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Going Live!

Action Returns to the Lanes at ServNet Auctions

CHATTANOOGA, Tennessee -- The return of live sales is a cause for celebration in the industry as ServNet auctions begin to open their doors and welcome customers to the auction lanes. As restrictions ease in some areas of the country, many ServNet auctions held live sales in early May following local and state guidelines.

“ServNet auctions have maintained a strong presence in the market since the onset of the COVID-19 pandemic, holding online-only sale events,” said John Brasher, ServNet’s executive director. “But we are delighted to report that many of our member auctions are *going live*, meeting buyers mask-to-mask if not face-to-face, in the auction arena, and recording excellent sale results.”

“We’re seeing reports that the used car market is gaining strength, with retail sales starting to recover as more dealers are back in business in many states,” continued Brasher. “Those dealers are eager to buy and sell at the auction, and are excited to be part of the action in the lanes at ServNet auctions.”

While the physical sales were dark in March and April, ServNet auction owners have been working behind the scenes to prepare for the day when live sales would be permitted. They adjusted traffic patterns, installed plexi-glass sneeze guards, assessed attendance limits, marked the floors



Social distancing floor stickers at Carolina Auto Auction

with social-distancing stickers, collected masks and gloves and pens, and trained auction personnel to handle revised auction operations to conform to pandemic guidelines.

“As eager as ServNet auctions are to return to live sales, they are all proceeding with vigilance and caution,” said Brasher. “All auctions in the group are going to great measures to protect their customers and employees, holding extensive meetings, drafting safety plans and working with local law enforcement and health agencies to ensure that auctions are held safely and responsibly.”

Carolina Auto Auction’s first live sale felt almost like a regular day in the lanes, says Eric Autenrieth, auction general manager. Because South Carolina hadn’t shut down business as many other states had, the auction wasn’t required to limit attendance. The facility was treated as an outdoor venue, keeping all building doors open, and provisions were made for social distancing. Drivers were protected by not rolling down windows or opening doors as cars moved through the auction, the office area was limited to a maximum of 15 dealers at a time, and all IF deals were handled by phone.

“Our employees and customers alike were eager to return to the auction,” said Autenrieth. “We had 638 bidders at our first live sale, split about 60/40 between online and in-lane dealers. There was a lot



Dealers maintained social distancing in the lanes at DAA/OKC's first live sale in May.

of pent-up demand: dealers who don’t like to sell digitally had a lot of inventory to turn, and they were ready to sell!”

According to Kevin Brown, managing partner of Carolina’s sister auction, Indiana Auto Auction, 218 buyers were in the lane and 124 were online at its first live sale, with 23% of sales going to online buyers.

Dealers Auto Auction of OKC invited 200 of its top buyers to its first live sale. 155 of those invited arrived on sale day, ready to buy and sell.

“Our customers were excited to be back at the auction,” said Bruce Beam, general manager of DAA/OKC and president of ServNet. “As a matter of fact, we had nearly 30 dealers waiting to get in when the doors opened at 7:30. Our customers and employees were happy to see each other and be back at work. The check-in process was smooth, which included taking temperatures and signing a form acknowledging that they were symptom-free.”

Beam notes that physical attendance at the sale was about 50% of pre-pandemic numbers, which was augmented by another 191 dealers who attended the sale online.

Houston Auto Auction reported an uptick in average sale price when its sale went live, an increase of \$985 over the week's previous online-only sale. Although attendance was limited to its top 30 buyers, the auction will increase the number of invitations to the live sale in coming weeks.

"Dealers in the lanes have boosted the excitement and the sales rate," said Tim Bower, owner and general manager of Houston Auto Auction. "But we can't discount the influence online buyers have had on our results. Among the ServNet auctions, we've all seen an increase in our online numbers since before the pandemic. Because we maintained a strong online presence when the physical sales were closed, we built an even stronger online audience. At our first live sale, we sold 46% of the vehicles to online buyers, up from 30% before the pandemic."

Marking a 67% sale the first week of May, Missouri Auto Auction's owner Cody Boswell reports that 54% of the vehicles were sold to online buyers, up from 30% at pre-pandemic sales. Matt Fetter, president of Clark County Auto Auction recorded 462 bidder badges and a 75% conversion at its live sale on May 13; 150 bidders in the lane purchased 60% of the vehicles.

Akron Auto Auction posted a 69% sale rates at its first live sale, attended by 364 dealers online (up from 108) and 53 dealers in the lane.

"It was great to note the major increase in online attendance when Akron Auto Auction went live," said Chad Bailey. "But having dealers in the lanes changed the whole dynamic.

Even though there were 4-5 dealers in the lane at any given time, the pace and energy were entirely different from the online sales. We had been running at 96 seconds per vehicle

at our online-only sales. With dealers in the lane, we were back to 63 seconds per car. It goes to show that you're not getting the full benefit of an auction without buyers in the lane!"

Currently 12 ServNet Auctions are holding live sales in May, and at least three additional ServNet auction locations are preparing to go live in early June, notes Brasher. In the meantime, all auctions are using digital platforms to hold regular online events.



Plexiglass, traffic guides and floor stickers helped guard the safety of customers and employees at Akron Auto Auction