

Online auctions



Shrewd Net users have been bagging some incredible bargains for years using online auction sites, not to mention making a few extra dollars selling goods they no longer have (or never had!) a use for. **ALEX ZANDSTRA** takes an indepth look at the major Australian auction sites to see what they have on offer.

Buying at an auction may be something that you think is reserved for people with very large bank balances, and in many instances, you'd be right. However, online auctions are a bit different. The advent of eBay in 1995 revolutionised online trading and introduced auctions to millions of people around the world. It offered anyone with access to the Internet the opportunity to buy and sell goods online at a very reasonable cost. Suddenly there was a marketplace where people could get rid of unwanted items, and somewhere for bargain hunters to find just what they were looking for at a great price.

Is it complicated to buy or sell goods on an auction site? No, not at all. eBay and OZtion (reviewed below) want you to trade online — that's their business — and they have gone to great lengths to make it as easy and as safe as possible. Buyers will find an incredible range of both new and second-hand goods for sale, and the bidding is done for you by automated systems, which makes it really straightforward. However, bear in mind that when you make a bid,

you are entering into a contract to buy, and if yours is the winning bid, you will be expected to pay for the goods.

eBay and OZtion are not auctioneers as such — they are providing the means for buyers and sellers to get together. Your transactions are conducted with individual site members, not the site owners, so you must reassure yourself that they are honest and reliable. Both sites have a seller rating system, based on buyer feedback, to help you make this assessment. As always, when buying online it is advisable to use a traceable form of payment, such as PayPal, Paymate or a credit or debit card.

GraysOnline (the other auction site reviewed here) is an auction company that runs both on-site and online auctions. Whatever goods you buy on the site are being sold by Grays, so you know who you are dealing with.

As well as the major auction sites already mentioned, we've listed some smaller sites including ones that take a more specialised

approach to products and others that operate using very different auction models, such as 'reverse auctions'. Have a read through our reviews below and see if you get inspired to give online trading a go. For the most part, it is a safe and enjoyable activity and one that could see you securing some unbelievable bargains or making a tidy little profit.



www.eBay.com.au

eBay Australia launched in October 1999 and is an enormous site where you can buy and sell almost anything. Categories range from antiques and art to sporting goods, and include beauty and health products, books, cars, collectables, computers, furniture, jewellery, musical instruments, sporting equipment and a whole lot more.

You can browse and view almost all areas of the eBay site without registering, but when you want to buy or sell, leave feedback or take part in forums, you must become a member. There is no fee involved in registering or buying an item, but sellers have to pay an insertion fee to list an item, and a final value fee when the item is sold.

Buying on eBay

You can find items for sale by clicking on the Buy tab and browsing through the categories, or you can use keywords to search for something in particular. The search engine lets you select from a range of options including the item's location, price, whether it's new or second-hand and more. When you select an item of interest, you'll find a full description, some photos, the bidding details, seller information, payment options and more. You can check out the seller's reputation, see who has placed a bid so far, add the item to your watch list, and place your own bid.

Bidding takes place automatically on eBay. All you have to do is enter the maximum amount you are willing to pay and the eBay system bids to keep you at the top of the list, up to your maximum. You will be notified if you are outbid or if you win the item. If you've won it, you will need to make arrangements to pay the seller.

There's usually a choice of payment method, with PayPal (now owned by eBay), direct bank deposit, money order or bank cheque being the most widely accepted, but you'll need to check which ones the seller accepts.

If you don't want to take part in bidding, you can also buy items at a set price if you see a Buy It Now icon, or you can choose to shop directly at the eBay stores.

Buyer Protection

eBay offers a standard purchase protection program to cover you for items that are either not received, or turn out to be significantly different to their description. If your transaction is eligible, you could be reimbursed up to \$375, depending on the purchase price.

If you pay with PayPal, its buyer protection program will cover you for up to \$1,500 on eligible purchases, and if you are buying a car on eBay, you maybe covered for up to \$20,000 by the Vehicle Purchase Protection program.

Selling on eBay

If you want to sell something on eBay, you need to register and create a seller's account, which involves verifying your identity. You then need to prepare and list your item for sale, and you will find plenty of helpful advice on how to do this at <http://tinyurl.com/2tbupb>. You can keep track of any bids you receive in the My eBay section (see below). When the sale is complete, you will be notified and once you have received payment from the buyer, you can post the item out to them.

