

National Auctioneers Association

State of the Auction Industry Amid COVID-19

April 1, 2020



On March. 25, 2020, we released the first State of the Auction Industry Amid COVID-19 report, showing data on effects of the COVID-19 pandemic, including the unprecedented number of event cancellations. In this report, we've included even more statistics on respondents.

In this survey, we had 8% more respondents who were not NAA members, but still in the auction industry. 81% of respondents reported they are following CDC guidelines.

Respondents work with a variety of assets, the top four being estate/personal property, antiques/collectibles, business liquidation, and residential real estate. More than 75% of respondents have been in the auction industry more than 10 years. In this report, we've also included in which markets auctioneers are conducting business. Rural, small town, small city and mid-sized city all scored fairly evenly, with large city not far behind, showing respondents are active in all markets.

An impressive 73% of respondents earn income from multiple sources, including real estate, contracting, personal/commercial assets, marketing and management, and benefits. By far the primary source of income for respondents was personal and commercial assets, followed by real estate. For their second source of income, 52% indicated real estate and personal and commercial assets.

In this second week of our survey series, we saw significant shifts in buyer behavior and company financial response. In addition, auctioneers are more easily identifying and adapting to vulnerabilities and opportunities.

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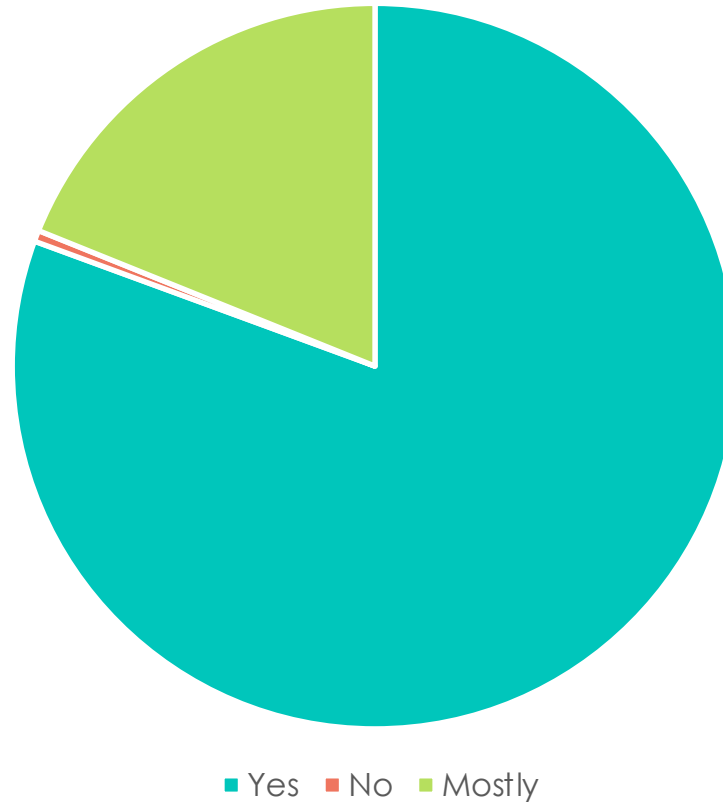
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Please contact us if you did not participate in this survey and wish to be a part of future surveys.

Methodology

The National Auctioneers Association sent a 26-question survey built in Survey Monkey via email to 7,343 member and non-member contacts. The association received 243 responses. Raw data was collected and tabulated using Survey Monkey.

Compliance



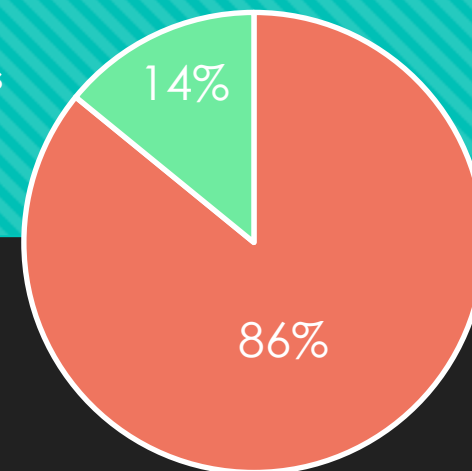
Are you following CDC guidelines?

Respondent Statistics

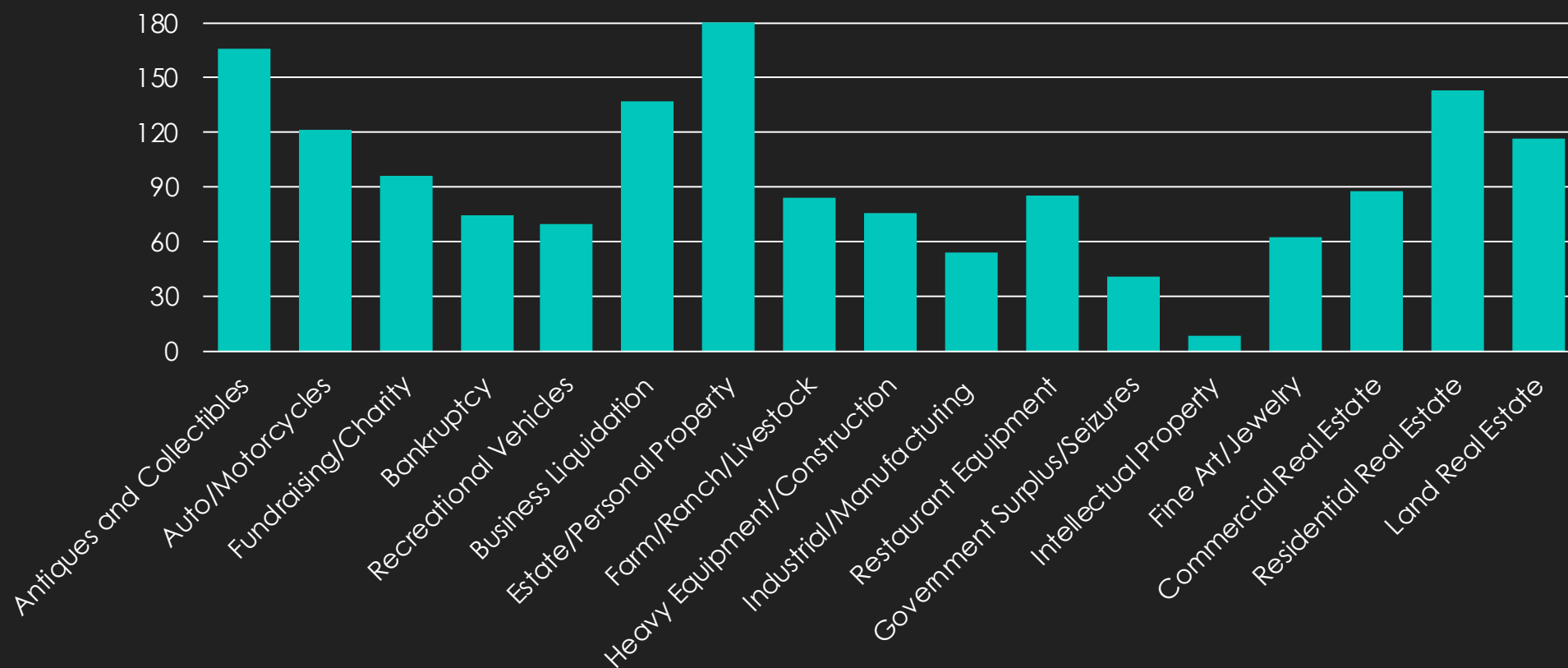
8% more non-NAA members than March 25 survey

