



GKS Advisor

Shopping on the Internet The basics for retailers

Optimal and secure online and offline
procurement of wholesale goods

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Die vier Marktplätze von GKS:

 **RESTPOSTEN.de**

 **CLEARANCE.eu**

 **grosshandel.eu**

 **wholesale.eu**

* under construction

Secure online shopping - wholesale included

Introduction

Shopping online offers many benefits such as convenience, time savings and the ability to purchase a wide range of products from around the world. However, when shopping online, especially wholesale, it is important to make sure that the trade is safe and profitable. In this guide, we give you tips on how you as a buyer can get the most out of your retail business and explain specific examples, best practices, technical terms and legal texts. Please note that as a buyer, you are responsible for securing your trading transaction.

1. choose reputable providers and platforms

Make sure you use reputable providers and platforms for your purchases. Check whether the provider has a legal notice, valid contact details and transparent terms and conditions. Platforms such as RESTPOSTEN.de can significantly increase security through their own security departments and offer you as a buyer additional protection.

2. use secure payment methods

As a buyer, it is best to use the most secure payment methods possible, especially when first contacting the seller in question. PayPal already offers buyer protection components integrated into the payment process. These buyer protection components enable payments to be recalled or a dispute to be opened in the event of justified problems with the delivery or delivered goods. In the B2B sector, prepayment is very common in order to minimize the payment risk for the seller. Make sure that you only make advance payments to trustworthy sellers. It often makes sense to view the goods you are interested in at the seller's premises and, if there is an agreement, to make a quick transfer to the seller and then take the goods with you immediately. Alternatively, an escrow payment is not uncommon for larger transactions.

Technical term: escrow service

An escrow service is a financial service provider that acts as a neutral third party and securely manages the payment between buyer and seller. The escrow service only releases the payment to the seller once the buyer has received and checked the goods. The trustee follows the trustor, i.e. usually the instructions of the buyer.

4. check contracts and general terms and conditions

Before placing a binding order or concluding a contract, check the provider's general terms and conditions (GTC). Pay attention to regulations on warranty, right of withdrawal and liability. In the B2B sector, it is particularly important to check the goods for defects, damage or shortages immediately upon receipt, as there is an obligation to inspect and report defects immediately (Section 377 of the German Commercial Code (HGB)). If you discover damage or defects later, this can lead to problems when asserting claims. You should also check the provisions of the general terms and conditions regarding defective deliveries. When is a rescission of the purchase contract possible, does a seller only have to provide a possible subsequent delivery or also bear the delivery costs if you have already collected the first delivery at your own expense?

Best practice:

In the B2B sector, you should always conclude a written contract that contains all relevant agreements, such as terms of delivery and payment, warranty and liability, as well as any special features of B2B trade within the EU.

Document the agreements in detail to avoid discrepancies later on.

On RESTPOSTEN.de you can send shopping baskets as a binding order or as a non-binding inquiry. Shopping carts sent via the RESTPOSTEN.de shopping cart system save all offer details, texts, offered goods statuses and delivery details in the GKS Admin Tool provided.

5 Delivery and transportation conditions

In wholesale, it is standard practice to agree the delivery and transportation conditions of the retailer in every offer or order. All delivery details must be transparent so that freight costs can be calculated correctly and there are no surprises such as additional charges. When you create your delivery address on RESTPOSTEN.de, you save the most important delivery instructions directly with it. Delivery times, whether notification is required or whether there are fixed storage times, whether the delivery address is a commercial or private building, what size truck will fit in and whether the truck needs a tail lift so that pallets can be unloaded at your premises, whether your warehouse has a ramp or whether you have a forklift. Once saved, this information is forwarded directly to the seller with every inquiry or order via RESTPOSTEN.de. So pay close attention to regulations on delivery times, shipping costs and liability in the event of transport damage or loss of goods.

Technical term: Incoterms (International Commercial Terms)

Incoterms are internationally recognized rules that regulate the responsibilities of buyers and sellers in the delivery of goods in international trade. They determine who is responsible for transportation costs, insurance, customs duties and other costs and who bears the risk of loss or damage. Incoterms are the basis of every offer, especially when importing from China. A common Incoterm is "FOB" = free on board. For a delivery, e.g. in a container, the supplier assumes the delivery to the port and the costs for loading onto the ship, but not the sea freight, unloading and the so-called on-carriage, i.e. the freight from the port to your warehouse. The Incoterm "CIF" means cost insurance and freight - in this case you receive the goods insured and delivered free to your door.

