

6 Unique Online Fundraising Techniques for Your Nonprofit Part 2 of 6

2. Online Auctions

One of the most effective online fundraising tools you can use today is the online auction. Nonprofits know that auctions are time consuming and difficult to manage, but also very lucrative. In 2006 alone, more than 16 billion dollars was raised through charitable auctions in the U.S. ([National Auctioneers Association](#)). Furthermore, auctions give nonprofit organizations the unique ability to tap into “household spending” dollars which compose 66% of the GNP compared to the only 2% allocated to “charitable giving” ([Making Auctions Work Best for Corporate Sponsors and Fundraisers](#)). The use of an online auction in your nonprofit will reduce the amount of resources required to host the auction while maximizing the potential profits.

Online Advantages

Number of Bidders- The principal advantage of an online auction vs. a traditional auction is the number of potential bidders. The largest online auction site today, eBay, had 83.3 million users in its latest quarterly report (2nd Quarter, 2007) and had revenues totaling 6 billion in 2006, up 31% from 2005 ([The New York Times](#)).

Women- To maximize you auctions effectiveness, it is important to get women more involved in the bidding process. Hosting an auction online is an effective way to accomplish this. Believe it or not, 71% of online bidders are women ([Why Online Fundraising Auctions Work](#)).

General- Online auctions can last for weeks, improving your items visibility. According to [cMarket](#), your nonprofit can expect to see an increase in auction proceeds between 25-100% by adding online element.

Options Available

Now that you realize the fundraising potential of online auctions, the next step is to decide what method you will use to get your organization online. Three viable options are available, each of which has been analyzed below.

On Website- Some organizations have taken the path of hosting an online auction on their own website. The advantage to this method is that the organization does not have to pay any commission on items sold, and they have control over the auction at all times. Disadvantages are significant however, as it requires considerable computer savvy and time to create a successful auction. Furthermore, payment arrangements and credit card security must be addressed. For most organizations, this is not a viable option.

Mission Fish- [Mission Fish](#) allows nonprofits to sell and buy auction items on eBay's [Giving Works](#). To list your auction on Giving Works, you will first need to [set up a free Mission Fish nonprofit account](#), then an eBay account.

Advantages of Mission Fish:

1. Huge number of potential buyers.
2. Relatively inexpensive. Mission Fish is free, but eBay generally charges between 4-6% of auction selling price.
3. Easy to set up and little continued involvement.

4. Any seller can donate between 10%-100% to your nonprofit. Your nonprofit is listed on Mission Fish so sellers can select and decide how much they wish to contribute.

Disadvantages of Mission Fish:

1. Ebay shoppers are looking for the best deal. Nonprofits would ideally like people to pay equal or more than the market value of the item to contribute to their cause.
2. Difficult to create community. Anyone and everyone can bid for an auction item so it is much harder to build a sense of community and get supporters personally involved.

cMarket- cMarket is an online auction tool that is specifically designed for nonprofits. This is a more hands off approach to online auctions because after the sign up process is complete cMarket manages the entire process.

Advantages to cMarket:

1. Simplest way to have an online auction. cMarket has hosted more than 2,000 online auctions for nonprofits and the auction is handled by professionals.
2. Vacations, cruises, and many other prizes can be acquired risk free. Many of the prizes are available through cMarket and are free of charge if the auction is not a success. If the auction is successful however, the items selling price to the nonprofit is still well below market value.
3. Bidders are supporters. cMarket is smaller in scale and most of the bidders will be people notified about the auction through emails, phone calls, or personal requests.

Disadvantages of cMarket:

1. Expensive. The additional services come at a price of \$295 per year and 9% commission ([A Few Good Online Auction Tools](#)).

Recommendation- For a nonprofit trying an online auction for the first time, use Mission Fish because it is lower risk (you will probably get near market value) and inexpensive. However, cMarket is a promising tool for many nonprofits in the future.

Tips to Make Your Online Auction a Success

Timing- If you decide to use eBay's Giving Works, you will want to plan the auction so that it ends on a Sunday night between 9:00-11:00pm Eastern Time to maximize sales ([Four Huge Mistakes Ebay Sellers Make](#)).

Frequent Emails- Sending frequent email updates to supporters which let them know how many days they have left to bid on certain items and when they have been outbid will create a sense of community around the fundraiser. Be sure to increase the frequency of emails during the end of the auction period.

Photos- Many nonprofits do not spend enough time taking high quality photographs of the items being auctioned. Good photos are proven to increase sales in online auctions.

Title- For eBay auctions, think of titles for auctioned products that are likely to match what buyers will search for on eBay.

Product Types- The highest priced auctioned items in this order are "travel, tickets, and art." The average selling price for all items in a [Giving Works Study](#) was \$53.

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