NAA Member

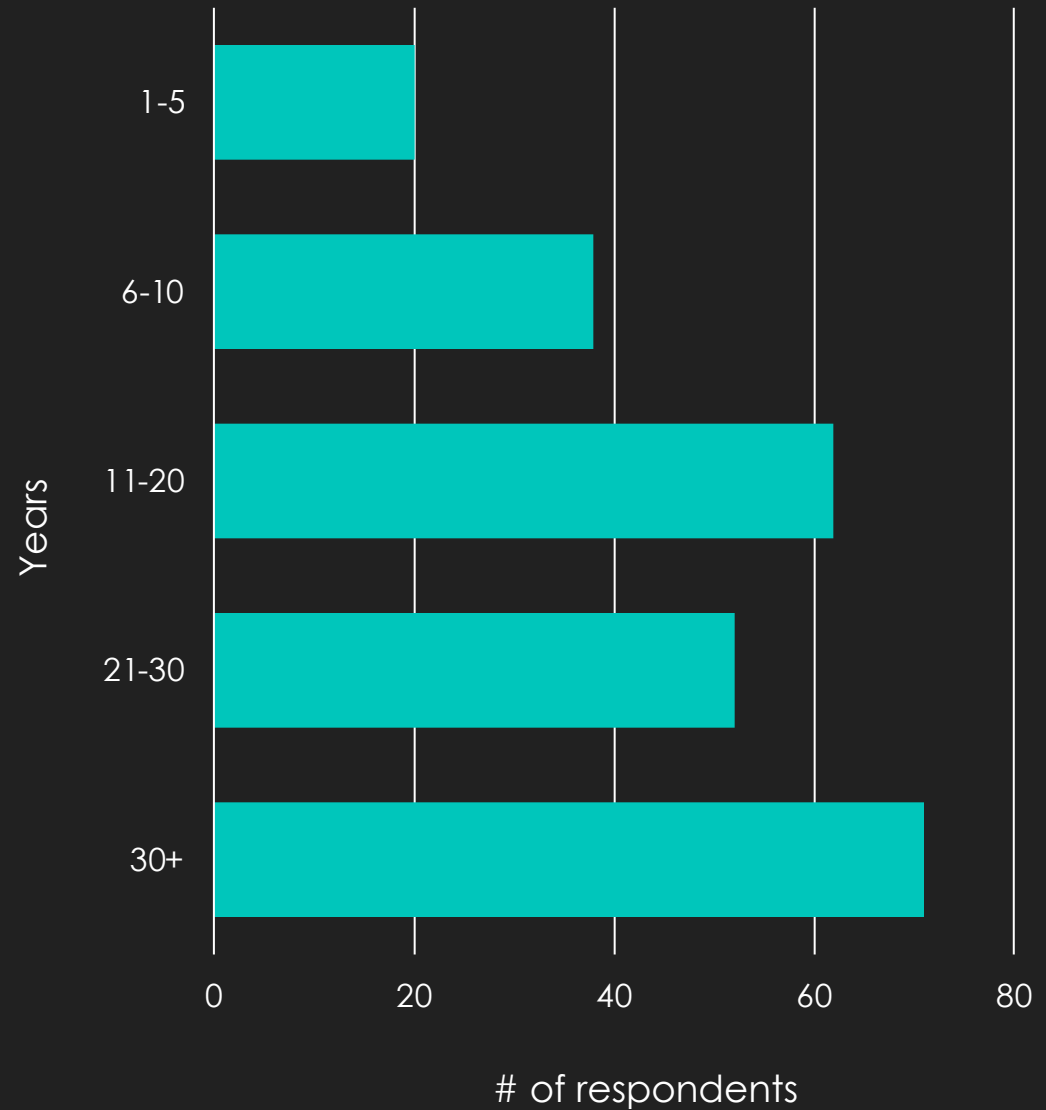
Yes No



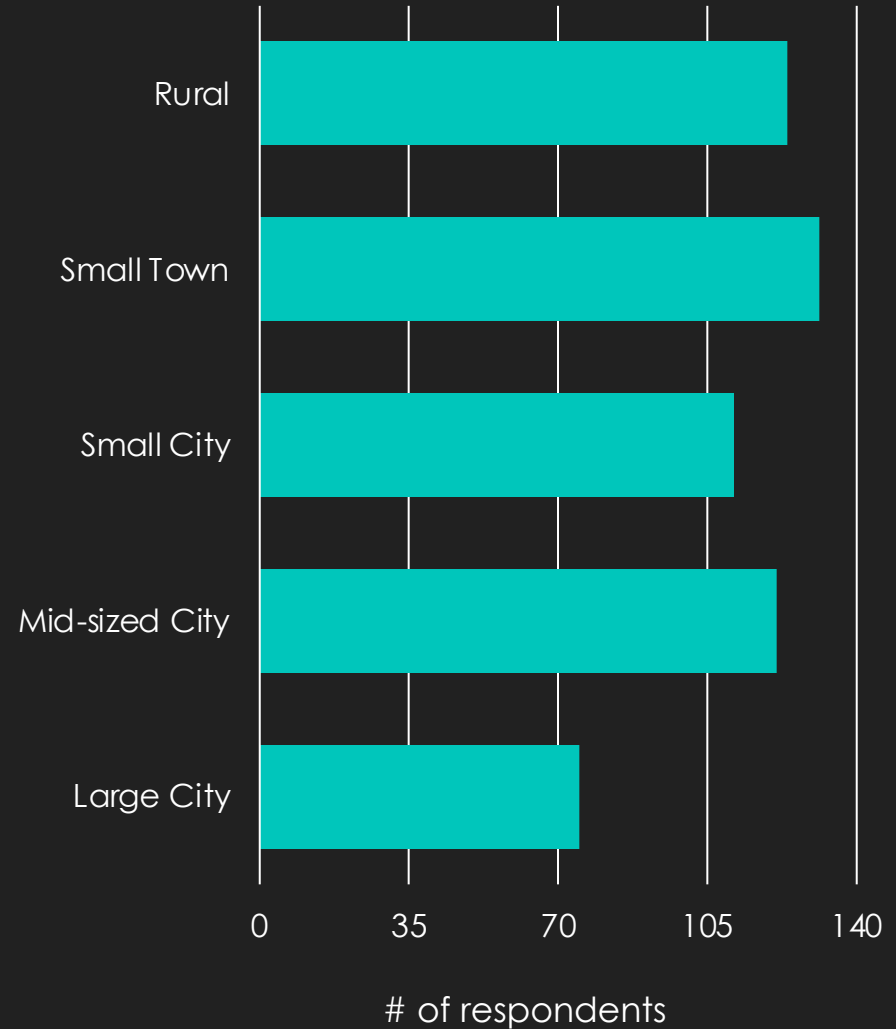
Which assets do you market?



