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What You Need to Know About Auction Sites by DANA BATES

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In these hard economic times, there are two reasons that auction sites have become popular. These sites allow you to both buy things at a cheaper price than you can get in a store and to sell things that you own to add a bit to your income. There are a few things you need to know before you choose what auction site to use, though.

Membership Sites and Payment Guarantees

About half the sites that offer auction products require that you register and pay a membership fee. Sites that do this charge lower listing fees to the sellers. While this sounds like an equitable distribution of costs, it is known that most people who buy a product at one of these sites uses the site only two or three times during a year. Some of the memberships are quite costly.

Many sites that provide bidding services for products require that the person making the bid place a specified minimum amount of cash in an account with the site. This is to guarantee that the person bidding has the money to pay for the item and any other costs assigned to the buyer. On the surface, this appears to be a fair request especially if you are the seller.

However, the amount deposited is often considerably more than the price you are willing to pay for an item and the site is not required to return the unused amount in your account. On some sites, this unused balance becomes property of the site after a period of time specified in a contract, which can be as short as 3 months.

If you decide to sell an item on a site, be sure to understand completely all the fees that you will be charged. For example, one site charges a listing fee for a certain number of days. Then, they add additional fees for relisting, for insurance that you will sell the product at the reserve price and a percentage of the price that you do sell the item at. In the end, you could end up with less than half of the money that you expected. Some sites require that you pay any taxes that are to be paid and any shipping charges from your own pocket.

Services Offered by Sites

Auctioning sites can be very profitable and trustworthy as long as you are assured that the site has services for any glitches or unexpected events. When auction sites advertise that they have customer service, it is suggested that you attempt to contact that department prior to listing any items on the site. Often there are customer service representatives but they cannot or do not contact their clients or customers in a timely manner. When you are bidding or selling on their site, timing is everything.

For example, if your item doesnâ€™t show up or it goes down earlier than the listing period, you will need to contact customer service immediately or forfeit any claim to reimbursement of free relisting services. If you are bidding on an item and you accidentally hit too many zeros, you need to be able to contact someone in customer service for assistance at notifying the seller right away. Try to find an online auctions website that has plenty of traffic, many items but not so many that you get lost in the mix.

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DANA BATES - About Author:
This article discusses the methods that a auction sites use to for buyers and sellers of various items and the general manner in which online auctions operate.

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