

Indiana Newspaper Sold on “Auction Mania”

The Herald-Times of Bloomington, Indiana is one of the growing number of newspapers that has experimented with auction promotions. Based on the unqualified success of its 2003 effort, “Auction Mania” will return as a semi-annual feature — to the delight of readers and advertisers alike.

When Herald-Times Classified Manager Laurie Ragle describes the process of producing “Auction Mania,” she speaks with the confidence of someone who has tasted success — and plans to relive the experience.

“It’s hard to find anything negative about it,” says Ragle. “It really came off without a hitch.” The premise — as with any auction — is that people are sure to bid on merchandise under two conditions: if they know they have a shot at purchasing an item for less than its retail price and believe that other people are interested in the same item. This time-honored formula proved as accurate for a newspaper auction as for the online auctions that inspire participants to stay glued to their computers.

“Auction Mania” was based on a straightforward transaction: Participating advertisers simply traded merchandise or services for future advertising space in The Herald-Times. Forty-three local business (17 of which were new to the newspaper) found the offer too good to pass up, and donated a total of 230 items to the auction.

Explains Ragle, “We gave the advertisers retail value for their items or services, not what it ended up selling for. Another perk was that the participating merchants displayed their auction entries at their places of business, and we encouraged readers to check out the merchandise in person. Winning bidders also were required to pick up their merchandise directly from the advertisers, so the auction promoted the participants’ businesses in a number of ways.”

Prior to bidding, readers perused the 14-page broadsheet “Auction Mania” section, which was inserted twice in The Herald-Times —the Sunday prior to the auction and again on the day before bidding began. Each item appeared along with a photograph, description, the name and logo of the donating business, and several key pieces of information: the item number, retail price and opening bid.

The actual bidding process was handled via a special web site hosted by Auction Media (www.auctionmedia.com) of Peterborough, Ontario. While the newspaper also set up a special phone line to take bids, Ragle notes that the vast majority of bids were placed online. About 600 people registered to take part in the auction, which generated more than 1,300 bids. In

the end, 77 percent of the 230 items sold in the auction — a very good percentage according to Auction Media, which also provided the newspaper with extremely useful data and sales reports.

One of the hottest items in the first Herald-Times was — of all things — dirt.

“Because the auction was held in May,” recalls Ragle, “the top soil was one of the items that sold the fastest and had the most activity. It’s one of those things that is not only timely, but is something that people don’t buy ahead of time. That showed us that timing is absolutely key, and that it pays to be very firm about accepting merchandise that is seasonal and will sell at the time the auction is held.”

Ragle plans to reprise “Auction Mania” in September 2003 and then every six months after that. Having learned a few tips — such as ensuring that advertisers donate appropriate and seasonal items — she has no doubt that the promotion will fly as high in September as it did in May.

Among the other lessons learned from the first auction, notes Ragle, is to build in enough time to do the ads for the auction section.

“Customers know that once they commit to including an item in the auction, they cannot sell it,” she says. “As a result, many of the merchants waited until the last minute to commit to donating a particular item. Next time around, we’ll set the deadline a little earlier to give us the time we need to put the section together.”

The only other challenge that Ragle noted related to the concept of a “reserve” auction. Some bidders did not grasp the concept that while an item may have a low opening bid, it will not sell until the price reaches the reserve price, which is established prior to the start of bidding. Most participants, however, were familiar with auction protocol and simply enjoyed the bidding process.

“We were surprised that one item actually sold for \$5.00 over retail,” comments Ragle. “But I guess people really enjoyed the bidding!” For more information, contact Laurie Ragle, Classified Advertising Manager, The Herald-Times, 1900 South Walnut Street, Bloomington, Indiana 47401 or lragle@heraldt.com.

- originally printed in Plus Business, The Monthly Report of Advertising News and Lineage Building Ideas © 2003 Metro Creative Graphics, Inc., 519 Eighth Avenue, New York, NY 10018