

COMMUNITY COLLEGE SPRING 2008
TECHNOLOGY UPDATE

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Why online fundraising auctions work

Community colleges and others raise stakes with bidding on Web

\$ 110,000 for a winning (unwashed) Lance Armstrong Tour de France jersey. \$4,000 for an autographed Paris Hilton stroller. A community college foundation raises \$45,000 in two online auctions — garnering a high bid of \$4,600 for a rare coin, and \$1,700 to be a disc jockey for a day.

Online fundraising auctions are working — and colleges and universities are increasingly adopting them to raise more money for financial aid, professional development, technological improvements, and more. These include community colleges from coast to coast, who find online auctions uniquely effective in uniting widely scattered alumni, and strengthening their long-term loyalty.

Easy-to-use online auction tools and templates also make it possible for community colleges with small staffs to hold fundraisers with a highly professional look and feel on a shoestring — truly doing more with less. In fact, nonprofit organizations, which have traditionally raised billions of dollars annually through silent auctions at live events and galas, now are supplementing them, or in many cases altogether replacing them, with online auctions. The move eliminates inefficiencies, enables alumni to participate no matter where they live, engages an entirely new audience of cause-minded bidders, and raises additional dollars.

Community colleges are making online auctions a fundraising staple. A community college in Philadelphia, for instance, raised \$8,300 in its premier auction, boosted proceeds to \$10,400

in its second event, and is currently planning a third online fundraiser. Another community college in Connecticut has held three auctions — bringing in \$8,400, \$9,100, and \$10,000, and they're preparing to beat these totals with a new auction this spring.

The power of online

Moving an auction online has four key advantages. First, it removes the barrier of geography. If key alumni or parents live far away, they can still participate. And donors aren't restricted to students, alumni, faculty, and other "friends of the college" anymore. Once an auction moves to the Internet, community colleges have a new chance to reach and engage cause-minded bidders — whether they're nearby, in another state, or halfway across the world.

Second, an online auction removes the barrier of time. These events run 24/7 for several days before a live event, and often a few days afterward, so if donors have a conflict or would rather just stay home the night of a live event, they can still participate, and push the latest bids for particular items ever higher (Only 10 percent to 30 percent of an organization's constituents are usually available to attend live events because of conflicts that become irrelevant when an auction moves online).

Third, online auctions are highly measurable, producing valuable information around what item categories get bids, the best ways to set opening bids, etc. And that information gives



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community colleges a roadmap, which means that they can constantly improve results from event to event.

Fourth, moving online eliminates or dramatically reduces the often-painful logistics of a live event. "Try managing 15 silent auction volunteers, lugging 150 items into a room, setting them up, taking unsold items back to the office late at night, and dealing with long checkout lines — it isn't easy," said Judi Elkin, a seasoned fundraiser. By holding an online silent auction for one to two weeks surrounding a live auction event, a college reduces the workload, as well as staffing and volunteer requirements, for the "big day."

Boosting bids through competitive arousal

Colleges and other nonprofits are also finding that online auctions are triggering competitive arousal (the drive to outbid others) in ways that silent auctions typically can't. The distractions of a live event — food, friends, entertainment — often relegate clipboards with the latest bids to the sidelines.

When an organization goes online,

an effective way to drive continual Web traffic is through e-mail campaigns. And that applies to online auctions, where there is now a wealth of research on how to use e-mail to encourage more and higher bidding. Data abounds on when a competitive e-mail message will drive bidding, and when a more altruistic message is best. In fact, data is now so sophisticated that it can be broken down by type of nonprofit (i.e., educational), day of the week, time of day, and more. Community colleges are using this data to schedule e-mails that power up the bidding process.

Increased supply

Going online also improves the effectiveness of item solicitation in a number of ways. First, the organization has a much better (and quantifiable) value proposition to take to commercial entities. A community college can give every donor a clickable link and logo in its online catalogue and in the e-mails to bidders to increase donors' visibility.

In addition, sponsors can now see a sizable number of guaranteed impressions before an important demographic — (often affluent) donors who care about the community college. For commercial donors and sponsors, an online fundraising auction is a powerful cause-marketing platform that can highlight the donor in a way that the constituency will value.

Summing it all up

When a fundraising auction is put

online, it enables a broader base of bidders to participate over a longer period of time and that means more money raised. Moreover, because of the gaming aspect of online auctions, they are viewed by participants as a uniquely enjoyable way of fundraising. In addition, an online auction provides item donors significant, quantifiable marketing benefits that they have heretofore not had. The community college can leverage its e-mail list to efficiently source new items through a virtual item acquisition campaign.

Colleges can also give corporate sponsors another element of marketing value which they can charge for, or use to lock in a sponsor renewal. Lastly, an organization can take the robust information that is generated from an online auction to begin optimizing for the next auction, providing ever greater revenue yields down the road.

It's a new world out there, but it's also a much more competitive one for the fundraising dollar. In this environment, fundraisers need the best toolbox available — and that toolbox is incomplete without an online auction component. The benefits are just too compelling — making it a prudent bet that most community college fundraising auctions in the future will have an online component. Auctions work. The sooner you begin, the sooner you will enjoy a competitive fundraising advantage, and take your auction strategy to a whole new level.

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