6 Data protection and security

Protect your personal data and information when shopping on the Internet by ensuring that the shop/website you are using is SSL-encrypted and always use secure passwords. It is best to use an established password manager to manage your access data. It goes without saying that you should handle e-mails responsibly; it is advisable to use your own e-mail address for transactions and orders and it is particularly important to use only secure passwords for your mailbox.

Before you enter your data anywhere, pay attention to the URL of the website: A secure website begins with "https://" and your browser often displays a lock symbol in the address bar. This means that the data transfer is encrypted and your information is protected from unauthorized access.

7 Secure communication with the seller

To ensure secure communication with the seller, it is best to use the internal messaging systems of the trading platforms, such as the system offered on RESTPOSTEN.de. This ensures that your personal data remains protected, communication is transparent and, above all, traceable and protected against manipulation in the event of a dispute. Should problems or discrepancies arise, the RESTPOSTEN.de security department can access this communication and help you clarify the situation. Even in the event of a legal dispute, all messages and details of the order can be transparently traced with date and time stamp.

8. save commercial documents / retention periods

Keep all relevant commercial documents such as offers, offer descriptions, additional delivery or parts lists, contracts, invoices, delivery bills, customs documents, proof of payment, shipping documents and correspondence with the seller. These documents serve as proof of trade and can be important in the event of complaints, tax audits or legal disputes. As a rule, a statutory retention period of 10 years applies to these

documents. At this point, the retention periods are also longer than, for example, the instruction of a trading partner to delete their personal data for data protection reasons. The statutory provisions always take precedence over those of a regulation such as the General Data Protection Regulation (GDPR).

9 Cash & carry stores and self-collection

Cash & carry stores and self-collection of goods can offer a secure and cost-effective alternative to online shopping, particularly in the B2B sector. By collecting the goods in person, you can inspect them directly and complain about any defects or shortages immediately. There are also no shipping costs and no risk of transport damage. On RESTPOSTEN.de, interested buyers are always shown for the relevant offer whether it is possible to view the goods or whether the seller even operates a cash & carry market with its own opening hours. As a rule, it is necessary to make an appointment to view the goods, but a cash & carry market can usually be visited without an appointment during opening hours.

10 Special features of B2B trade within the EU

Special regulations apply to trade within the EU, particularly with regard to VAT and customs. Make sure that the seller applies the correct VAT rates and takes any necessary customs formalities into account. In the case of intra-Community deliveries between companies in EU member states, VAT may be waived under certain conditions (reverse charge procedure). For this, your access as a buyer is a special tax number called a "VAT ID" or VAT number, for which you must actively register in order to be able to make VAT-exempt purchases within the EU in another country.

Make sure that you and the seller have valid VAT ID numbers and that these are correctly stated in the commercial documents. You can find out whether a VAT ID / VAT number is valid and which company this number has been registered to online at the following link.

https://ec.europa.eu/taxation_customs/vies/#/vat-validation

IMPORTANT:

Sellers are obliged to check whether the invoice recipient (name and address) EXACTLY matches the data registered for the VAT ID / VAT number for every invoice relating to a foreign EU transaction. You must ensure that this data always matches exactly, e.g. your company in the commercial register or business registration and the VAT registration data.

Technical term: reverse charge procedure

The reverse charge procedure is a taxation procedure in which VAT is not owed by the supplier (seller) but by the recipient (buyer). This procedure is used in certain cases for intra-Community deliveries between companies in EU member states in order to facilitate cross-border trade.

Best practice:

Use EORI numbers (Economic Operators Registration and Identification) to facilitate trade within the EU. The EORI number is a unique identification number for companies importing or exporting goods within the EU. It is used by customs authorities to uniquely identify economic operators and facilitates customs procedures and controls.

11. credit insurance

Credit insurance protects you as a buyer against financial losses that may arise due to payment defaults or insolvency on the part of your suppliers. Especially in wholesale, where large sums of money are often involved,

such insurance can be useful to protect your trading business. If you have made an advance payment but the seller goes bankrupt before delivery to you, the advance payment may be lost.

Best practice:

Ask your bank or an insurance provider about suitable credit insurance products and check whether the costs and conditions are suitable for your specific trading activities. However, these insurances are usually only necessary if you actually trade high volumes, because like any insurance, credit insurance is a very complicated insurance product.

