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Swap shop: Tech to barter your way to the good life - BBC News

By Fiona Graham Technology of business reporter, BBC News



Posh paws: Long, long before Deal or No Deal, Noel Edmonds was brokering barter agreements between the UK's youth on his Multi-coloured Swap Shop with sidekick Keith Chegwin

"It started out as appreciation of a bargain. I'm ridiculously frugal and not a fan of spending money."

California resident Sara Dunaway-Seitz got married last year. While planning her nuptials a friend suggested an app called Yerdle that offered a modern twist on bartering.

"I was pulled in by the idea of getting things I could use in the wedding for dirt cheap, but the more that I got the hang of it, the clearer it became Yerdle would become an outlet for me to reduce clutter more than acquiring new things," she says.

"In the 15 months I've been an active member, I've tallied up 325-plus gives, and at last check was at about a three-to-one give/get ratio."

Users list items they no longer want or need, priced in Yerdle dollars. They can then be used to buy items from other members of the community.



This picture of Sara Dunaway-Seitz and her husband on their honeymoon at Stonehenge was taken with a camera she acquired on Yerdle

Ms Dunaway-Seitz is a regular - notable acquisitions include a vintage mink stole and the camera she took on her honeymoon. And in April she's taking part in a [Yerdle for a month](#) - using the site for

anything she would normally have bought.

Another #Y4M participant, Sacramento-based Becky Cardwell is similarly enthusiastic.

"Some items that I love that I received from Yerdle are a \$600 restaurant-quality waffle iron, a leather jacket that fits my mom perfectly, a funky hat, a dozen different craft scissors that came with a carousel that my niece uses all the time, a vintage metal cookie press ... The list literally goes on and on, because I have received hundreds of items from Yerdle," she says.

"You can tell by my interests that I enjoy a good bargain, however it is also important to me to keep objects from filling up the landfills.

"I also love the idea of making a huge difference in someone's life with object that people have sitting idle around their homes."



Becky Cardwell: "I think [Yerdle for a month] will be a fun way to

self-analyze my spending habits, my wants versus needs."

Free as a bird

Barter is probably the oldest form of commerce, and in the brave new world of the so-called sharing economy it's arguably the last frontier.

Search the net for examples of companies making it work and you find a battlefield littered with mortally wounded and frankly deceased casualties.

So how do you make it work?

"I think currency has been helpful, I think shipping actually has been really powerful for us as well," says Yerdle co-founder Adam Werbach.

"It's a question of timing, right. And I think those others were just a little too early because this really is a mobile phone experience. You want to go and take a picture of the item and can't really do it with a desktop."

Shipping is handled by UPS. Once the buyer has paid, you print a label and drop it off at the nearest office.

"What we find is a lot of our members have a store of boxes because they are already getting things that way. So it's a very easy behaviour for them," he says.

Revenue comes from the sale of Yerdle dollars so people can top up their earnings.



Barter is probably the oldest form of commerce. Here, Tiwa tribal people exchange commodities at the Jonbeel Mela in India

Listia is another start-up that uses an internal currency model to broaden the appeal of bartering, here in an auction environment. It has more than eight million members and some hefty venture capital backing.

Chief executive Gee Chuang agrees that mobile is a major factor in the success of these platforms.

"A huge trend we're seeing is the shift in online shopping from the desktop to mobile devices," he says.

"Looking back over the past 18 months, the amount of people using Listia's mobile apps to buy and sell has completely overtaken

desktop, and over half of all transactions are occurring on mobile devices now.

"The mobile apps make it so easy to walk around your home, snapping photos of items you no longer need and uploading them."



Gee Chuang, chief executive of Listia, in the company's offices

Green, green grass

Sustainability is a recurring theme.

"For years I'd seen fruit trees on private property producing an incredible amount of fruit that ended up falling to the floor to rot, or being left to the birds. Then walking into the nearest supermarket I'd see the same fruit being sold for a small fortune, and often imported from interstate or overseas," says Australia-based RipeNear.me founder Alistair Martin.

"It just didn't make sense! We figured there must be a way to connect locals with the abundance growing in neighbourhood yards, so we started to build the framework for what would become RipeNear.Me."



Ripenear.me lets growers barter, gift or sell their surplus produce online, which means you may find varieties you're unlikely to in the supermarkets - like these white mulberries

There are now more than 5,000 produce listings in over 40 countries, and it's a roughly 50/50 split between barter (or gift) and sales.

Could it work on barter alone?

"I think it's quite possible," says Mr Martin.

"Finding the right balance for the community and sustainability of the platform is the key, and we're working on a few ideas to make

this happen."

It's a concept that is reliant on the internet

"Though people have traded fruit and vegetables with their neighbours throughout history, connecting neighbourhoods (not just the people next door) requires a lot of real-time, relevant data. And maps. Lots of maps."



Alistair Martin is the founder of Ripenear.me - pictured here with a custard apple

Art attack

Art Barter revolves around events, rather than a platform and community. The intent is to give people from all backgrounds access to works of art.

Pieces are displayed without the name of the artist, and members of

the public decide what they can offer in return.

"Beyond making art more accessible for many, it also encourages people to think creatively about what they can offer," says co-founder Alix Janta-Polczynski.

"By taking money out of the equation, people often feel empowered and rejoice in this unusually egalitarian approach."

Pieces can be viewed online and are then displayed at a show. The latest one took place in Mexico City.

Swaps have included 30 hours of French tuition for a Tracey Emin monoprint, an intern for three months in exchange for a Tom Sachs' sculpture and a crate of vintage wine for a Jason Dodge piece.



This Tracey Emin print was swapped for 30 hours of French tuition on Art Barter



The Art Barter offers board

No cash may change hands - but barter transactions are still potentially taxable.

In the UK, according to accountant Julie Butler writing for TaxationWeb, ["this can underpin what can only amount to potential income tax, corporation tax or VAT non-disclosure or even fraud"](#).

And US serial barterers should beware, says Robert Wood, a tax lawyer and contributor to Forbes.com.

"The IRS at least views this as a big problem and as not a silly issue. A swap of a loaf of bread for vegetables at a farmer's market is unlikely to draw scrutiny. However, big ticket or repetitive behaviours certainly could," he says.

"Sales are taxable to both parties whether money changes hands or not. There is an underground economy that assumes it will never be

tracked. But the IRS is working on this.

"One way it does is to look at transactions with barter exchanges and intermediaries. The IRS requires them to report to the IRS. There will probably always be some off the grid peer-to-peer activity the IRS can't track. But the US tax system mostly relies on self-reporting."

Despite this, the appetite for barter is likely to continue to grow with the current vogue for sustainability.

"It saves money, and it also puts to use an existing item rather than throwing that item into a dump," says Yerdle user Sara Dunaway-Seitz.

"I feel like as a society we're conditioned now to always be needing and always be shopping, and I think most people acquire out of habit versus need."

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