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Going once, going twice, click ... it's auctioned off online

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SOMERVILLE--Auctioneer Steve McCabe doesn't slam his gavel down and exclaim "Sold!" when a deal is done.

In fact, McCabe doesn't even have to be in the auction room when the sale closes because his computer and server seal the deal.

"When the auction shuts down an invoice gets sent to all the bidders and the dealer telling them it's over. It's all done via e-mail. I don't even have to do anything," said McCabe, owner of Somerville-based company PatriotAuctions, an online auction house.

About 10,000 people--both buyers and the casually interested--have so far participated in one of McCabe's auctions through his World Wide Web site--<http://www.patriotauctions.com>. For a 3.5 percent commission, McCabe has helped move coins, artwork, jewelry and a warehouse full of other items since getting into the auctioneering game in 1996.

McCabe is among a new wave of Boston-area entrepreneurs who are going online and replacing the machine gun-talking style of the church basement auctioneer and the hushed, clipped-British tones of the Sotheby's dealer. And as online auctions become more popular, the once-familiar auction house cry of "Going once. Going twice. Sold!" is being replaced by the sound of computer mice rapidly clicking away to make purchases complete.

"The Internet is basically taking a flea market or garage sale and providing a platform to bring people together at a low cost," said Jill Frankle, an analyst with Framingham-based International Data Corp. "In business-to-consumer auctions there's been a boom because it's a fairly low cost to implement an auction solution and the benefits are great."

The low costs--many sites charge sellers nothing to list their offerings--and benefits of exposure to a potentially massive buying audience have driven several local firms to get into the auction game, which even in terms of Internet businesses has grown at a pace to boggle the minds of the web culture.

"The costs of customer acquisition is practically nothing, so it becomes a powerful tool for attracting customers to a site," said Tom Hopcroft, president of the Massachusetts Electronic Commerce Association.

Most online-auction companies declined to give revenue numbers or say if they're making a profit.

But there is a potentially lucrative market out there--as eBay Inc. has shown.

Industry officials say the online auctioning niche came to the business forefront with the staggering rise of San Jose, Calif.-based eBay Inc. The company, which runs person-to-person product auctions, went public Sept. 24, at \$18 a share. This week, following a 3-for-1 stock split on March 2, eBay traded at a split-adjusted share of about \$140 a share.

For the fourth quarter ended Dec. 31, eBay reported net income of \$1.52 million, or 2 cents a share, on revenue of \$19.5 million--modest numbers compared to many publicly traded companies but, then again, this is the age of Internet stock madness.

At Waltham-based AuctionAddict.com Inc., the one-year-old company already runs auctions for 415 product categories ranging from computer equipment to food and wine. Some 5,600 individual items can currently be bid upon at the site.

AuctionAddict president Rob Flachs said the company doesn't charge sellers for listing items, but takes a 1 percent commission on any sales made through the site. He said he sees more companies using the online auction model of business because of the simplicity involved.

"I think the online market has provided value for those mom-and-pop businesses without e-commerce solutions," Flachs said. "It gives a long-term solution for companies without the wherewithal or the expense to run their own auction and they can attract a buyer base that they might not have reached."

True, but with potentially eBay-like figures to be made, the online auction market has soared. A search on Yahoo! showed nearly 120 different auction sites listed.

"What's happening is there are lots of auction houses ramping up with vertical niches," said James Carney, chief executive officer of Burlington-based Bidder's Edge Inc. "And this is because there's a high degree of specialization going on."

Carney's company acts like a search engine for other auction sites. A buyer can go to the Bidder's Edge site (<http://www.biddersedge.com>), search for a specific product, and Bidder's Edge will cull information about the item from 15 different auction sites.

"What's great is that if I have a special interest I can go right to the auction and find what I want," Carney said. "Then if I know what I am looking for, the question just becomes, 'Can I find it and get it at a fair price?' "

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