

# A Few Good Online Auction Tools

## Reliable online auction platforms geared toward nonprofit needs

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*This article is courtesy of Idealware, which provides candid information to help nonprofits choose effective software. For more articles and reviews, go to [www.idealware.org](http://www.idealware.org).*

An online charity auction can be a good way to raise money, rally support for your cause, and, hopefully, have some fun. Like any special event, though, an online auction requires solid planning and a fair amount of staff time. What it won't require, however, is substantial technical expertise. This is because there are several good online platforms that will host and help you manage your online auction.

What should you be thinking about as you consider an online auction? What tools might work well? We asked five nonprofit professionals with experience in auctions for their advice and their software recommendations.

## How Online Auctions Work

Online auctions are similar to real-life auctions, except that, in the online versions, everything is done through the Web. Instead of traveling to a gallery or showroom, for example, potential bidders in online auctions browse Web pages to see pictures, descriptions, and suggested prices for the items being auctioned.

Most online auctions use a method of bidding called "proxy bidding," which works almost as if the auction tool were your trusted representative at a live auction. A participant in an online auction enters the maximum amount he is willing to pay for a particular item directly into the auction Web site. The system will then bid for him, increasing the current price by small increments as much as necessary to win the item, up to the participant's maximum amount.

If no one else beats that high bid, the first bidder wins — potentially paying much less than his maximum. If someone else enters a higher maximum bid, however, the system will email the first bidder to let him know he has been outbid, and to allow him to up his maximum bid, if desired.

## Nonprofit-Specific Features

While all online auction platforms display items and accept bids, some also provide tools specifically geared toward nonprofit needs. These additional functionalities include features that can help you highlight your organization and your mission, allow you to easily send emails to your constituents to notify them about the auction, store descriptions of items offered, help you sell sponsorships, and more.

Some nonprofits design their online auction as an ongoing fundraising opportunity and auction off several items every day or every month. Others design them as an online event that takes place over a specific week or two, with extensive outreach and marketing. If you're planning this type of online auction event, it's important to think about the overall branding and experience of your auction as well as the presentation of the items themselves — issues that some tools can help you with more than others.

## Good Auctions Require More Than Good Tools

Before we jump into specific software, it's important to recognize that a successful online auction requires a lot of planning, preparation, outreach, and staff time. No matter how good your software is, it can't create a successful auction on its own. In addition to choosing the right tools, you'll also need to:

- **Plan an overall approach.** How big will your auction be? Will you continuously put up items over time or create a limited-time event? How will your auction mesh with the rest of your fundraising strategy? How will you ensure that it reinforces people's understanding of and commitment to your organization? Will your auction have a theme that's tied to your mission — an animal welfare organization might auction off pet-related goods, for example — or will you auction off a variety of items so that there's something for everyone?
- **Acquire items to auction.** A successful auction requires a considerable number of attractive products or services. Many organizations find items by asking constituents and friendly businesses for products and services. You may also wish to consider soliciting donations of experiences — for instance, the opportunity to have dinner with a local celebrity or to follow a news reporter through a day. Keep in mind, too, that a number of services (like [cMarket](#) and [The Gavel Group](#)) offer packages, such as cruises or tickets to shows, that you can auction off. You don't pay for these items unless they sell, and then you pay considerably less than market rate.
- **Reach out to those you'd like to participate.** Marketing is a key part of an online auction. Email is one good way to let your constituents know about your auction, and to remind them to visit and bid over the course of the event. Keep in mind that you'll need to target a fairly Web-savvy audience — no amount of outreach will convert technophobes into online bidders.
- **Be ready to provide excellent customer service and shipping.** As with any e-commerce effort, you'll need to be prepared to responsively answer questions. If you're selling goods, keep in mind that you'll need to mail or deliver them and account for the time and money required to do so. This is particularly important if you're selling on eBay, where you'll live or die by your customer-feedback ratings, which tend to focus on timeliness of shipments and the accuracy of your product descriptions.

- **Don't underestimate the amount of time required.** All of the steps described above will require a considerable investment in staff time. Don't forget, too, to budget additional time to create item descriptions, take photos, upload information, help participants troubleshoot, and more.

