The Buyer:

Like any college student, Breland is reliant on her phone for her social life, work, school, and basic survival. Her phone’s primary uses are answering e-mails, sending texts, updating social media sites, taking photos and videos, and keeping up a calendar. Its secondary purpose is to make calls, do research, and order food. About 2 years ago Breland was in the market for an upgrade from her current android phone and made the decision to switch to the iPhone. Breland was elated to find out a family friend was selling a slightly used iPhone in her price range.

The phone had become available to purchase thanks to some Good Samaritans. Breland’s family friend had left her used iPhone 4 in the bathroom at the Berkshire Mall. Assuming she would never see it again, the family friend purchased a new phone through her carrier. To her surprise, the used phone was returned a few days later. Left with two fully functioning phones, she decided to sell the used one. Through word of mouth Breland’s mom became aware of the sale. The family friend was very honest about the condition about the phone, letting Breland know the vibrating function did not work. Given the condition of the phone the parties they agreed on a price of $100. The phone was picked up from the seller’s house because the parties knew each other well.

Although she never felt unsafe or like she was doing something illegal, Breland has no plans to buy a phone from the second hand market in the near future. Having upgraded to the iPhone 5C in January through her carrier, she has no immediate need for a phone. Breland indicated that she would buy a phone from the second hand market again should her current one break and only if the transaction was with someone who she already knows. Breland currently has the used iPhone 4 in storage. If a friend or family member is ever in need of a phone she would be willing to switch roles and become a seller. Due to concerns about safety and with little need for extra income, she does not plan on becoming an active seller in the second hand market. One can conclude that Breland’s experience in the alternative cell phone market was positive one which caused her willingness to trade roles from a buyer to a seller.
The Sellers:

Last winter the Benvegna’s, a family of 4 from Mineola, NY, received free upgrades from Sprint. Each one of them received a new iPhone 5C leaving the family with 4 iPhone 4S’s in working condition. Steven and Donna, the parents, decided to sell 2 of the used phones and keep two in case they needed them in the future. As experienced e-bay buyers and sellers, they put the phones on e-bay with an asking price of $250 for each phone. They decided on this asking price after researching what phones in similar condition were selling for on e-bay. After several days they had no offers for the phones. They decided to take a risk and put the phones on craigslist. Donna immediately reported not feeling as safe as she had when dealing on e-bay. Donna and Steven saw results within hours of their post on Craigslist and had e-mails from multiple potential buyers.

One of the buyers was willing to pay the asking price, $250, for both phones. Excitedly, Donna and Steven agreed on the sale. They communicated at first via e-mail and then on the phone with the buyer. They agreed on a process for delivery of the product and payment. The buyer would send a money order for $500, once it was received the phones would be mailed out. Several days after the initial conversation they received a call from the buyer blaming his secretary for sending multiple money orders for the wrong amount and asked that the Benvegna’s send him the remaining balance with the phones. This was a red flag which became brighter when the money orders arrived for $900 each. A bank confirmed the fraudulent money orders. Steven, a former NYC police officer, turned the information over to the police, and the buyer was not heard from again.

Not giving up, Donna put the phones back on Craigslist a few days later. They had interest from a young lady from Queens who asked a lot of questions about the phones and agreed on a price of $200 for one phone. After deleting all of the information on the phone, the couple met her at a local train station. They went to the ATM across the street from the train station, where the young lady took out money and paid them. Donna was disappointed to find out from friends that her phone could have been
sold for upwards of $400. She felt like she had been taken advantage of. The remaining phone was sold to a family friend for $100. The price was based on convenience and the desire to be done with selling in the second hand market.

One might assume this experience would deter the Benvegna’s from selling goods in the second hand market, but it did not. Donna and Steve did not feel like they were doing anything illegal, and both admitted that they would do it again. Donna feels iPhones are in high demand and buyers are willing to pay for them as long as the phone is being sold for less than the retail price, and she is right.
The Entrepreneurs:

Sweahnahka High School is located in Elmont, NY and is one of four high schools in the district. It is at the cross section of low income towns, filling it with students battling for their lives, looking to make an extra dollar to help them eat and survive. Some call them delinquents, and many of them have been to jail or have had problems with the law. After discussing alternative markets with a handful of seniors in a special education math class, I found that these students sound more like entrepreneurs than delinquents. They identify an in demand product, get the product, find an appropriate distribution location and sell to a devoted, repeat customer base.

Two students eager to brag about the success of their friend’s second hand cell phone business provided details about acquisition of goods and details of the sale. The phones come from sources in and around school activities. They are taken from the boy’s locker room, teacher’s bags, unattended charging phones in the cafeteria and most often track meets. Bags are often left unattended making them easy targets. Track meets also provide these students with access to students from wealthier districts that have nicer products than those at their own school. No phone is too small or condition too poor. They steal and sell smart phones, most often iPhones, as well as basic phones, and cracked phones. After retrieving the products, they are inspected and if they can’t be used to blackmail the owner for more money, the phone’s are wiped and prepared for sale. Sales usually take place at the deli a simple 5 minute walk from school. The owners of the deli are parents of students at the school and are willing to look the other way when sales go on. The phones are typically sold from $15 to $100 dollars. The negotiation occurs in person and priced competitively, making the sale quick.

These entrepreneurs use their income to buy other alternative market goods. The goods are typically products they cannot afford, but desire. These goods range from new sneakers to drugs to other
small electronic devices. These students also use income from their sales to fulfill their basic needs like food and clothes, which are not being provided by their caretakers.

These students are willing to take the risks associated with dealing in the market. They admit to seeing their friends get arrested for dealing in the second hand market, but seem to fear the loss of income more than the police. After this interview, it can be concluded that these students are aware that their actions are illegal, but do not feel guilt or remorse. Instead, they consider their actions simply a means to an end.
The Victim:

As she stood on the sideline of the soccer field, clearly upset, this high school junior told her story. She had gone to the bar to pick up her boyfriend and went in for 20 minutes. She said hello to friends and then headed back to the car. After 5 minutes of frantically looking around, she and her boyfriend concluded that her phone had been stolen. The last time she remembered having it, the iPhone 5C was in her back pocket. It must have been taken without her noticing. Upon arriving home, she tried to search for the phone using the “Find my phone” app. It was nowhere to be found and had already been turned off. When asked why she did not report it to the police, she implicated that she had tried. Unfortunately they could not help her if her phone could not be located. The police said if the phone could be located, then they could be of assistance. Not used to being a victim, she was enraged by the lack of assistance. On top of being angry, she felt helpless. She used her phone for everything; it was her lifeline and felt lost without it. She could not call for a ride home from practice; she could not text her friends, and most importantly she felt disconnected without immediate access to her social sites.

She assumed her phone was already on its way to the second hand market. She thought it was either going to be sold on the street or broken down to be sold for parts. Now caught between a rock and a hard place, she had to decide where to get a replacement phone. To go through Apple for a replacement it was going to cost over $300, money she did not have and that her mother would not pay. As a victim she entered the second hand market as a buyer looking for a replacement. Even though her iPhone was stolen, she was not hesitant to look for another iPhone in the second hand market. She did not feel buying a phone in the alternative market was illegal, but did feel it was risky and dangerous given the type people she was interacting with. After feelings of discomfort became too much she decided to use an old phone.
for the time being. One can conclude that illegal actions caused activity in the illegal alternative cell phone market, but the level of safety deterred the actual purchase in the market.