

GOING, GOING, GONE

By Joseph Marion

A few weeks ago in this column we spoke about the cost savings aspects of purchasing Secondary Market equipment in lieu of buying new equipment to fulfill your IT requirements. I was shocked when I received a ton of emails from readers asking me about the pros and cons of purchasing used equipment on eBay, Auction.com, Overstock.com, Yahoo and other auction sites.

I know my wife buys all kinds of things for the kids on those sites, but I never realized that serious IT Managers ventured there to buy their IT Hardware.

Have you ever taken a look at the terms and conditions you operate under on the auction sites? Well we have and we were shocked!

Overstock.com

Of all the sites mentioned above, Overstock.com seems to be the only one who has a return policy. HOWEVER, their return policy will still cost you money. They state in their user agreement that the cost to return an IT item on Overstock is "15% if the item is from our Electronic and Computer category." That is if you paid by credit card. It is worse if you used PayPal because "Customers who paid for their item with PayPal will receive their refund as an Overstock.com in-store credit."

eBay

eBay is a real problem, for me. eBay states that they "are not involved in the actual transaction between buyers and sellers. As a result, we have no control over the quality, safety or legality of the items advertised the truth or accuracy of the listings, the ability of sellers to sell items or the ability of buyers to pay for items. We cannot ensure that a buyer or seller will actually complete a transaction."

In plain English they are saying that they will not even guarantee that you will receive what you pay for, let alone the condition it will be in. True, eBay will allow you to post a nasty comment about a bad seller, but try to take that to the bank!

Yahoo

Like eBay, Yahoo washes its hands of any transactions done on its site. They say in their agreement that your "business dealings with.....advertisers found on or through the Service, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between you and such advertiser."

Auction.com

And just like the rest, Auction.com wants you to know that “this Auction Site does not endorse any of the goods that are sold through the Service.” Further more they are “not responsible for any damages to goods during transit or during the inspection period, nor for misrepresentations and/or breaches of contract by either buyer and/or seller.”

If I Only Knew Then, What I Know Now.

Why any IT Manager would knowingly risk his company’s money to buy from these sites is beyond my comprehension. Sure, there are some good companies selling on the auction sites, but they are mixed in with a lot of bad guys. IT Managers were not hired to gamble with corporate funds but rather to make sound investments in the Information Technology infrastructure of their companies.

I wish I knew everything I am telling you a few months ago. My company needed to buy a cover for an IBM laptop computer, which failed the crash test when one of our users dropped it off a desk. I went on one of the above services, found the part I needed and placed a bid at 25% of the list price. I had seven days to go until the auction ended. I have to admit that the process was fun. Several times through that week, I received notices that I was no longer the high bidder and I each time my adrenaline kicked in and I upped my bid. (I wasn’t going to be a loser on this one!) By the end of the week I had gotten so wrapped up in the process that my price had gone from 25% of the list price to 60%, but I won the bid.

Several days later my cover arrived cracked in the same place that the cover I was replacing was cracked. (Design error, IBM?) Anyway, after emailing back and forth with the seller we agreed that I would return the item for a credit of half of what I paid. I then went out and purchased the part new from an IBM reseller for 100%. So the total amount I paid was 130% of list price plus a lot of time and aggravation invested.

A Better Way

There are a lot of GREAT companies who sell secondary market IT equipment around the world. The good ones will sell you equipment with a warranty. Sometimes the warranty will say that the equipment is being sold guaranteed eligible for the manufacturer’s maintenance. That means as soon as your receive the equipment, you should put it under the manufacturer’s or a third party maintainer’s maintenance. After that, if something goes wrong you will be covered.

Sometimes secondary market dealers sell equipment with a full warranty of 30, 60 or 90 days. That means you have a limited time to check out your gear and decide if you wish to keep it. (Be careful because sometimes there is a restocking charge.)

The safest way yet is to buy your secondary market equipment from a company that belongs to www.ascdi.com (for computer equipment) or www.natd.com (for telecommunications equipment.) Companies that belong to these not for profit organizations offer different types of warranties, so shop around. One thing they all have in common is the fact that ASCDI and NATD both offer a dispute resolution process which will allow you to file a complaint (at no charge) if one of their members does not treat you fairly. Those complaints are taken very seriously and usually result in the buyer being satisfied.

For me, auctions are going, going, gone. I'd rather know what I am buying, from whom and know I have somewhere to go should the deal go sour.