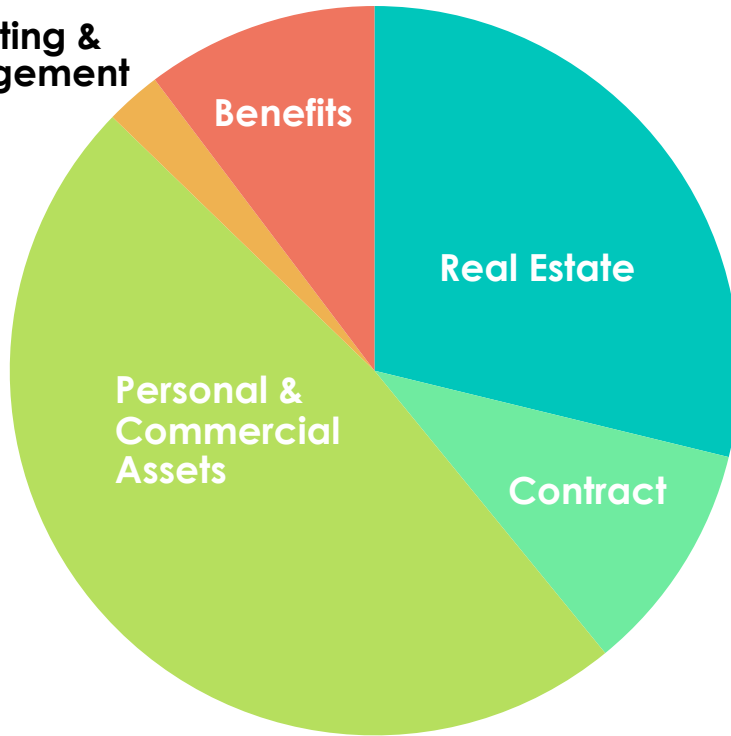
**How long
have you
been in the
auction
industry?**



What type of market(s) are you typically operating in?

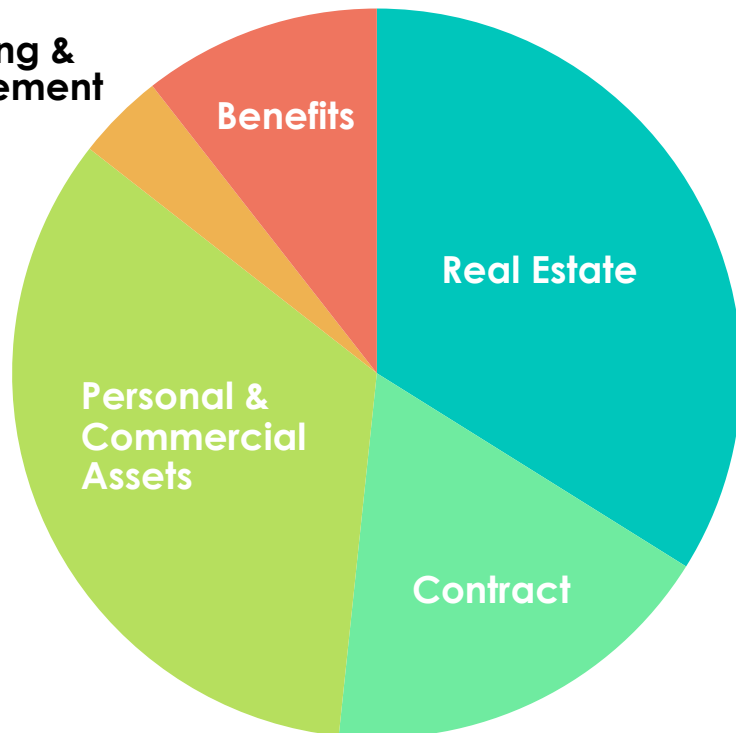


**Marketing &
Management**



**What is your
primary
source of
income?**

**Marketing &
Management**

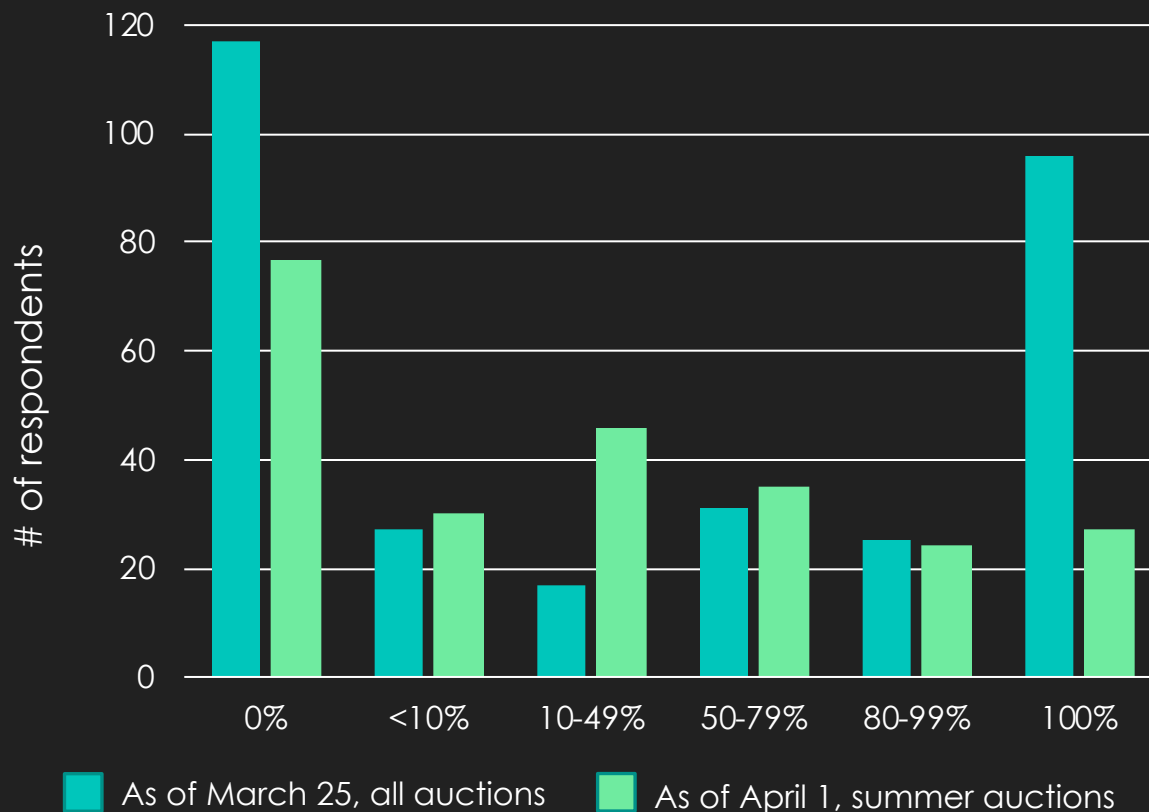


**What is your
secondary
source of
income?**

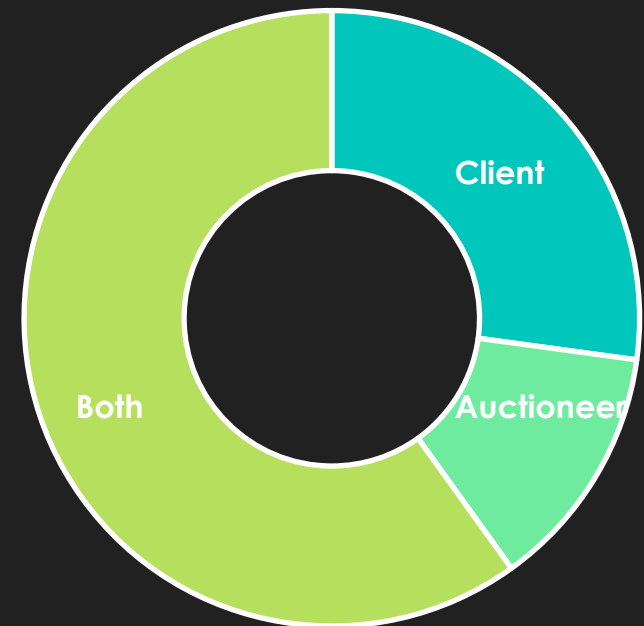
***27% of respondents chose N/A
or skipped**

What percentage of your sellers or clients are canceling their *summer* auctions or events?

