

My Non-Lucrative Business

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“It used to be a lot easier than it is now. I’d just go to Wal-Mart, check the clearance racks, and write down the model numbers of what I found. I’d then go home and check the prices online. If they were good, I’d drive all the way back to Wal-Mart and buy them all.”

“Did you make any money?” my friend Mike asked.

“Yeah man. One week I made like an easy hundred and fifty.” I replied

“Maaaaan. I gotta get into this.”

It all started about five years ago... I bought a stool online. And no, this wasn’t any ordinary stool. This stool had the official title of “Drum Throne” and was designed by Yamaha for drummers of all types. I was a wannabe thirteen-year-old drummer at the time and wanted to become the most “amazing drummer ever.” And how did I think I could accomplish this? I bought a drum throne.

Even though I was extremely excited to receive my brand new used drum throne in the mail, it wasn’t the throne that was important, but the process that it took to acquire it. First, I had to figure out what a money order was. After going to the *ultimate source of knowledge*, my dad kindly explained it to me. Second, I had to figure out how to get a money order. This time I went to the *ultimate source of rides* and she explained and showed me how it was done.

So there I had it, my fresh and crisp money order for approximately fifty-five dollars, and my ticket to the drum throne of my dreams. For the next couple of years, I held numerous different tickets for the products of my dreams. Once I held the ticket for 3,000 *Star Wars Customizable Card Game* cards. Another time I held the ticket for a sweet brand new used video card for my computer.

Many times I've asked myself how rich I would be if I would have bought stock in EBay when I first joined. Back then, they had a whopping 100,000 auctions every day. Today, they have so many that they don't even tell you. Why would *the* internet auction site need to tell you how many auctions they have? EBay started a revolution in the internet marketplace; it opened a whole new world in e-business. For a remarkably low fee, a user could sell old crap and make money off it, unlike their failed attempts with garage sales, flea markets, and classifieds. People like me were willing to buy their old crap, but only at a price that we would set through bidding.

While most middle-class teenagers spent their large dispensable income on new clothes and movie tickets, I spent mine on EBay auctions. My incessant state of auctioning really took off when I grew tired of the long waits associated with sending and receiving money orders. This is when I decided that I needed a bank account, all for the sole reason of being able to make PayPal transactions.

About this time, EBay's stock was growing like mad; they were making considerably large sums of money off all of the sellers that I was buying from. The rates kept rising and rising, but there's always crap to sell, and sell it they did. One day, while engaging in a furious bidding war, I noticed the seller I was buying from had more than the typical sub-200 feedback rating.

"What's this," I asked myself.

I then replied, "This person has 10,000 feedback! They must make a living selling stuff on EBay." It wasn't until about two years later that I realized the importance of this self-inflicted monologue. I was doing my typical browsing of the clearance items in the electronics section at Wal-Mart and noticed a cordless phone that was significantly marked down in price. The

epiphany struck me with quite intensity; I realized could buy and resell these clearance phones and most likely make a profit. And profit I did.

Sadly, that's pretty much the only profit I ever made selling stuff on EBay, which brings us to my conversation with my friend Mike.

“So I think I should do something like this, but I don't really have any idea how.”

I felt one of my world-famous descriptive monologues coming, but I decided to keep my response to a minimum. I replied, “There's a few things you need to do, but it's really not that bad.”

Mike inquisitively replied, “Like what?”

I couldn't contain myself. “Well first you need to get a PayPal account and connect it to your bank account and credit card. Then, you'll need a way to ship your items. Priority mail provides unlimited amounts of free boxes and tape; you just have to order it online. EBay offers a great auction listing tool called Turbo Lister which helps you create your auctions. You can then just put your auctions up and ship your items.”

“Oh.”

