

What method will a seller choose to sell goods? How does the chosen mechanism depend on the cost of transmitting information from buyers to sellers? Is the seller's chosen method of sale also the socially optimal one? These questions are examined in a unified model of auctions and search mechanisms where buyer participation is limited by information costs. We show that search is the best method for selling experience goods when production is regular and there are many buyers. An auction is the best method for selling non-standard, inspection goods when production is episodic and there are few potential buyers. The seller chooses the efficient, welfare-maximizing mechanism.