Cancellations



Decision to Postpone



Previously, auction cancellations were largely dependent upon asset type. Most cancellations were noted for spring. In this report, we tracked cancellation of summer auctions. So far, the 100% cancellation has not translated to summer, but other percentages are consistent or growing.

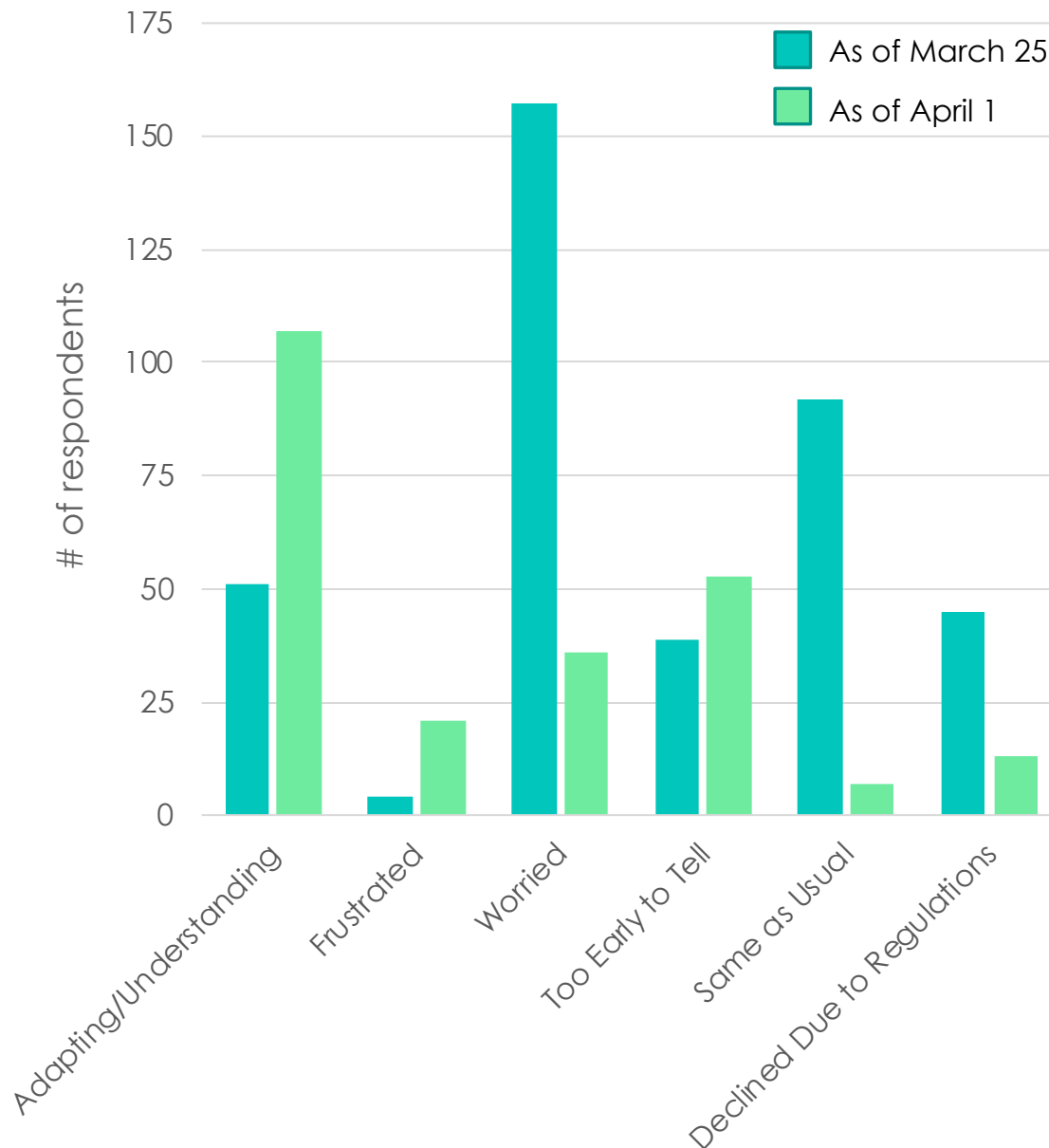
What are
your sellers
or clients
asking
regarding
COVID-19
and the
impact to
their auction
or event?

- Should I reschedule and when?
- When will you sell my assets/hold live events/galas, how long will the holdout be?
- Will the government allow us to have the auction? What liabilities exist?
- Will this affect turnout, participation?
- Will this affect buying, prices and values?
- How are other sales going?
- Are you still accepting consignments?
- How safe is it, what steps are being taken to ensure safety?
- How do we move to virtual/online?
- Will online only auctions do as well as live?

What are you doing to give sellers confidence to move forward with an auction?

- Positive reinforcement – we will get through this; people will be ready to get out again
- Providing guidance –scheduling, processes, sanitary measures
- Giving reasonable timeframes/realistic alternatives/flexibility in rescheduling
- Keeping in contact, following up, informing
- Discussing pros/cons of postponing vs. canceling
- Showing recent auction results/sales data
- Counseling on benefits/success of virtual live/online only auctions
- Assuring we have tools/knowledge to conduct online auctions
- Providing more options for previews and pickups to reduce group gatherings, sanitary cleanliness, delivery service options
- Using SignUp Genius for scheduling previews and pick ups
- Encouraging back up plans