About four months before this conversation occurred, I decided to take my first crack at a full-fledged EBay business. On Thanksgiving of 2006, I started to formulate my new business plan amidst EBay fees that were absolutely horrendous and made any chance of making profits a bare minimum. I decided that the only way I could buy a product as a consumer and then sell it as an online “retailer” would be to buy a product with rebates, sell the item, and make my profits through the rebates. As a result, I put my new business plan into action the day after I created it. At five in the morning on Black Friday, I joined around 2,000 other people at my local BestBuy.

I don't exactly know how I did it, but I left that store with about 12 different items. In fact, I think I accidentally grabbed some items that were taken out of the stock room for other people. By the time I realized this, there were already about 300 people between me and the place of acquisition. Shortly after my acquisition and grabbing of products, the mass of people in the store started to form the largest checkout line I have ever seen. Somehow, through some random act of chance, I was ushered to a very small five person line and was able to buy my products swiftly. The fact that I was able to get those 12 items, amidst the wall-to-wall hoards of people, in roughly one hour still baffles me to this day. Nevertheless, I did it, and went to Staples and did the same thing all over again.

After recovering from my early morning excursion, I took pictures of every item I bought (around 25) and began the process of creating the auctions for them. I tried to be hip and "figure out the market." I checked all of the auctions that were selling these items previously and tried to design (copy) my auctions in a similar fashion. I spent the entire weekend finely crafting my new auctions. I decided to start all of my auctions out at one penny on Sunday afternoon, a time that I thought people would be bidding in one week. With seven day auctions, that meant that people would most likely bid on my auctions in exactly one week from their creation. My hopes were that the buyers would drive the prices of them items up during the last minutes and seconds of my auctions.

Even though I didn't get the bidding wars that I wanted, the auctions still did well and I did make a profit. The only problem was that my profit makers, the rebates, didn't come in until about five months after I sent them in.

With the success of my Black Friday sales ringing throughout my mind, I decided that I would take a second go at an EBay business. The store that I decided would bring me great

fortune was Meijer, for they had a large clearance rack with technology items significantly marked down. Using the profits of my previous sales, I bought about four hundred dollars worth of crap from Meijer; and this is where my eBay business died rather quickly.

Remember the good ole' days of eBay, where a seller could sell his/her crap and make a profit off it? Sadly, a lot of people are selling the exact same crap now in the hopes that their Meijer clearance rack excursions will bring them fortune. In essence, the profits gained are very small, and after eBay and PayPal fees, are at a big fat zero. Long story short, I lost my money, and then some.

I resolved to give up my eBay business on a day that I'd rather not look back on, but I will for the sake of this writing. I found myself, yet again, at the clearance racks of Meijer, but this time in desperation. I convinced myself that I could make this eBay business work, and that I needed to do anything possible to make it happen. In front of my eyes was a nice pair of fifty dollar official Apple brand iPod headphones. Poorly affixed to them was an orange clearance UPC that had marked them down about 15% from the retail price, which was anything but a bargain. However, next to the headphones was a book cover that also had a poorly affixed orange clearance UPC. It was marked down 15% as well, making its total price about one dollar. My heart began to race as I felt my stomach turn upside down. I began to have a one-man debate in my head. "It will be really easy. I can use the automated UScan checkout. No one will know."

I replied to myself, "It doesn't freaken matter. It's unethical. It's ungodly."

"But it will be easy and you can teach yourself to forget about it. Do it."

"No. It's wrong"

"So what?"

So I did it. I switched the labels and I put the headphones in my cart...

And then put them back on the shelf and got the hell out of there.

A few weeks later, I was in the ongoing conversation with my friend Mike that I've been describing.

Mike replied to my monologue on starting an EBay business by saying, "That sounds pretty easy. I might have to give it a try."

Thinking of all of my experiences, I replied, "There's no money in it. I've spent a lot of time on it and have come out with very little profits. I don't think you should do it."

Mike pondered over it for a few seconds and replied, "Yeah I guess you're right..." We sat in silence for about thirty seconds. Then in a move to change the topic Mike blurted out, "Oh yeah! Did I tell you that I got a sweet pair of new headphones for a buck?"