12. trade credit insurance

Trade credit insurance is a special form of credit insurance that is tailored specifically to the wholesale trade and is used by sellers. It covers payment defaults or insolvencies of customers and can help to minimize the risk of bad debts in the retail business. If the seller supplies his regular customer with payment terms such as "payment within 7 days with 2% discount or 30 days net after receipt of goods", then the seller can at least partially insure himself against a loss of receivables if the buyer has not fulfilled his payment obligation.

Legal text: *Section 354a HGB regulates trade credit in the German Commercial Code. The seller grants the buyer credit by delivering the goods and payment is not due until later. Trade credit insurance protects the seller against possible payment defaults.*

13. supplier evaluation and management

In order to conduct secure and successful commercial transactions in the long term, it is important to continuously monitor and evaluate the cooperation with your suppliers. In doing so, you should consider factors such as delivery reliability, quality, pricing and communication.

But also, of course, how quickly the goods of certain suppliers usually sell out and what margin they offer. Buyers use these factors to create their supplier ranking.

Suppliers who supply you with goods with a small profit margin, but who sell out quickly and require few after-sales services, i.e. who do not cause any warranty claims or complaints, are better suppliers than suppliers of items that they can price well, but which take a long time to sell out.

Best practice: Carry out regular supplier evaluations and document the results. Use this information to optimize your collaboration and identify and minimize potential risks at an early stage.

14. legal provisions in the wholesale trade

Special legal provisions and regulations apply in the wholesale trade, which may vary from country to country and depending on the product category. In the European Union, for example, special regulations apply to CE marking, which confirms compliance with certain safety and health requirements. Make sure that the products you purchase comply with the applicable regulations. Goods that you purchase within the EU have already crossed the EU's external borders on behalf of someone else, who is liable for ensuring that the goods **conform to market requirements**. In addition to the CE rules, there are many other regulations on the market conformity of consumer and commercial products.

If you as a buyer purchase outside the EU, you are considered a "**quasi-manufacturer**" in terms of market surveillance, as goods are imported into the EU economic area on your behalf.

As a manufacturer, you are now subject to all regulations to ensure product safety and market conformity. These obligations and liabilities are very far-reaching, quality inspections and audits are often very expensive, including on the subject of sustainability and working conditions during production, which is why you should carefully consider importing your own products or having your own brand.

This also applies, for example, if you import inexpensive household goods, toys, drugstore products or perfumes into the EU from wholesalers based in the UK. Always check that your supplier can provide you with the appropriate EU declarations of conformity for these goods!

Best practice:

To find out about the current requirements for products, it is best to use providers such as <https://www.productip.de/> where you can download detailed requirements and checklists for most products. However, these databases are subject to a fee and charge per product type, e.g. "vacuum cleaners", "soft toys for children" or "shower and washing gel" the fees for the overview of the necessary conformity regulations. It is always best to contact professional information companies regarding imports and do not research regulations on the Internet, as the risk of damage due to incorrect information is not worth the fee of EUR 50-100 saved.

Legal text:

The CE marking is regulated in the EU by Regulation (EC) No. 765/2008. It guarantees that a product complies with the applicable requirements and may be marketed within the European Economic Area (EEA). With the CE declaration, the seller makes a binding declaration that he has checked all the necessary regulations for this product and that the product complies with them.

15. terms and conditions and contract drafting

Make sure that you agree clear terms and conditions and contracts when concluding a commercial transaction. These should include provisions on terms of delivery and payment, warranty and liability. If necessary, seek advice from a lawyer or an expert to ensure that your contracts comply with the applicable laws and regulations. On RESTPOSTEN.de you can, for example, save your own terms and conditions of purchase, which will be made known to the seller when you make an inquiry. Terms and conditions of purchase often regulate, for example, complaint periods and the handling of warranty cases or service commitments. The terms and conditions of purchase of large companies are often very detailed, but every commercial buyer should define some regulations to his advantage. The seller can always object to these regulations.

Best practice:

Use standardized contract templates created by trade associations or lawyers to ensure that your contracts are legally compliant and cover all relevant aspects.

16. product testing and quality control

Especially in wholesale, it is important to carefully check the quality of the products purchased. Make sure that you carry out a thorough inspection of the goods on delivery and report any defects or shortages immediately in writing. In the B2B sector, it is a legal obligation that the buyer must check the goods for damage and defects immediately upon receipt. Any defects must then be reported immediately and preferably in writing to the seller, who must then also confirm receipt of the complaint immediately.