## Online Auction Software

The benefit auction software market is dominated by two companies: [MissionFish](#) and [cMarket](#). While they are both solid tools, they differ in a number of notable ways.

### MissionFish

MissionFish is a 501(c)3 nonprofit that has an exclusive relationship with the massively popular online auction site eBay.

By signing up with MissionFish, nonprofits can conduct eBay auctions for little to no charge. Once registered, any item you post on eBay will display your logo, mission, and a link back to your Web site. While you'll still be required to pay eBay's standard listing fees and commission (about 5 to 7 percent of the final price), these fees are credited back to your account six to eight weeks later. If you opt to use some of eBay's additional features — such as posting more than one picture or an item — these fees will not be credited back.

Beyond these small differences, however, you add items and run your auctions just like any other eBay posting. You can create a special-event feeling by having the auctions for your items begin and end at once and by sending out a link to an eBay organizational page that displays all your items, but in fact your listings will be available to anyone who searches eBay. This can be both an advantage and a disadvantage. If you have valuable items to auction, eBay's vast audience virtually ensures that you'll get at least market rate for your items. However, it's harder to create a special-event feel and build community around your auction if people who don't care about your mission are doing much of the bidding.

### cMarket

Specifically designed to support nonprofit charity auctions, cMarket offers a number of features making it easier for organizations to use.

For instance, several of the nonprofit professionals who contributed to this article found cMarket's interface for adding auction items easier to use than eBay's; an additional feature allows you to easily hold onto a listing to repost it at a future date (useful if you plan to conduct similar auctions each year, for example).

cMarket includes tools that allow you to easily email registered auction participants and bidders, and that let you build your constituent list through send-to-a-friend features. cMarket also offers an easy service adding commercial items (like travel packages or sports memorabilia) to your auctions on commission.

cMarket also allows you to build a more customized auction homepage than eBay does, where you can profile your organization and feature specific auction items. A cMarket auction Web site also supports sponsor logos, allowing you to sell sponsorships for the entire event.

All of these extra features come at a price, however. cMarket is notably more expensive than eBay, charging \$295 per year plus a 9 percent commission on your auction revenue (on the first \$75,000 collected from each auction).

As opposed to eBay, using cMarket means that your own constituents will be the main bidders for your products. While cMarket offers a centralized site, [BiddingForGood](#), that allows people to search on items from all cMarket auctions, it doesn't have anywhere near eBay's reach or audience.

## Other Tools

While MissionFish and cMarket are by far the most widely used online auctions tools among nonprofits, they are certainly not the only ones available.

If online auctions are part of a sophisticated online strategy that includes email outreach, pledge-a-thons, online events, and other friend-raising activities, you might also consider [Kintera](#), a pricey but powerful online integrated tool that's particularly strong in events.

If you're looking for other online auction platforms that specialize in nonprofit events, consider [BenefitEvents](#). There are also a number of companies that provide online auction services to businesses world — for instance, [AuctionAnything](#) and [Beyond Solutions](#) — that may meet the needs of nonprofits as well.

As you're shopping around for an online auction tool, you may run into a whole other type of software. "Auction-management" software allows you to manage logistics and catalogs for large, complex auctions, both live and online. Packages such as [Auctionpay](#) and [Auction!](#) can be very helpful if you conduct a number of large auctions, but they don't have much functionality that overlaps with the online auction software described above. Before purchasing any solution with the word "auction" in it, therefore, be sure to double-check that it offers the online functionality you need.

## Picking the Right Tool for Your Organization

Which platform should you use, then? It will likely come down to price and whether or not you'd like to feature your auction as a self-contained, branded event.

For nonprofits trying online auctions for the first time, MissionFish can be a comparatively low-investment way to get their toes wet, and eBay's huge audience makes it very likely that you'll get at least market rate on your items. On the other hand, cMarket allows for a more customized online event, in addition to easier administration.

Whatever option you choose, don't forget that online auctions will require a substantial amount of planning and staff time. A great event can't be created through great tools alone — but they can certainly help!

## For More Information

- [Guide to Special Events Fundraising](#)  
A very useful online book covering all aspects of special events, including auctions, by Ken Wyman Associates.
- [Hot Nonprofit Auctions](#)  
A recent article from the Nonprofit Times that offers a number of examples of online auctions.

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