Security

The eBay Security Centre (<http://tinyurl.com/yoxs8f>) is full of information on how to make your eBay experience a safe one. It shows you ways to avoid becoming a victim of fraud, tells you what to watch out for, and provides useful hints on keeping your eBay account and personal information secure.

eBay education centre

eBay has an extensive education centre (<http://tinyurl.com/ysv592>) that covers everything from a basic introduction, to setting up an eBay business. Buyers will find plenty of help in the Buyers

Education centre (<http://tinyurl.com/yszdxg>). It covers registration, finding an item, how to bid, what to do during and after the sale and where to go if you need help.

Community

eBay is a giant online community of buyers and sellers, and communication among members is encouraged in a variety of ways. There's a Feedback Forum, where you can leave your comments about your transactions; discussion boards, where you can chat about almost anything eBay; and the Answer Centre, where you can get help from other members. There are also links to education workshops, the latest eBay announcements, eBay blogs and the charity fundraising auctions run on the site.

My eBay

My eBay is a section of the site that keeps track of your activities on eBay for you. It lists items you have viewed; ones you have placed on your watch list; items you are bidding on or selling; your favourite searches and sellers; plus you can manage your account, set your preferences, view feedback and communicate with other eBay members.

Disputes

eBay wants its members to have a safe and fair experience on its site, and goes to great lengths to make this possible. As well as providing buyer protection and extensive security advice, eBay has a feedback system, which allows you to check out the reputation of a seller before you buy. Every member, whether they are a buyer or a seller, gets a feedback rating based on comments from other members who have dealt with them, so it's easier for you to decide whether to buy through them or not. Direct communication is always encouraged to clear up any queries and sort out problems, but there is also a comprehensive dispute resolution system available, with processes for dealing with disagreements and access to third-party mediators.

Verdict

With vast resources at its disposal, and the benefit of experience, you'd expect the eBay site to be good — and it is. It does what it sets out to do very well, which is provide an online venue where buyers and sellers can get together and exchange goods safely. Despite the size of the site, it is quite easy to find your way around, although we have provided direct links to some sections to make them quicker to find. There is plenty of helpful information provided for all levels of user, from complete beginner to seasoned seller, and eBay provides a range of measures aimed at reassuring you about the safety of using the site. If you are going to sell goods on eBay, check out the fees carefully — they are quite a bit higher than those charged by OZtion.

NetGuide's RATING ●●●●●



OZtion

www.oztion.com.au

OZtion is the second largest online auction site in Australia and has been in operation since 2005. When we visited the site in early May, it boasted 148,828 members and over 450,000 items for sale. There are 34 major product categories on the site ranging from antiques to toys and travel accessories. You'll find an incredible variety of goods including baby products, craft supplies, mobile phones, CDs, cameras, furniture, kitchenware, sports equipment and wedding dresses to name just a few.

To help spread the word, OZtion has a referral scheme that rewards members if their friends and family join up. There are no fees involved in becoming a member or for making purchases, but there is a cost involved in selling items if you choose certain extras such as having your listing featured on the site's front page or highlighted in a couple of different ways to get buyer attention (for fees structure see <http://tinyurl.com/2x9slx>). However, standard listings are free to post.

Buying on OZtion

You can either browse through the categories or enter keywords in the search box and you can narrow your results down by selecting from criteria such as price, location and so on. You'll find all the information you need about an item when you select it — a full description, photos, payment details, postage costs, plus information on the seller. You can also look for products in the vShops (virtual shops) section, or you can browse through the charity auctions.

Bidding is a simple matter of clicking on the Place Bid button and entering the maximum amount that you would pay for the item. OZtion takes care of the rest by bidding for you. It keeps you at the top of the bidding list, up to the limit you have set, and when the auction is over, you'll be notified if you are the winner or not. You can add the item to your watch list and keep track of it in My OZtion (see below). If you are the winning bidder, your notification email will include a link to Proceed to Checkout, where you can complete the transaction. OZtion recommends that buyers use Paymate when paying for items, but this will depend on which forms of payment the seller accepts. OZtion also encourages you to leave a rating and comment about how your transaction went to help build up the seller profile and rating.

Buyer protection

OZtion offers some sound advice to buyers on ways to ensure a safe trading experience. As well as the ratings left by other members, you can increase your peace of mind by using a seller whose identity has been verified by OZtion. They also recommend you use a traceable form of payment, such as PayPal, Paymate or a credit card, and in the case of Paymate, look for the TrustMark symbol, which provides even greater reassurance.

Selling on OZtion

To start selling on OZtion, you need to create a seller account and OZtion needs to verify your identity. Then you can start listing your items for sale, and OZtion provides lots of advice on how to do this at <http://tinyurl.com/32p7up>. A basic listing on OZtion is free, but there is a sale fee to pay once the item is sold. You can manage your listings in My OZtion, where you can change your listing, reject a bid, re-list an item and many other options. Once the auction has closed, you must post the item to the winning bidder as soon as you receive payment.

