

# Resale options multiply to keep up with smartphones' ubiquity

February 27 2013, by John Ewoldt

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When Ryan Mathre of Stillwater, Minn., wanted to sell his iPhone 4, he didn't have time to post it on Craigslist or eBay. As a busy parent of two toddlers, he used an online reseller instead.

"I sold it for \$160 on Gazelle," he said. "It nearly paid for the [iPhone 5](#), and the whole online process took five minutes."

Gadget sellers like Mathre have a growing number of options to unload smartphones, MP3 players, laptops and tablets. Sellers are going beyond [eBay](#) to nearly a dozen online sites such as Gazelle.com that specialize in buying electronic castoffs. Other [consumers](#) are selling locally to pawnshops and, most recently, automated kiosks in malls.

While cellphones and MP3 players have had a modest resale market for more than a decade, the smartphone is what's creating a sudden surge of interest, said Dan Brauser, president of uSell, the Kayak.com of consumer electronics resellers.

More than 70 percent of Americans are expected to own a smartphone this year, according to a Nielsen survey. "The higher penetration and the much higher value is what's driving the resale market," Brauser said.

Not only are more Americans connecting to smartphones, they're switching to a new device every 18 months instead of two years.

Online buyers such as Gazelle, BuyBackWorld, NextWorth and

BuyMyTronics are attracting the bulk of attention. They provide quick online estimates after a buyer completes a few questions about model and condition. If the buyer wants to sell, most companies send a box with prepaid postage for mailing the item.

But options such Pawn America also are seeing an influx of sellers.

At Pawn America, there is high demand for technology a little past its prime, said regional manager Karl Hattman. The company's 25 Midwest locations saw an 18 percent increase in sales of smartphones, laptops, tablets and accessories in 2012. "Most cellphones are sold outright, not pawned," he said.

In the past, some consumers looked for ways to recycle an old phone and keep it out of the waste stream, but now retailers and online buyback programs are not only keeping rejects out of the trash but also giving consumers cash or store credit.

Reselling on a wide scale is in the early stages of awareness and acceptance, Brauser said. Although some retailers, cities and counties accept electronic waste for no fee, consumers are going for cash instead of the feel-good warmth of recycling.

Only 25 percent of electronics are recycled, according to the Environmental Protection Agency. But when consumers find that a smartphone is worth more than \$20, it changes things.

For many consumers the cash option is an alternative to buy-back online programs from Apple, Best Buy and Target that offer merchandise credit.

John Hizon of Prior Lake, Minn., has used Best Buy's buy-back program many times. "The convenience of walking into a Best Buy and walking

out with a gift card can't be beat," he said. He's not comfortable mailing a valuable piece of electronics to an unknown company hoping to get a check. "I'd rather get the transaction done in a day."

New kiosks offer another way to accomplish that. EcoATM kiosks, found in retail locations such as malls or grocery stores, dispense cash on the spot for cellphones, tablets and MP3 devices.

Consumers place their device in the cradle of the kiosk, which evaluates the device and offers a value that the user can accept or refuse.

EcoATM, based in San Diego, has more than 300 kiosks in 22 states and hopes to add another 700 this year.

The company's main goal is to keep toxic devices out of landfills. EcoATM finds a second life for 60 percent of its devices and recycles the rest, said marketing director Ryan Kuder.

No matter what the source, resellers still have a lot of consumers to convert. According to a Gazelle.com study, 81 percent of consumers who have purchased a new smartphone are putting the old one in a drawer or giving it to a friend or family member. "Consumers are just beginning to learn about their options," Brauser said.

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## WHERE TO SELL YOUR OLD GADGETS:

Here's a sampling of options to get cash or credit for older models of cellphones, tablets, laptops and [MP3 players](#).

Sites: BestBuy.com (store credit), BuyBackWorld.com, Gazelle.com, NextWorth.com and Target.com (store credit). USell.com is an aggregator similar to Kayak that lists bids from multiple resellers.

Kiosks: EcoATMs can be located online at [www.ecoatm.com](http://www.ecoatm.com).

Brick and mortar: Pawn America and other pawnshops

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## HOW MUCH FOR AN [IPHONE](#) 4S?

A survey of prices for a 16 GB iPhone 4S in good to excellent condition produced a range of results. All offered cash or check, except as noted.

-Bestbuy.com: \$280 (store credit, not cash)

-EcoATM: \$140 to \$175 (based on recent sales)

-Gazelle.com: \$160

-Pawn America (Bloomington, Minn.): \$150 to \$180

-Target.com: \$170 (store credit, not cash)

-USell.com: \$70 to \$210 (multiple bids offered)

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