

BiddingForGood puts mobile phone app to work

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Mary Moore – 3 February 2012 – Boston Business Journal

Charity auctions are a mainstay at fundraising galas, and online charity auctioneer **BiddingForGood** has developed a mobile phone app it says can make the bidding process even easier. Instead of ending an online auction before the event starts, nonprofits can keep the auction going and bidders can continue bidding by cellphone — during the event and, in some cases, even after it ends.

"Almost everybody who comes into the gala has a mobile phone, and the online auction can come into the room," said Jon Carson, CEO of **BiddingForGood**, which has 44 employees in Cambridge. "In the past we were always forced to have the online piece close on a Thursday night and any items that hadn't closed out transfer into the room on a clipboard," Carson said. The app is the latest step for **BiddingForGood**. And it speaks directly to what's on the minds of nearly every nonprofit executive: fundraising.

The company is building on the growing popularity of online charity actions that are run both in connection with galas and events, and as stand-alone fundraisers. Popularity has grown in large part because online auctions expand the universe of people who can participate and grow the number of potential bids. Last year, **BiddingForGood** ran 4,000 auctions compared to about 2,800 in 2009, Carson said, and the number of bidders has grown to about 270,000 today from 140,000 three years ago. The company has raised more than \$135 million for nonprofits and schools since it launched and did \$35 million in gross merchandise sales in 2011. The privately held company did not provide revenue.



Jon Carson, CEO of BiddingForGood

In November 2011, **BiddingForGood** received \$2.2 million in funding, primarily from Morningside Technology Ventures. It has also received funding from Canaan Partners.

BiddingForGood charges a \$595 annual subscription, which enables charities to run unlimited auctions, or fees of up to 9 percent, depending on how much money a charity raises.

"Where we're nationwide, the online auction allows us to reach all of our followers," said Lisa Madden, director of operations for Boston-based Ovations for the Cure of Ovarian Cancer, which has run about a half-dozen online auctions through **BiddingforGood** and has raised between \$2,000 and \$10,000 on each.

Online auctions eliminate the constraint of traditional auctions, Carson said. For example, he said, closing auction bidding on the night of an event cuts out people who bid on items, do not win and have "unspent money." If a charity leaves some items open for bidding days after an event, they have a chance to capture some of those unspent dollars.

The Festival of the Trees in Methuen has run three auctions with **BiddingForGood**, with profits ranging from roughly \$10,000 to \$12,000 for each — about the same as what the organization earned from traditional live auctions it ran during its annual tree-decorating event, said Ann Guastafarro, the organization's president.

The online auctions have broadened the organization's reach, Guastafarro said, though the group has not quite mastered the right way to market the online auction. That, she said, is the next step, and a new mobile phone app could help capture donors, especially while they are attending the organization's event.

BiddingForGood said no other company offers exactly the same services it does, but it is compared to eBay, BenefitEvent and CharityFolks.