Best practice:

Implement standardized processes and checklists for quality control and goods inspection in your company to ensure that all products meet the desired requirements. On RESTPOSTEN.de, so-called "incoming goods lists" are available to you as a buyer for triggered orders. The article, a short description, quality and quantity are listed there and you or your warehouse can carry out a proper incoming goods inspection. If 96 coffee cups are listed on the delivery bill, your warehouse would not yet know that you have ordered blue or Christmas-themed coffee cups and would not realize that the white coffee cups delivered are the fake goods. This is why all items are listed with a product image on the "Goods receipt list".

17. training and development

Invest in the training and development of your employees to ensure that they have the necessary knowledge and skills to conduct safe and successful commercial transactions. This may include, for example, training on contract law, supplier management or IT security.

Best practice:

Take advantage of industry-specific training opportunities to keep your employees up to date and strengthen your company in terms of safe and profitable trading. Not only the purchase of goods, but also correct costing of goods is extremely important. What distribution costs do you have when reselling, marketplace fees, shipping costs, average complaint and return rates, as well as the warranty conditions of suppliers. This is the only way to recognize which items make a lot of sales and which generate sustainable profits for you.

Follow these tips and consider concrete examples, best practices, technical terms and legal texts in order to shop safely online and wholesale as a buyer and make your trading business profitable. Always make sure you are aware of the latest legal regulations and security standards to ensure your business runs smoothly and successfully.

Training for purchasing or contract negotiations can also be very helpful. You don't have to win a popularity award with your supplier, but you do have to make a serious effort to obtain the best possible conditions.

18. business partners and networks

Use networks and recommendations to find trustworthy business partners and share their experiences and best practices. This can help you to identify potential risks at an early stage and make your trading transactions more secure.

Networks naturally also include your sales and purchasing platforms. Continuously monitor the price development of your products and bestsellers and use the "offer alerts" function on RESTPOSTEN.de, for example. After all,

you shouldn't

have to search every day to see if, for example, new Adidas brand products have become available that might be of interest to you. Instead, the platform informs you that new offers have been published that match your search pattern.

Best Practice: Join trade associations and industry organizations to gain access to a pool of trusted business partners and resources. These organizations also often offer training and events that can help you develop your business practices. As a merchant, you are usually a mandatory member of the Chamber of Commerce, so take advantage of the wide range of publications and services offered by your local Chamber of Commerce.

19. data protection and IT security

Ensure that your IT systems and processes are state of the art and comply with the applicable data protection regulations. This also includes the secure handling of customer data and business information as well as the use of secure communication channels. These regulations are always evolving legislation, so it is not enough to be informed once, but retailers need to keep up to date. The national data protection authorities are constantly publishing news or changes in the law or case law.

Legal text:

The General Data Protection Regulation (GDPR) is an EU regulation that governs the protection of personal data of EU citizens. It specifies how companies and organizations must collect, process and store personal data.

20. tips from the security department

True to the old adage "trust is good, control is better", you should always give a potential new seller the feeling that you will check the goods before shipping or accepting them.

Even if you are based in Munich and the seller is based in Hamburg and you would never intend to actually drive from Munich to Hamburg yourself to inspect a pallet of mixed returns for 200 euros, simply ask the seller if and when this would be possible. Arrange an appointment simply as a test to see how the seller reacts. If this is not a problem for the seller and he is prepared to make an appointment with you, then this is certainly a completely different impression that will be gained than if arguments and reasons are suddenly given as to why it is not possible to view the goods on site.

In general, it is always advisable to communicate with the seller in person, at least by telephone, rather than only in writing, especially for larger financial transactions. Gain a personal impression of the seller. But be careful, just because the salesperson is nice and friendly does not mean that they are particularly reliable. If the impression of the potential business partner is authentic and credible, this is particularly important. Take your chance to form a personal impression of the potential business partner.

Agreements on the commercial transaction should not only be recorded verbally in advance of the purchase, but in any case also as completely and in detail as possible in writing. In particular, you should request a precise written description of special agreements regarding the content and condition of the purchased item. It is also not unusual for such points to be included on the invoice.

When you send an order or inquiry via the shopping cart of a marketplace such as RESTPOSTEN.de, all offer data is automatically documented at the exact time of the inquiry. In addition to the condition of the goods, 13 mandatory fields plus the additional information and the product images are saved for each offer and can no longer be manipulated.

Can an offer be too good?

