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Merging e-commerce & charity, BiddingForGood expects \$40M in sales this year

Boston Business Journal by Kyle Alspach, VC Editor

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Cambridge's [BiddingForGood](#) expects to handle \$40 million in sales of charity auction items through its site this year, as the company seeks to cement its place as the dominant site for online charity auctions, CEO Jon Carson said in an interview.

"Charities have a competitive advantage in the e-commerce economy, because people have an affinity for them. People want to support them," Carson said.

It took from 2003 to 2010 for the site to see \$100 million worth of items sold, but has handled \$50 million in sales in the past 18 months as activity picked up, he said.

BiddingForGood now expects to cross the \$150 million lifetime sales mark some time in the next 48 hours; the "goodometer" on the site's home page approached \$149.5 million on Wednesday afternoon.

"It just took a long time" to find both the shoppers (the site now has 304,000) and the nonprofits (526 auctions were held in March) needed to give the site real traction, Carson said. "It takes a while to get the word-of-mouth going ... PTA moms don't aggregate reliably in one place."

The vision since the beginning, however, has been to help charities benefit from the shift toward e-commerce, he said.

That's important to charities in a time when charitable giving has flattened out — and also when deal-oriented consumers are increasingly looking online, Carson said.

"What our data shows pretty conclusively is that the money that gets spent in our system is discretionary household spending," he said. "It's a birthday present, not charitable giving."

Donated items can range from the expected (Red Sox or concert tickets) to the more unusual (such as a lunch with Mayor Menino, which Carson bought for his wife two years ago).

Items often sell for below the list price, but online auctions tend to lead to higher bids than auctions held in-person during events, Carson said. For instance, Sox tickets netted \$300 one year at a live auction, but saw a winning online bid of \$500 for the same charity the next year, he said.

"It's a math problem — I have about 8,000 avid Red Sox fans in our bidder community, and only about 15 in that room," Carson said.

For nonprofits that still want to have a live auction, BiddingForGood also rolled out a mobile bidding service — through people's mobile devices — six months ago.

The higher yields from BiddingForGood auctions is why the charities are willing to pay the fees taken by the company, he said; the fees include a \$595-per-year subscription fee and a fee of 3 percent to 9 percent of the total auction value on top of that (which is based .

Carson said he expects BiddingForGood to see \$40 million in total sales through its site this year.

The company, which employs 42 at its headquarters near Alewife, has raised \$30 million in venture capital largely from two institutional investors — Morningside Technology Ventures of Newton and California-based **Canaan Partners**.