing your store to a broader buying public."

These new services are something of a paradox in that eBay was aimed at letting ordinary people auction off their goods on a worldwide platform, akin to a global garage sale, said author Rick Broadhead, an e-commerce expert.

But the development also underlines how competitive trading on eBay has become, and how much expertise is needed to succeed at it, he said. A growing number of established companies, including Sears, use the website to sell excess inventory.

Already, a handful of U.S. companies have emerged as eBay middlemen, and at least one -- AuctionDrop of San Carlos, Calif. -- has teamed up with high-profile players: in this case, courier United Parcel Service (for shipping) and Best Buy Co., the leading electronics chain (for drop-offs). Meanwhile, Circuit City Co., the No. 2 electronics retailer, is testing such a service.

"I think there's a market for it," Mr. Broadhead said.

Retail consultancy J.C. Williams Group Ltd. did some research for Mr. Wohl and found "tremendous interest" for a neighbourhood drop-off auction store, said John Torella, a senior partner at J.C. Williams.

"Generally, people see it as an intriguing way to get rid of stuff," Mr. Torella said. "But many people are intimidated by it."

He knew of no other Canadian company that is acting as an eBay middleman in such an organized fashion.

Imagine This Sold (<http://www.imaginethissold.com>) will charge rates that are competitive with those in the United States -- 35 per cent of the first \$200 and 20 per cent of the balance of the selling price, Mr. Wohl said. There are also payment processing and applicable eBay fees.

Customers must drop off at least \$40 of goods for auctioning, and if no sale is made, the customer must still pay a \$5 fee, he said. "We do not charge for our work up front."

The service will be available to individual consumers as well as businesses and people that want to donate the proceeds to charities or other causes, he said.

Jordan Banks, director of business and strategic development at eBay Canada, said it supports the middleman concept because the service helps people take advantage of the website.

Many people either don't have the time or don't have Internet access -- or savvy -- to trade on eBay, but are ready to pay a fee to have it done for them, Mr. Banks said.

Indeed, eBay.ca set up its own "Trading Post" a few months ago that allows experienced users to act as middlemen, he said. But so far nobody has met eBay's demanding criteria for becoming a designated middleman.

The Internet auctioneer requires that a certified Trading Post have 98-per-cent positive feedback after 500 transactions and at least \$25,000 (U.S.) in monthly sales on eBay. In return, Trading Posts have permission to use the Trading Post/eBay logo on their storefront.

Mr. Wohl, an avid eBay user himself, said he will work toward gaining the Trading Post designation.

At Circuit City, the middleman service has auctioned off a wide array of goods, from cellphones to a "one-of-a-kind" hand-made Philip and Kelvin LaVerne coffee table, said Steve Mullen, a spokesman for the retailer in Richmond, Va.

The table, considered a piece of art and featuring a bronze and pewter acid-etched top depicting Greek social gatherings at the Parthenon and other sites, went for \$2,500.

Meanwhile, an unworn vintage pair of Nike Air Jordan shoes sold for a whopping \$850. The retailer's service, called Trading Circuit, requires that the goods for auction be valued at \$50 or more. It takes a commission of 35 per cent of the first \$500 of the selling price and 25 per cent of the balance over \$500.



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