Furthermore, you should not blindly trust and buy offers where you ask yourself "how can this price be possible", but ask specifically and make sure before you buy or pick up the goods yourself and only pay when you collect them.

Take the opportunity to contact our customer service or security department directly. Feel free to ask us about offers and/or sellers, and we will be happy to help you within the scope of our data protection options.

Important!

When concluding a commercial transaction between merchants, they may agree the legal framework conditions of a contract with each other in advance. The general terms and conditions of sellers and, for example, the purchasing conditions of buyers should be mentioned here in particular.

In the general terms and conditions, the seller usually defines the legal framework for the place of jurisdiction in the event of disputes, for complaint periods in the event of defects and the form of a notice of defects, agrees e.g. an extended retention of title and makes agreements as to whether there is a right to rectification in the event of complaints and from e.g. 2, 3 or even 5% defective goods in a delivery are not sufficient for a complaint, but only the quantity exceeding this.

Check the seller's general terms and conditions, especially with regard to these points, before you conclude a goods transaction, as these may also contain provisions to your disadvantage which you would automatically accept as binding when placing an order.

21. tips for business founders

As a business founder, you should also pay attention to the following aspects in order to successfully launch and secure your online retail business:

- **Market analysis:** Before you enter the wholesale business, you should carry out a thorough market analysis to identify the competitive situation, demand and possible niche products. This will help you to select the right product range and suppliers.

Best practice:

You can also use AI tools such as Chat GPT for this! Do you want to add dog beds to your range, for example? Then simply copy 200-300 or 500 Amazon reviews of the strongest sellers into Chat GPT and let Chat GPT create a summary with the 10 most important pros and cons of the products. In less than 2 minutes, you will have a summary of the reviews and an excellent basis for knowing what to look out for when purchasing.

- Business plan:

Create a solid business plan that takes into account your business goals, sales strategies, financial planning, marketing measures and risk analysis. This plan will help you to concretize your business idea and convince potential investors or lenders.

- Legal form and registration:

Choose a suitable legal form for your company (e.g. sole proprietorship, limited liability company) and register your business properly with the relevant authorities.

- Taxes and accounting:

Find out about your tax obligations and set up a transparent and efficient accounting system. If necessary, it may make sense to consult a tax consultant or accountant. If you want to sell internationally to consumers via marketplaces, you will definitely need a specialist at your side, e.g. <https://www.taxdoo.com>

- Supplier management:

Maintain a good relationship with your suppliers and conduct regular negotiations to secure favorable purchase prices and delivery terms. Check your suppliers regularly for reliability and quality.

- Customer loyalty:

Develop customer retention strategies such as discount promotions, newsletters, customer service and social media presence. Satisfied customers are the best advertisement for your company.

- Training:

Continuously educate yourself and your employees to stay up to date with the latest technology, legislation and best practices.

-ERP system:

If you buy successfully on the Internet, then you probably want to resell goods even more successfully. Most online trading today takes place via marketplaces that cannot be administered manually. A so-called multi-channel ERP system such as Plentymarkets, Afterbuy or e.g. JTL with the connection to your marketplaces and systems such as Taxdoo are your technical set-up and of absolute importance.

Don't start without it!**Conclusion**

Safe and successful online and wholesale shopping requires you as a buyer to be diligent and aware of current best practices, legal texts and technical terms. By following the tips in this guide, taking the right security measures and constantly educating yourself, you can secure and grow your retail business in the long term. What no guide can take away from you, however, is your skill in selecting the right items and product ranges and negotiating the best possible conditions.

In any case, don't be satisfied too soon, negotiate appropriately, fairly but hard!

We wish you: Good luck and good business.

Imprint

GKS Handelssysteme GmbH is a successful operator of the professional online trading platform RESTPOSTEN.de for promotional goods and special items, which went live in 1997. In 2013, we founded grosshandel.eu, a second professional B2B marketplace for regular consumer goods and branded goods - further international platform expansions are set to follow in the coming years.

Since the company was founded, it has been based in the North Rhine-Westphalian city of Solingen, perfectly located in the heart of the technology and media region surrounding the major cities of Cologne and Düsseldorf. Since its foundation, an experienced team of commercial, IT and financial experts has managed the fortunes of the owner-managed company: Stefan Grimm, Christoph Krebs and Marc Steinküller

GKS has a global customer base: More than 30,000 customers from over 97 countries currently use the Internet marketplaces developed and operated by GKS. And the number is growing every day.

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