Safe Trading Centre

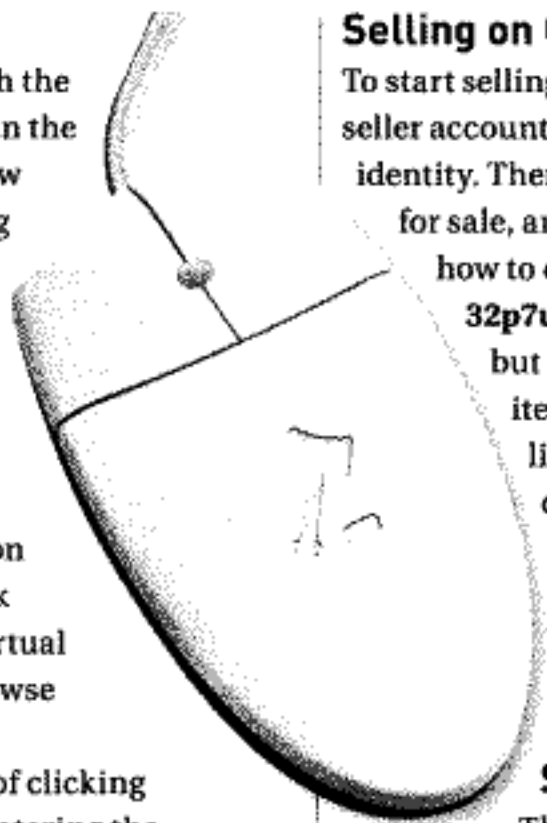
The OZtion Safe Trading Centre (<http://tinyurl.com/yrymst>) provides a range of safety guidelines for both buyers and sellers, which include simple things such as checking out the feedback on a seller and contacting them if you have any questions. They recommend that both buyers and sellers use the Paymate third-party payment service and there are details on this system on the site. There's also an explanation of the site's rating system, which is designed to give buyers and sellers information on the reliability of other members. There are also suggestions on what to do if things go wrong.

Community

The OZtion community section is full of forums. Some are based on particular OZtion categories, but there are plenty of others where members can ask questions, find help, make suggestions and post any items wanted. There are also a whole lot of non-auction-related topics such as news and current affairs, job seeking, dating, family and health.

My OZtion

You need to become a member of the site to gain access to the features of My OZtion. This is your own personal space where your buying and selling activity is listed in detail including your bids, watched items, past purchases and more.



You can also manage your membership details, keep a list of your favourite searches and see how much money you've made through referrals.

Disputes

If you do have a problem with your transaction, OZtion encourages you to contact the seller directly and they will facilitate this. If this fails to resolve the issue, then you are encouraged to try to get a chargeback if you used a credit card, file a report of an item not received and leave appropriate feedback about the seller. They also suggest you contact your local Consumer Affairs or even the police, whom OZtion are happy to assist.

Verdict

OZtion is an all-Australian site that has been in operation for just over two years, and in that time it has become the second largest auction site in Australia. You'd be forgiven for thinking that it looks a lot like eBay, but why reinvent the wheel if you didn't need to? Plus the similar look and feel makes it easy for new members to start using it. The site has a simple, uncluttered feel to it and navigation is straightforward. The Help section is well laid out and provides plenty of easy-to-understand instructions and advice on using the site. OZtion rewards members who refer others and its fees are considerably less than eBay's.

NetGuide's RATING ●●●●○

Grays online

www.graysonline.com.au

Grays Group is an Australian auction company that conducts online auctions in addition to on-site ones. Members of the public are able to bid online for any of the goods on offer once they have registered. The products for sale are both consumer and industrial and come directly from manufacturers and retailers. They include home renovation goods, whitegoods and major appliances, motor vehicles, home entertainment equipment, furniture, computers, artwork, wines and spirits, office furniture, sporting goods, mobile phones, jewellery and much more. Items sold can be in new, ex-demonstration, used, repackaged or other conditions, and these are explained at www.graysonline.com.au/help/AU/product_condition.asp.

Buying at Grays online

Buying at a Grays online auction is quite different to buying from either eBay or OZtion, in that you are dealing with just one company. Some people will find this very reassuring, because they know who they are dealing with. Also, many of the products are new or reconditioned and come with a manufacturer's warranty. This peace of mind is counter-balanced somewhat by the fact that Grays is the only auction site we reviewed that charges a buyer's fee — it's called a Buyers Premium and is