

Bidding Basics: Types of Bidding



An online auction powered by cMarket can be both strategic... and fun! To bid with confidence, it's reassuring to know the differences in bid types, and some examples of how each type of bid is placed.

Types of bids can include:

- Proxy;
- Maximum;
- Straight, and
- Absentee.

Let's take a moment to explain each bid type in detail.

cMarket's bidding engine bids "by proxy", or at the lowest possible increment needed – up to a bidder's Maximum bid - to become the leading bidder.

For example, an auction item has a starting bid of \$5, with a \$1 increment. Bidder A bids \$6, and Bidder B bids a Maximum bid of \$10. Bidder B becomes the leading bidder – through proxy bidding – of \$7.

A Maximum bid, therefore, is the highest price a bidder will agree to bid on an item via a proxy bidding scenario. In the above example, if Bidder A was to increase his bid to \$8, cMarket's bidding engine – knowing Bidder B's Maximum Bid – automatically makes Bidder B the leading bidder at \$9. Note, the proxy bidding system only bid up the smallest increment needed for Bidder B become the leading bidder, without exceeding his Maximum bid. Bidders may always choose to increase the amount of their Maximum bid on an item.

Oppositely, a straight bid is placed when a bidder decides to bid a specified amount, outside the proxy bidding scenario. The objective of placing a straight bid could be to avoid the time-intensive process of a "bidding war"; or simply to make a charitable (and oftentimes generous!) donation towards a good cause in return for a highly-desired item. The Straight bidding feature is enabled upon the discretion of the organization running the auction - it may or may not be an option for bidders.

When Absentee bidding is enabled on an item, it means that after the item's online close date & time, bidding will continue on that item at a future live event. Online bidders may place "virtual, maximum bids" on these items. The Absentee bidder may or may not be present at the future live event; a "Proxy" stand-in is designated to bid up to – but not exceed - the Absentee Bidder's Maximum online bid. Absentee bidding allows online bidders the opportunity to bid on items and support a great cause, even though they may not be able to attend the Live Event.