Buyers & Donors



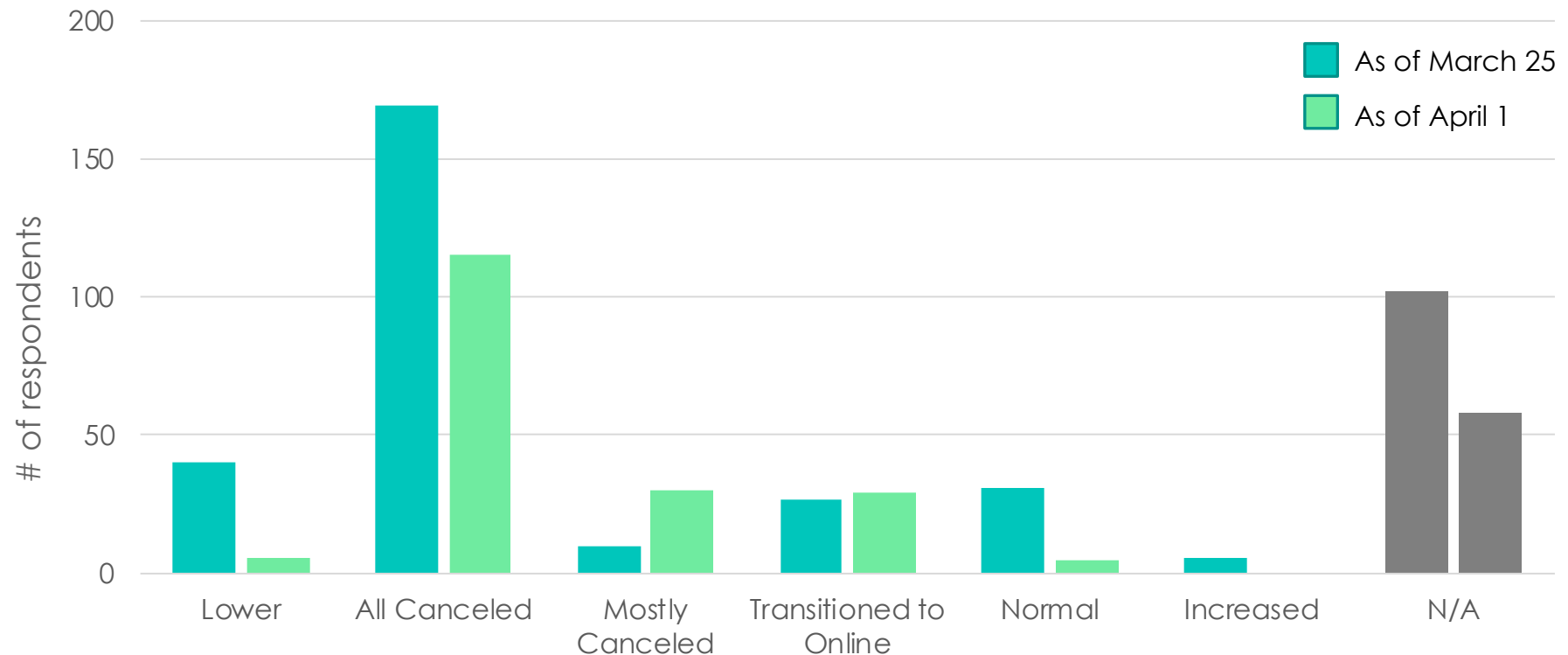
How are most of your buyers or donors behaving in your market?

The past week has seen a major shift in buyer behavior as auctioneers shift their capabilities and messaging.

Respondents are reporting a very large drop in buyers who are operating the same as usual, or expressing worry and/or fear, and an increase in buyers adapting and understanding.

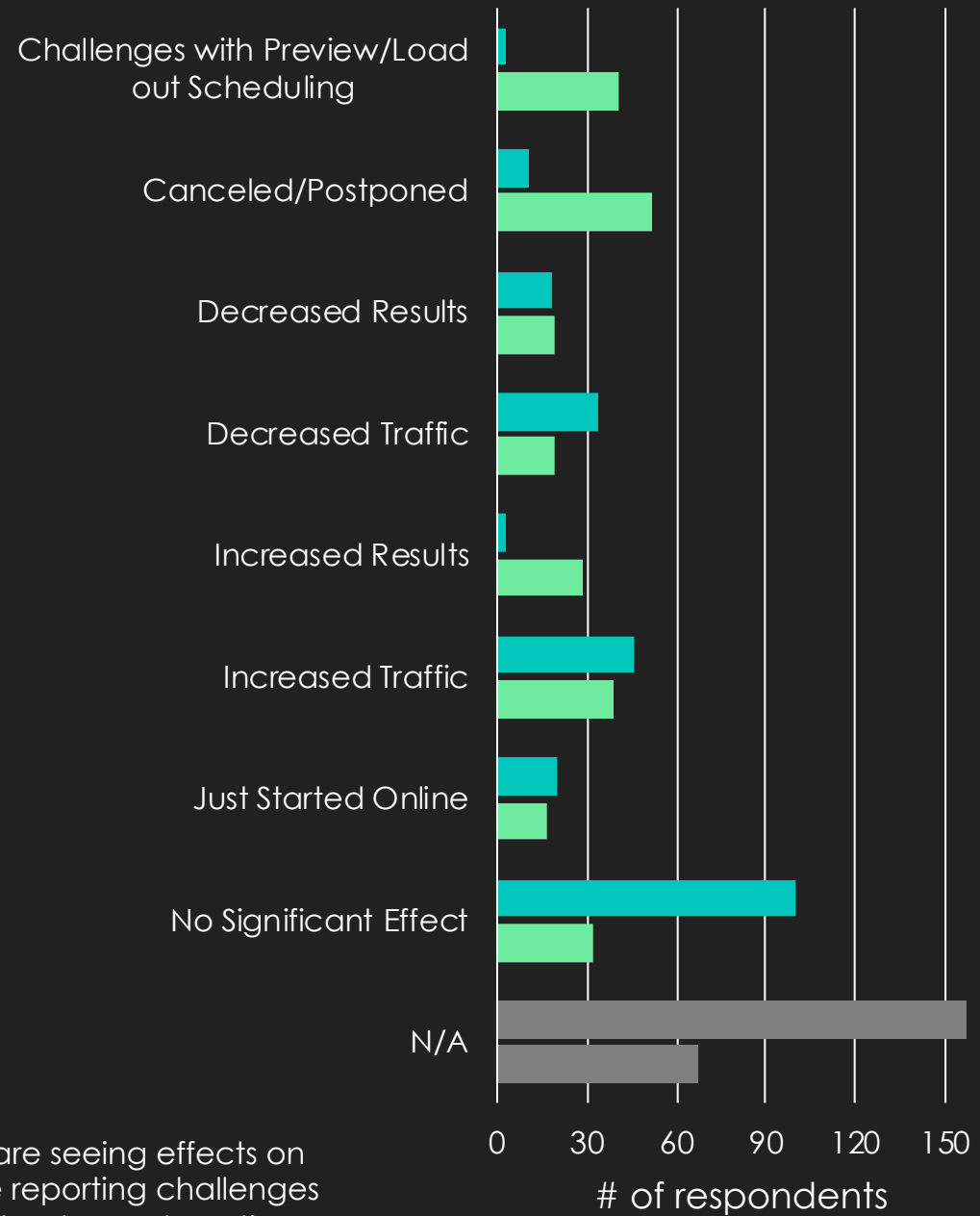
However, this shift does not come without some amount of buyer frustration as they, too, learn to adapt.

How has your live auction attendance been affected?



Live auction attendance continues to be affected with a large number of auctions still being canceled. The amount of auctioneers transitioning to online remains consistent. Normal live auction attendance saw a significant drop.

How has your online bidding participation been affected?

