



Background

As eBay's grown to a dominating force in online retail, many of the things that made it great at the beginning have been in decline. With rising fees, and the ability to score a deal becoming more and more scarce, buyers and sellers are looking for low cost, fun alternatives.

Goals

Sellers are looking for a way to list items while paying little to nothing in fees, and maintain a level of anonymity. Buyers want the thrill of playing and opportunity to win for less, along with security against dishonest sellers.

dRaffles will create a marketplace where sellers can engage a large audience, with an easy interface, to run raffles without seller fees. Buyers can trust in a secure, open source blockchain to fairly pick winners and facilitate escrow. Both sellers and buyers alike will benefit from the transparency, confidentiality, and trust that decentralized tech and cryptocurrency offers.

Competitor Analysis Key (see below)

- dRaffles will have or fix
- ▲ dRaffles will find a nice compromise
- ▼ dRaffles will find some compromise
- dRaffles will not have or fix



How It Works

Sellers create an eBay account and then can create item listings. There are 3 selling formats: auction, buy it now (BIN), and buy it now with best offer. BIN is just a fixed price listings. Best offer allows the buyer to offer less than the BIN price, which the seller could except, counter or reject. Auctions are a set time frame, where buyers set a max bid amount. The system bids for the buyer incrementally, until their max bid is reached. At the end of the auction, the buyer with the highest bid wins the item. The winning buyer pays the seller, generally with PayPal Goods & Services. After the seller receives payment, they ship the item. After the transaction is complete, the buyer can leave positive, neutral, or negative feedback for the seller. The sellers can only leave positive feedback for the buyer (see details under Additional References below).

Seller

Pros

- Good discoverability / large audience ●
- Can build a reputation/brand/business ●
- Easy to run - after start nothing else to do, just wait for \$\$, then ship ●
- Easy to organize and keep track of - save drafts, see history, relist items, good UI ●

Cons

- Fees - generally at least 10% of sale price to eBay, and another 2 - 3% to PayPal ●
- Lots of oversight - from gov with taxes/laws as well as eBay regulations ▲
- Creating a listing takes time and effort - a 10+ step process (see Selling Flow below) ●
- Easy to get scammed by buyers - generally, when a buyer claims their item was never received, or arrived damaged the seller ends up paying. ●

Buyer

Pros

- No fees ▼
- Security - of all kinds ▲
- Can see seller reputation/rating ●■

Cons

- No personal connection ▲▼■
- Final prices can be high b/c of competition and auction nature ●

Takeaways

Sellers benefit from a large, international audience, and reliable applications. However, because of high (and increasing) fees they are looking for alternatives. Medium size sellers (not a full time job, but more than a hobby) are also concerned about the complexity of regulations and taxes. Sellers also can easily get taken advantage of by dishonest buyers, and because of the full-value prices, this can be detrimental.

Buyers do not have to pay any fees, and have literally millions of items to shop for. Purchases are usually secure, and if there are fraudulent issues, the buyer usually wins out. If the buyer is simply not happy with the item they purchased, they often have no course of action. Because of the auction style listings prices tend to fluctuate based on supply & demand, much like a stock market. Deals can be found, but likely buyers are paying fair market value.



Instagram

facebook

How It Works

Sellers create an IG account, FB page, or FB group then posts raffles that their followers can participate in. The general format is X spots for \$Y each. Potential buyers claim the number of spots they want. Once all spots are claimed the seller requests payment from the buyers via a no-fee and no-security service, like PayPal Friends & Family. After the seller collects all payments they use a 3rd party site/app to choose a random number which correlates to a spot in the raffle, this is usually streamed live. The winning buyer then sends the seller their address, and the seller mails the buyer their prize.

Seller

Pros

- No fees ●
- Easy to list ●
- No oversight - no taxes/laws or company regulations ▲
- Personal connection - can speak to your audience ▲▼■
- Can build a reputation/brand/business ●

Cons

- Difficult to run - usually involves several apps picking random numbers and streaming video ●
- Discoverability - need a lot of followers to be successful ●
- Hard to organize and keep track of - Only so much space in IG to record spots, so end up making multiple lists. Difficult to keep track of who's paid and who hasn't, usually through PayPal and DM. Sometimes running "mini" or "satellite" raffles to fill spots adds even more complexity. ●

Buyer

Pros

- No fees ▼
- Personal connection - seller has a face / voice ▲ ■
- Fun ●
- Low price b/c of raffle ●

Cons

- Security - usually asked to pay with "friends & family" ●
- Security - no way to ensure you'll get your prize ▲
- Security - seller could be cheating ●

Takeaways

Sellers have absolutely no fees, and because each buyer only pays for an entry, rather than full value, if a single buyer is upset the impact is minimal. Unfortunately, IG/FB wasn't built to support raffling, thus several apps must work in conjunction and there is very little organization. This relies on the seller to spend a lot of additional time with maintenance. Furthermore, there is little as far as a built in audience, sellers need to build their own before they can even start a raffle, this again takes a lot of time and effort.

Buyers get the thrill of a raffle, and hope of winning something for a fraction of the market value. They also don't have to pay any fees. However, this requires the buyer really trusting the seller as there is virtually no security for the buyer. Aside from no accountability on sending the winning buyer their prize, sellers could easily cheat or skew results towards one buyer.