



Liquidation Product Conditions

Companies or programs may use varying product definitions to describe the condition of the goods being sold. Terms such as Liquidation, Salvage, Closeouts, Shelf Pulls, Overstocks and Returns are often used in the liquidation industry. At Via Trading we use 9 different general condition definitions to group and describe the condition of the products we sell:

- Customer Returns
- Shelf Pulls
- New Overstock
- Pre-Worn
- Defective
- Tested Working
- Refurbished
- Master Case
- Irregulars

Customer Return/Salvage Goods

Customer Returns are typically items that have been purchased from a store (or online store) but then returned by a customer. Stores have varying individual return policies as well as product liquidation policies that can affect the type & condition of products you may see in varying loads.

Customer return goods **are typically not tested by anyone** prior to making their way into a return load. Many stores do not have separate programs for customer returns, and shelf-pulls (discontinued, end of season, overstocked goods) are commonly found in customer return loads.



Not all stores do so however, but Via Trading will always define a listing as 'Customer Returns' if it includes even a minor percentage of returns. Depending on what store they come from and what category of product it is, working percentages on customer return loads can vary greatly.

Often when one refers to 'working percentage' of products, they are referring to the 'sellable percentage' of the load. For example if we are talking about a 6-piece cookware set and 1 piece is missing or damaged, the item still has resale value (albeit not as a complete set) and you could still recover a percentage of the product's original value despite the 1 missing piece.

Generally speaking, the recognized industry average when trying to estimate working percentages is around 65-75% working, 20% repairable, and the remainder throwaway/scrap/parts, etc.

In practice, no individual load or pallet will have that exact breakdown, but these percentages are fairly representative when describing the average expected condition of customer returns when purchasing them regularly. Ultimately, this is a rough approximation and the actual working percentage on any given pallet or load can be much worse or better.

In general, purchasing wholesale liquidation goods (including customer returns) and reselling them for profit is a tried, tested and proven concept. However, before purchasing liquidation items you should know that:

- Liquidators like Via Trading typically operate with a no returns policy, all sales deemed final and all goods sold AS-IS irrespective of their condition, unless otherwise stated.
- Purchasing customer returns is not for everyone.
- There is a risk your purchases may not be profitable and this risk increases when purchasing customer returns.
- There is a steep learning curve that newcomers to the industry typically experience and you should expect to do much better once you have more experience with such goods.
- In many cases, items are not retail-ready and dealing with liquidation goods requires considerably more work in terms of researching, processing, pricing & creatively marketing than dealing with new master case items.

In order to maximize your success with this type of merchandise, you need to be prepared to process, test, check and research pricing on the goods prior to selling them.

In the long term (and over several purchases), most people in this industry agree that the payoffs and returns are profitable and that the long-term risk is generally minimal.

More experienced buyers can benefit from our [Graded Potential Revenue Calculator](#) specifically designed to estimate your potential revenues from a customer return load filled with a variety of items in different conditions.

Customer Returns typically have the following characteristics and stores can decide to liquidate these goods for a number of reasons:

- Defective when returned by the customer
- Cosmetic blemishes or slight defects
- Out of box goods
- Missing minor or major components (remote controls, manuals, etc)
- Damaged exterior packaging
- Items that the store does not want to or cannot re-shelve
- Signs of handling - both external packaging and the item itself
- One or more features does not work
- Store is overstocked with such items
- Out of season items
- In-store display items
- Discontinued items
- Defaced barcodes and/or labels

Often, additional internal store tracking or return labels can be found on the items. **All customer return goods are always sold with no warranty or guarantee.** Any warranties found with the goods are invalid and cannot legally be used.

Purchasing department store returns is not for everyone. This is not a 'get rich quick' scheme. The payoffs are high for those prepared to work hard and put effort in their purchases in order to create the highest possible return on investment. This is a 'get-rich consistently with hard work & creativity scheme'.

- If you are not prepared to test items, do not purchase customer returns.
- If you are not prepared to repair items, do not purchase customer returns.
- If you only want to deal with 100% retail ready items do not purchase customer returns.
- If you are not prepared to expect a percentage of items to be out of box, defective, cosmetically blemished etc., do not purchase customer returns.

If you are prepared to test, fix, clean, cannibalize, be creative in sales, open new sales channels in order to get the most revenue back when needed, then do purchase. Please do not get this wrong - after all we do not want to discourage you. This is a profitable business for the large majority and the industry as a whole is approximately \$100 billion in size.

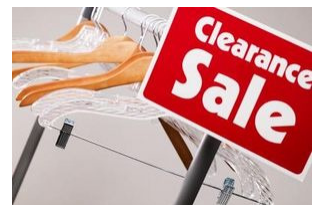
Bottom line is: if you are prepared to put in a fair share of work and effort, then this could be very profitable for you. If not, we do have [new overstock](#) items that are typically in better selling condition and require minimal work on your part.

Please use the product filters on any [product category page](#) to see new overstock items in that category.

Shelf Pulls

Shelf pulls are typically overstocked goods that have been displayed for sale in a store or online but have never been purchased by a customer. **Shelf pulls are typically considered excess inventory from store shelves.**

In the majority of cases, shelf pulls require much less work than customer returns in terms of testing and repairing, but you should expect to have some checking work to do as well as cleaning off potentially dusty items and removing price tags (if necessary) before reselling the items.