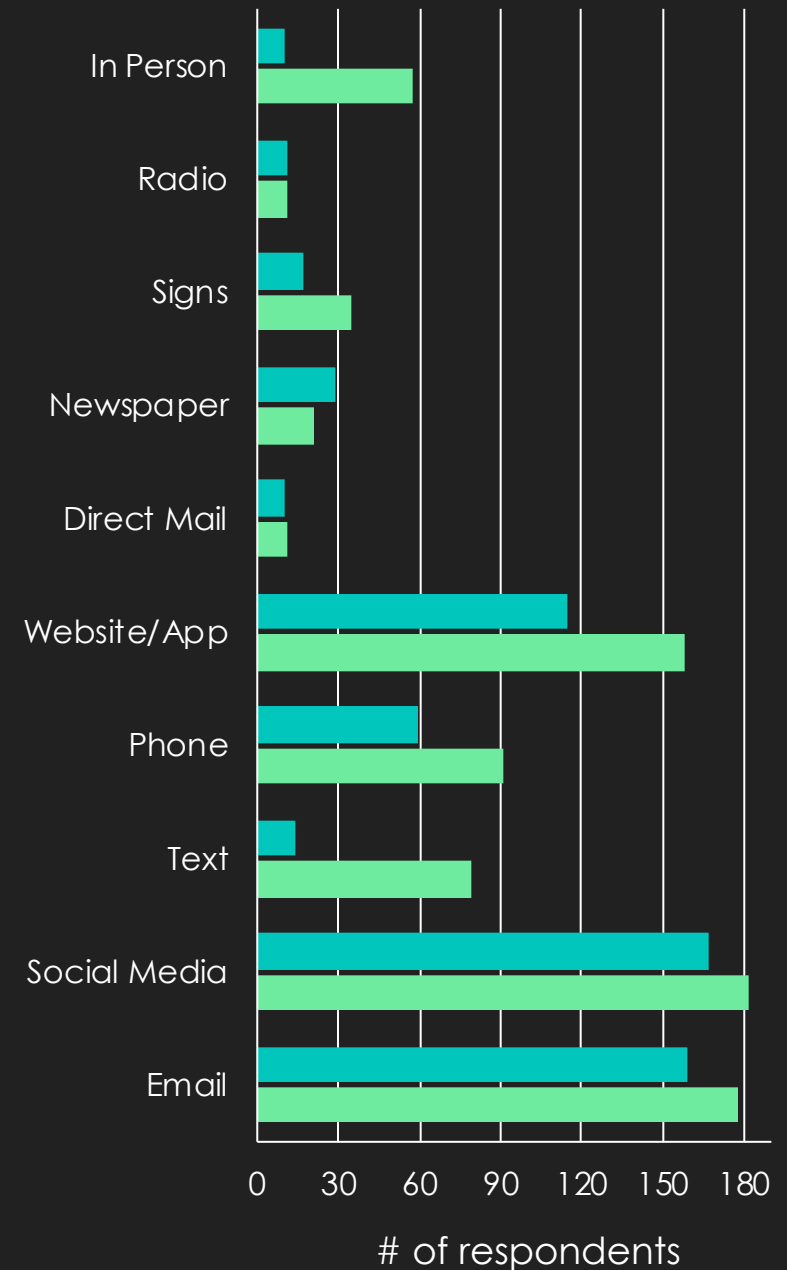


Compared with last week, more online auctions are seeing effects on their bidding participation. More respondents are reporting challenges with preview/load out scheduling and canceled/postponed auctions. And, while auctioneers are still seeing *decreased* results and traffic, even more are seeing *increased* results and traffic.

■ As of March 25 ■ As of April 1

How are you communicating to your community regarding auction or event cancellations?

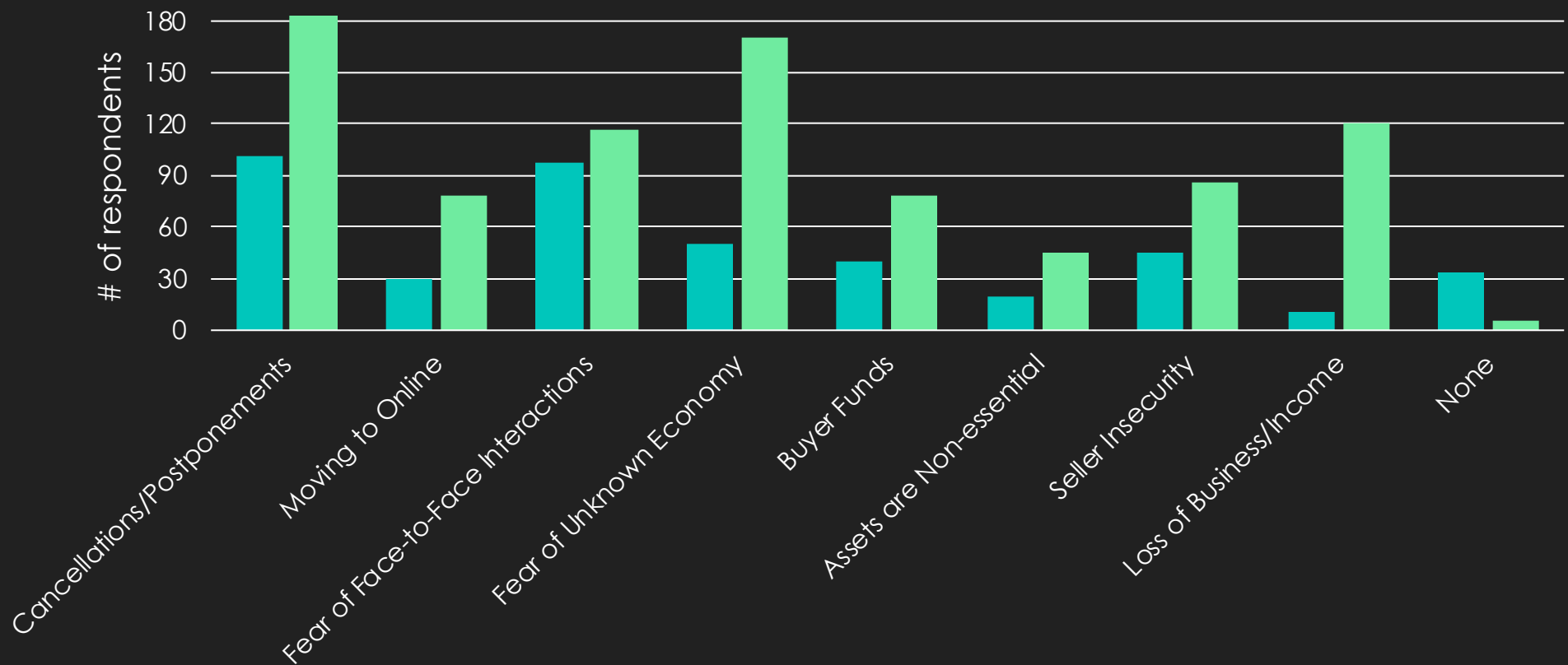
■ As of March 25 ■ As of April 1



What vulnerabilities are you currently seeing in your market?

