

**FAMILY**

**Testing Sites That Let Gift-Card Recipients Trade or Sell Scrip**

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spend more than the initial value of the card. A separate Deloitte study put that number at 21% but noted that customers spent an average of 89% more than the card's face value.

There is a danger for stores, however, because in many cases, gift-card sales don't actually count as revenue for the store until someone redeems them. That is because some states treat unredeemed cards as "abandoned" property and take control of the funds after a period of time.

As a result, gift cards have the potential to either ruin retailers' sales results—or save them. Both these possibilities presented themselves in the recent holiday season. Earlier this month, **Wal-Mart Stores Inc.** credited post-Christmas gift-card redemptions with helping it hit the high end of its December sales forecast. But then last week, **Williams-Sonoma Inc.** blamed the disappointing sales numbers during the eight weeks prior to Dec. 26 in part on a surge in gift-card sales, which didn't count in its revenue figures for that period.

One of the most hassle-free sites we tried was **craigslist.org's** Chicago classified-ad site, where we attempted to sell the gift card from **Potbelly**, the sandwich

shop. Within a couple days, our post—which read in part, "\$50 Potbelly's gift certificate for \$42.50. No catches"—drew interest from a man who was willing to pay our asking price.

However, he quickly got cold feet and tried to back out of the deal, saying he didn't know if he could trust us. It highlights the leap of faith that is sometimes necessary when using online marketplaces: One of the two parties may have to go first—and he was unwilling to mail us the \$42.50, not knowing whether we would hold up our end of the bargain and mail back the card.

We closed the deal by taking on all the risk ourselves. We agreed to mail the gift card to him first, and let him pay us only after he had it safely in hand.

At least he didn't haggle. While we were cutting the sandwich deal with him, another person wrote offering a paltry \$30 for our \$50 face-value card, pointing out that we said in our ad that we weren't going to use it ourselves anyway.

On **cardavenue.com** and **eBay**, we let the buyers haggle with each other, via an auction. Our \$100 **amazon.com** certificate sold for \$96.77 on **eBay**. That was much closer to face value than the \$40.05 we got for our \$50 **Starbucks** gift card on **cardavenue.com**.

Some of these differences may be related to the popularity of the retailers. Our \$100 **Gap** gift card didn't sell after a week listed at \$85 on **swapagift.com**. **Swapagift** itself will pay 70% of a card's face value to people who don't want to bother selling their cards to the public.

The site then turns around and resells them at a markup. Those cards, however, must come from a list of preferred merchants that includes **Abercrombie & Fitch**, **Best Buy** and **Target**. **Gap** isn't on the list.

All of the sites we tested have fraud protections in place, though as with any online transaction between individuals, scammers will try to game the system occasionally. **Cardavenue** asks sellers to provide the unique number on the card or certificate, plus the personal identification number (if any), and an 800 number to call to verify that it hasn't expired. On **eBay**, all sellers need to provide a credit card to set up an account. Those hocking gift cards can only sell one per week, and the value can't exceed \$500. Starting today **Swapagift** will require sellers to list a phone number too.

At **certificateswap.com**, where our \$50 **Home Depot** gift card sold for our set price of \$42.50 in about an hour, the site holds the money, in most cases, until the buyer sends in feedback on the transaction. Navigating its account-verification process during setup proved to be difficult, however, and when we clicked the "Contact Us" link, we got a message saying that the support desk was unavailable.

Annoyed, we Googled the owner, **Peter Milosheff**, and turned up his e-mail address at his day job. Within minutes, he called us. "I admire you for going the extra mile to contact me," said the unruffled **Mr. Milosheff** as he quickly gave us a hand. He promises the link will be fixed by today.

WEB SITE	ITS TAKE	EASE OF USE	HOW WE DID	THE RESULT
<b>Cardavenue.com</b> Auction or trade	Charges 6.25% of selling price, and 50-cent closing fee.	It sent us e-mails each time a new bid was posted.	Our \$50 Starbucks card went for \$40.05 in a five-day auction.	We set the \$40 opening bid ourselves, and it might have been too low.
<b>Certificateswap.com</b> Fixed price	7.5% of selling price	Its odd verification system doesn't work with MBNA credit cards.	We sold a \$50 Home Depot card for \$42.50 in about an hour, the fastest of the sites we tried.	We had trouble getting set up, and the site's 'contact' button was broken—so we Googled the CEO and asked him for help.
<b>Craigslist.org</b> Fixed price (or best offer, in some cases)	No charge	It's ugly, but it's simple.	It took two days and two posts, but we sold our \$50 Potbelly's gift card for \$42.50.	A good choice for scrip from stores in specific areas.
<b>eBay.com</b> Auction or fixed price	Fees vary; ours added up to \$5.69	It took 10 minutes to figure out how to get a detailed list of our fees.	\$100 Amazon certificate sold for \$96.77 in a five-day auction.	The sale price was almost 97 cents on the dollar, the best in our test.
<b>Swapagift.com</b> Fixed price or trade	A single flat fee of \$3.99	The site itself will buy certain cards off you and scan listings for swaps.	A \$100 Gap gift card was up for a week, but drew no buyers or swappers.	An impressive site, but not enough users like khakis and T-shirts, apparently.

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