Shelf pulls will typically be in good selling condition and may have some or all of the following characteristics:

- End of season & seasonal goods
- Discontinued goods
- Items may still have their original retail pricing stickers/tags
- Items may have additional retail discount tags on them
- Packaging or item may show signs of handling
- May be defaced/de-labeled (inner labels or tags removed)
- A % of the items may be out of box or in open boxes
- A % of the items may be in-store display units or samples
- Short-dated or expired goods may be found in some lots
- Exterior packaging is often in less than perfect condition

New Overstocks

New overstocks, also often referred to as Closeouts, tend to be goods which typically have never been merchandised or exposed for sale in a retail store. Such goods can materialize from importers, manufacturers or distributors who are closing down or simply have excess goods in their warehouses that they need to move.



Via Trading also sources New Overstocks from confiscated and/or abandoned freight, financial institutions and insurance companies. Department stores will also regularly clear excess goods from their warehouses and often have overstocked goods for sale.

New Overstock pallets and loads tend to be less assorted than typical customer return loads but are generally in new condition.

New Overstock items typically have the following characteristics:

- Items are typically 100% retail-ready and in new condition
- No additional retail/discount or warehouse labels/tags on the items
- Items are typically in their original factory case but occasionally can also be loose-packed
- Packaging and item tend to be in good condition with no excessive signs of handling

Pre-Worn Goods

Via Trading offers a range of pre-worn (used) clothing. These goods can come from a range of sources and are available year-round. Our pre-worn goods go through an inspection process to ensure quality control and offer tremendous value for money for the right market.



Pre-worn goods may have the following characteristics:

- Pre-worn clothing has previously been used or worn
- Lots may be made up of discontinued brands, models or styles
- All buttons and zippers are there and in working order
- Items may show signs of fray and usage
- There are typically no retail tags, labels or additional store markings on the items
- Jeans are typically sold flat-folded
- Clothing (non-jeans) is typically sold on a hanger with each individual piece poly-bagged

Defective Goods

Via Trading will occasionally offer tested not-working or “defective” pallets or loads. Such items are typically higher end electronics that have gone through a testing process, as well as visually defective items, incomplete sets (like furniture, housewares, etc.), items good for spare parts only and out of date items. Defective goods have the potential to be profitable if you have the ability to repair or strip them of their parts for resale.

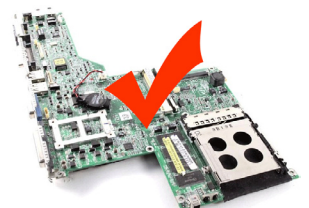


Defective goods may have the following characteristics:

- Items have gone through a testing process and have been deemed defective
- Items may be visually defective or incomplete
- Incomplete or partial sets or parts
- Items may be brand new but with a major quality control flaw, making them defective (ie: dodgy audio on a stereo system)

Tested-Working Goods

Via Trading will occasionally offer items that have gone through a testing process and are deemed functional or “tested-working.” These items may be a mix of overstocks, shelf pulls and customer returns and are typically higher end, more expensive units.



Tested-working goods may have the following characteristics:

- Typically but not necessarily in original box
- May or may not contain all needed items/components (remotes, cables, manuals, etc.)
- Most or all functions work and item can be categorized as functional for resale purposes
- Item may show signs of handling and usage
- Items may have additional labels, price tags and/or internal identification labels or stickers

Refurbished Goods

Via Trading also offers “refurbished” goods on a regular basis.

Refurbished goods are items that have gone through a process to test and restore the items to their original working condition. Often these items are repackaged in generic boxes and may not include all the items found in the original manufacturer’s packaging



Refurbished goods may have the following characteristics:

- Items should all be in good working condition
- All needed parts/components are typically included
- Items may or may not come with the manufacturer warranty (see specific listing for details)
- Items may be repackaged in generic boxes
- Items may show signs of slight usage or cosmetic blemishes

Master Case Goods

Master Case goods are typically 100% new in original manufacturer’s packaging and are fully functional and complete. These goods have not been exposed for sale in any retail environment and products can be considered 100% new and retail-ready.



Master Case goods may have the following characteristics:

- 100% new
- In original factory or manufacturer’s packaging
- Will include all parts, components, accessories and documentation
- No visual signs of wear, usage or excessive handling
- Retail-ready

Irregular Goods

Irregular goods are general new goods that are being discarded or liquidated as a result of improper or defective manufacturing. They can also be called “imperfect goods.” In the majority of cases, irregular items have very small manufacturing defects such as the wrong color thread, improper stitching, slight discoloration from the intended item’s color or other minor blemishes.



At times, shelf pulls may be referred to as Irregulars because they may have been deemed not 100% flawless. Irregular items in some cases have never been packed in retail packaging if they are liquidated before making it to their retail or wholesale distributor.

Irregular goods may have the following characteristics:

- Appear in new condition with no signs of prior use
- In or out of original factory packaging
- May show signs of manufacturing defects (improper stitching, etc.)
- May show small stains that occurred during manufacturing
- Mostly retail-ready