Vulnerabilities

As of March 25 As of April 1



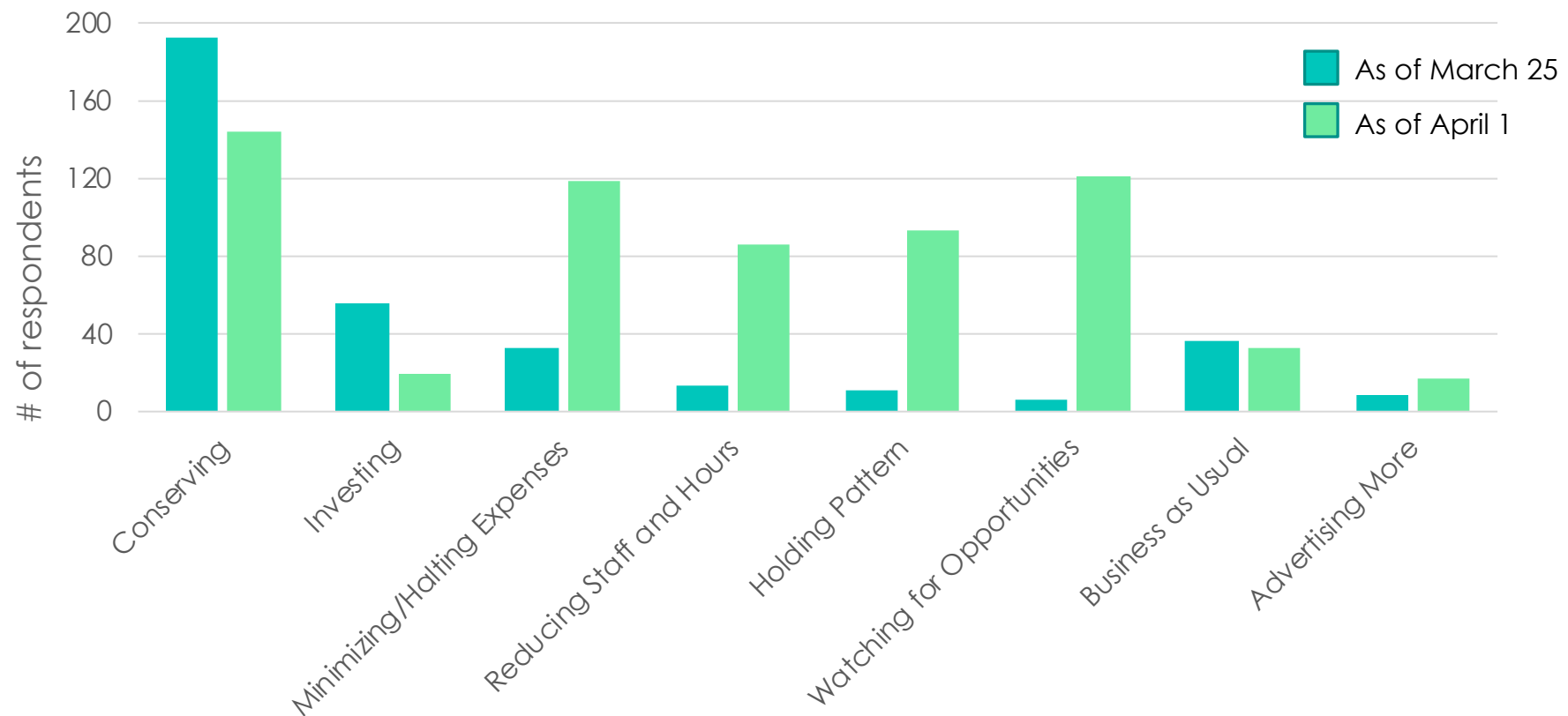
Auctioneers are more clearly identifying vulnerabilities in their market. This week, respondents saw an increase in every variable of vulnerabilities, apart from those who reported none. The biggest jumps came from cancellations and postponements, fear of an unknown economy, and loss of business/income, which is a very real reality for auctioneers.

What new opportunities are you seeing as a result of COVID-19?



Auctioneers are adapting and seeing new opportunities more this week than last week. Business efforts have shifted and increased in nearly every opportunity presented.

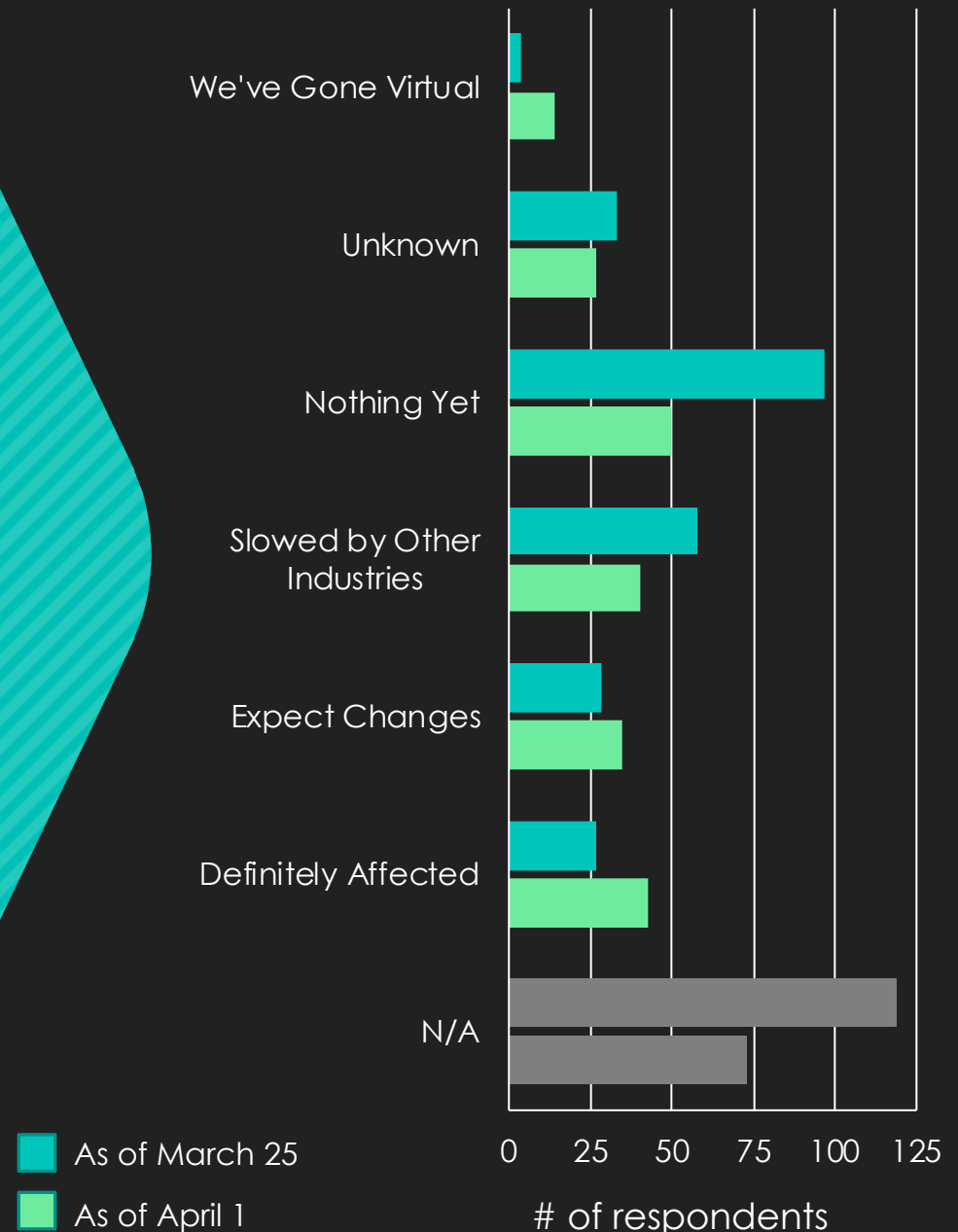
How are you or the company you work for responding financially for the business?



