



video case

chapter 10 Online Communities

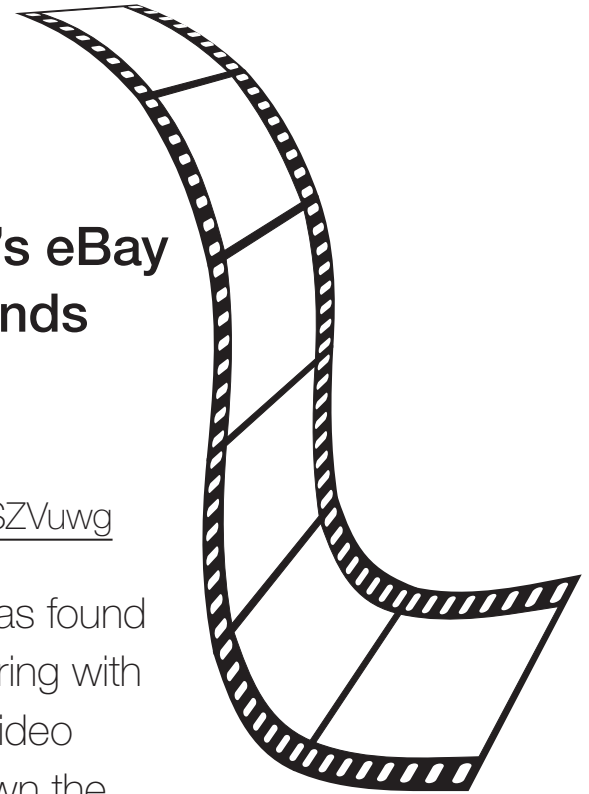
case 1 **Mint Returns for Goodwill's eBay Auctions of Thrift-Store Finds**

watch the video at

<http://www.youtube.com/watch?v=u1sx1SZVuwg>

summary

Goodwill Industries San Francisco has found solid e-commerce growth by partnering with eBay's GivingWorks program. This video shows how the partnership has grown the e-commerce division of this California Goodwill Industries agency. *L=3:41*



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Goodwill was founded in 1902, when a socially-conscious, young Boston minister, Edgar Helms, had the idea of collecting donated household items from Boston's wealthy classes and paying unemployed and often desperate immigrants to repair, clean, and sell the goods. In 1915 Helms' endeavor was dubbed Goodwill Industries, and the success of the venture led Helms to establish more Goodwill organizations to serve new locales. Within five years, fourteen more Goodwill organizations were created, and today there are over 2900 retail and outlet Goodwill stores across the United States and Canada.

The Goodwill Industries International, Inc., organization of today shares the same mission as Edgar Helms: To sell donated clothes and household items and use the retail experience and sales to fund job training and employment services that aid disadvantaged workers. Its

mission is to “enhance the dignity and quality of life of individuals, families and communities by eliminating barriers to opportunity and helping people in need reach their fullest potential through the power of work.” Its programs include training and placement for single mothers, senior citizens, youth mentoring programs, and online education.

In addition to providing job assistance and training in its own stores, Goodwill partners with large organizations such as the IRS and General Motors to provide services such as laundry services, document management, and janitorial work that help lower the organization's costs while providing meaningful employment or training. In 2013, Goodwill brought in over \$5 billion in revenue and provided employment training, job placement services, financial education, and youth mentoring to almost 10 million individuals, as well as helping over 260,000 people find a job.

The bulk of Goodwill's funding for their employment and training programs comes from retail sales (almost \$3.8 billion in 2013)—selling donated goods through their 2,900 stores, which themselves are managed by 165 independent Goodwill agencies. In addition to their bricks and mortar stores, Goodwill has also embraced e-commerce. In 1999, Goodwill opened its online auction site, *Shopgoodwill.com*, in which buyers can bid or purchase outright items selected by participating Goodwill agencies. *Shopgoodwill.com* has more than 1.3 million registered buyers and raised over \$286 billion since opening from the sales of more than 12 million items.

The San Francisco Goodwill was the third Goodwill agency and was founded in 1916 by Helms and local minister Samuel Quickmire at an earthquake shelter in San Francisco. Today it encompasses three counties, including 21 stores, 17 donation sites, and 4 training centers, and raised over \$43 million in 2013.

As one of the 165 semi-autonomous agencies of Goodwill International, Goodwill Industries of San Francisco, San Mateo and Marin joined forces with eBay's Giving Works program in 2003 to create their online retail solution. The Giving Works program, managed by nonprofit MissionFish, allows nonprofits to auction goods on eBay with all seller fees credited back to the nonprofit. It also allows individuals and other businesses organizations to donate a percentage of profits to a participating charity. Goods whose sales contribute to a Giving Works participating charity are tagged with a special ribbon icon on eBay's product pages.

What's in Giving Works for eBay? One advantage is in offering eBay buyers a new benchmark to evaluate potential sellers. EBay's research has shown that sellers who commit 10% of their own profits to a participating GivingWorks nonprofit are statistically much less likely to deliver poor products or misrepresent their products. For sellers: Items with the Giving Works ribbon icon garner more bids and higher prices than average.

video case questions

1. Visit Goodwill San Francisco's eBay shop at <http://stores.ebay.com/Goodwill-San-Francisco> and Goodwill's shopgoodwill.com and compare the two sites. Which do you feel offers the customer a better experience and why?
2. Would you prefer to purchase some types of goods from a Goodwill retail store, rather than online from eBay or shopgoodwill.org, and why?
3. Why might a Goodwill agency decide to partner with eBay to sell rather than the Goodwill-created auction site?
4. What advantages does partnering with eBay's Giving Works program offer nonprofits? What advantages does Giving Works offer to eBay?

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