SAFER INTERNET SHOPPING

Beginning and Intermediate Strategies

Presenter: Chris Schlieter
Objectives

- Be informed internet shoppers
- Get your goods without getting into trouble
Scope

- Beginning and intermediate subjects
- Limited number of Web Sites discussed
- Focused on products
- New goods only
Bottom Line

- Get exactly what you want
- Minimize the risk and worry
- Avoid post-purchase hassles
Why Shop Online?

- Convenience
- Selection
- Price
  - Too good to be true?
5 Steps to Safer Shopping

1. Shop
2. Select
3. Pay
4. Document
5. Confirm
Step 1 – Shop

- Identify what you want
  - Initiated from any source
  - Research
    - Maker or supplier – e.g. Timex
    - Reviews
Step 2 – Select Merchant

- Who are you going to buy it from?
  - Favorite seller
    - Target.com; Amazon.com; Zappos.com
  - Shopping search
    - Google.com and Bing.com
    - Dedicated shopping search sites
    - Links from manufacturer’s site
    - Direct from manufacturer
Step 3 – Pay

- Pay safely
  - Virtual credit card
  - Regular credit card
  - PayPal
  - Avoid checkout add-ons

- Payment methods to avoid
  - Check
  - Money order or cashier’s check
  - Debit card
  - Western Union
  - Bill Me Later
PayPal

- Owned by eBay
- Seller never sees your financial information
- Offers buyer protections
- Some disadvantages
Step 4 – Document

- Print (or capture) the product page
- Print a copy of your order
  - Note Sales Tax charges
- Keep email message(s) from seller
- Post-sale problems
  - Keep a dated and detailed journal
Step 5 – Confirm

- Review order confirmation email
- Verify credit card charges
- Open package immediately upon arrival
  - Note date of arrival on paperwork
  - Does it match what you ordered?
  - Don’t wait to check
Intermediate Topics

- Sales tax
- Returns
- Free shipping
- Who’s the seller?
- Amazon Prime
- HTTPS
Sales or Use Tax

- Applies to goods shipped to California
- Some sellers do charge CA Sales Tax
- Some sellers do not charge CA Sales Tax
  - Self report and pay
  - Tax audit risk
Returns

- Check seller’s policies before buying
- Buyer’s remorse
  - Can be more expensive online
  - Consider top-tier sellers
- Damaged or defective
  - Contact seller immediately
  - Take photos
  - Buyer may be responsible for shipping costs
The Myth of Free Shipping

- Seller strategies to cover shipping costs
  - “Big picture” approach
  - Price to cover 1-unit to every customer
    - Seller profits from every additional item shipped
Who’s the Seller?

- eBay does not sell anything themselves
  - Shopping marketplace
  - Some sellers tiny, some HUGE
  - Selecting the Product/Seller can be tricky
  - Feedback is a reputation management tool
Who’s the Seller?

- Other “Marketplaces”
  - Amazon.com
  - Buy.com
- Watch out for advertising redirects!
Amazon’s Marketplace

- Amazon warehouses
- Other sellers
  - Extends the product selection
  - Sellers don’t see your financial information
  - Amazon A-Z Guarantee
- Amazon stacks the deck in their favor
Book – Amazon has “Buy Box”
# Book – Other Amazon Sellers

<table>
<thead>
<tr>
<th>Price + Shipping</th>
<th>Condition</th>
<th>Seller Information</th>
<th>Buying Options</th>
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<tbody>
<tr>
<td>$13.57 &amp; eligible for FREE Super Saver Shipping on orders over $25.00.</td>
<td>New</td>
<td>amazon.com. Usually ships within 10 business days. <a href="#">domestic shipping rates and return policy</a>.</td>
<td>Add to Cart or Sign In to turn on 1-Click ordering.</td>
</tr>
<tr>
<td>$11.50 + $3.99 shipping</td>
<td>New</td>
<td>Seller: <strong>A Magic Genie</strong> <a href="#">4.5 stars, 100% positive</a> over the past 12 months (1,052 total ratings). In Stock. Ships from CA, United States. <a href="#">domestic shipping rates and return policy</a>. Thunder Bay Press (2006; hardcover) – Clean and tight – unused copy - BRAND NEW!</td>
<td>Add to Cart or Sign In to turn on 1-Click ordering.</td>
</tr>
<tr>
<td>$11.95 + $3.99 shipping</td>
<td>New</td>
<td>Seller: <strong>scholarpoet2</strong> <a href="#">4.5 stars, 98% positive</a> over the past 12 months (1,312 total ratings). In Stock. Ships from WI, United States. <a href="#">domestic shipping rates and return policy</a>.</td>
<td>Add to Cart or Sign In to turn on 1-Click ordering.</td>
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<tr>
<td>$11.99 + $3.99 shipping</td>
<td>New</td>
<td>Seller: <strong>CollegeFund4Misty&amp;Taylor</strong> <a href="#">4 stars, 87% positive</a> over the past 12 months (67 total ratings). In Stock. Ships from CA, United States. <a href="#">domestic shipping rates and return policy</a>. <strong>EXCELLENT! I SHIP SAME DAY!</strong></td>
<td>Add to Cart or Sign In to turn on 1-Click ordering.</td>
</tr>
<tr>
<td>$12.10 + $3.99 shipping</td>
<td>New</td>
<td>Seller: <strong>fantastic_shopping</strong> <a href="#">4.5 stars, 89% positive</a> over the past 12 months (237-373 total ratings). In Stock. Ships from CA, United States. <a href="#">domestic shipping rates and return policy</a>.</td>
<td>Add to Cart or Sign In to turn on 1-Click ordering.</td>
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Another Book – Buy Box Bias
Amazon Priced Higher
Amazon Prime

- Frequent shopping club with benefits
  - $79 annual fee
  - Shipping benefits
  - Can be shared within a household
  - Other benefits too
What is HTTPS?

- Secure method of exchanging information between your computer and the website you’re visiting
  - Think of a vacation postcard versus a letter to your lawyer
    - Postcard is fairly harmless if seen in transit
    - Legal correspondence is more sensitive
Initial Arrival on Amazon
After Signing onto Amazon
Further Study

- www.safeshopping.org
  - Published by the American Bar Association