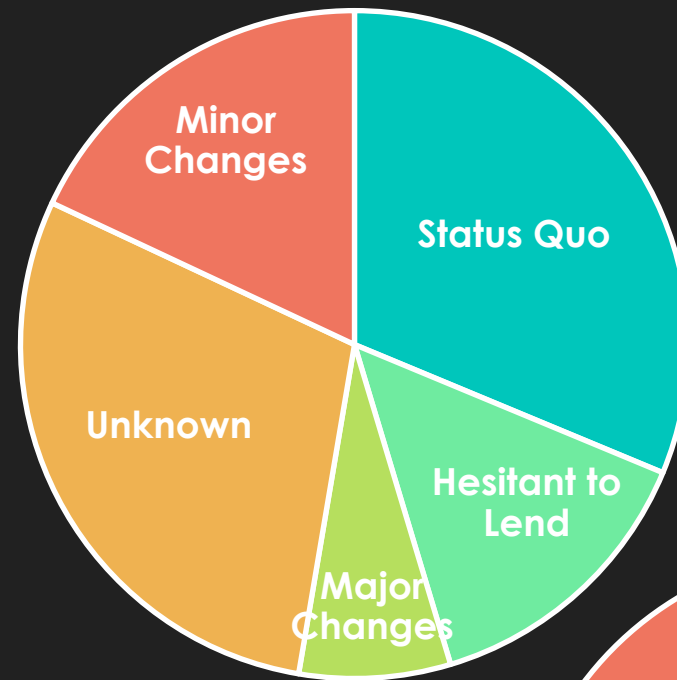
While 53% of respondents last week were conserving, there have been large shifts this week in those who have had to make more drastic decisions such as halting expenses and reducing staff. However, there was also a jump in those looking for the opportunities.

Are real estate closings currently being affected as a result of COVID-19?

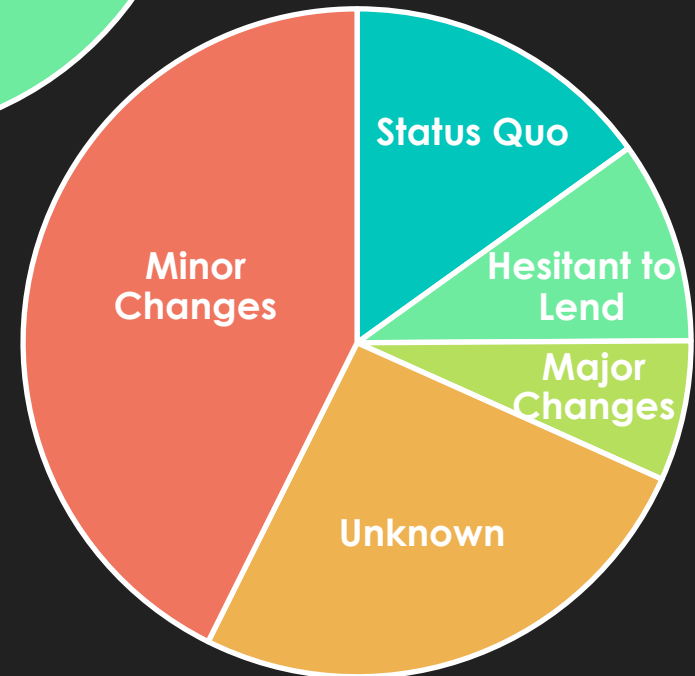
Last week we reported that most respondents in the real estate field were not seeing noteworthy effects on closings. However, this week the data shows an increase in those companies going virtual, and those who have definitely been affected. Other industries such as banks and government offices continue to slow closings.



How are you seeing banks respond to the COVID-19 crisis?



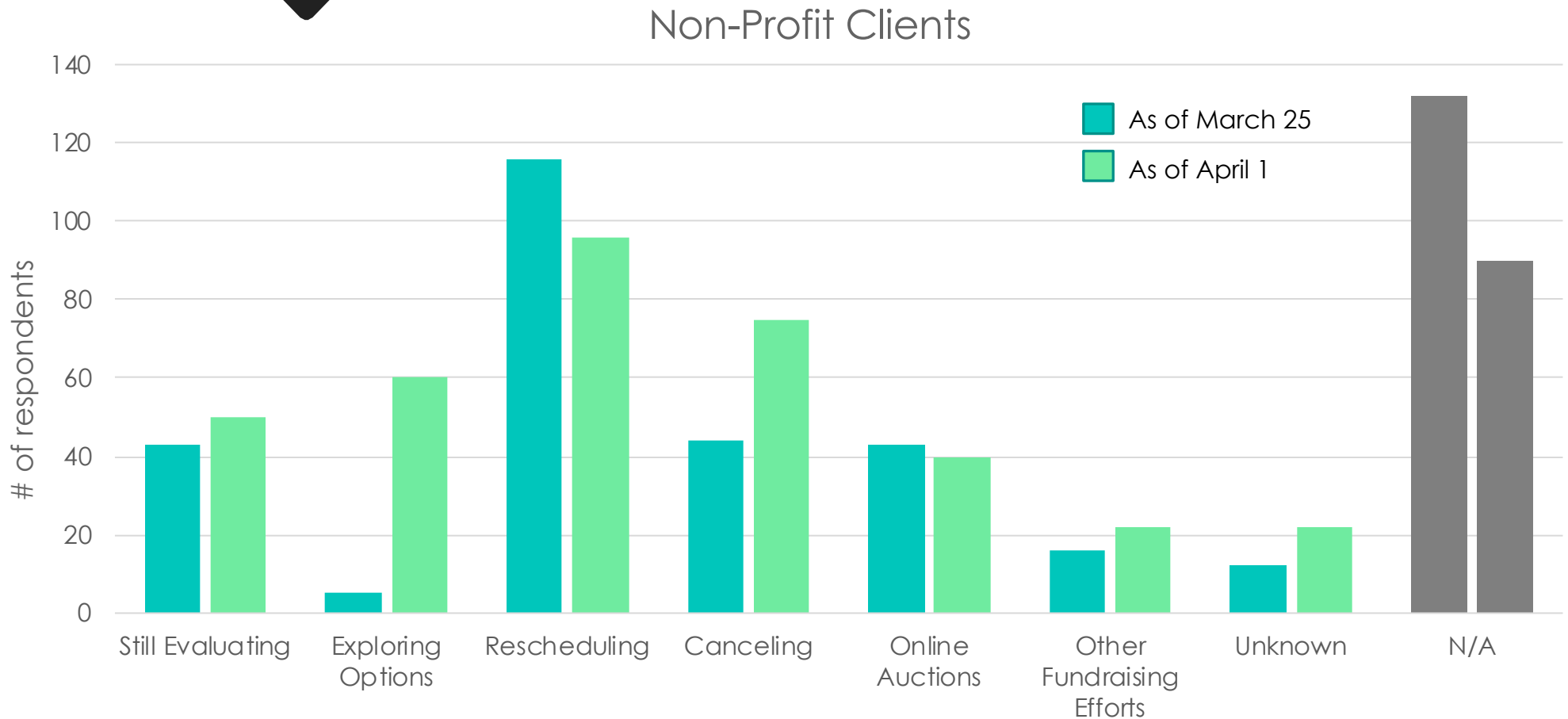
As of March 25



As of April 1

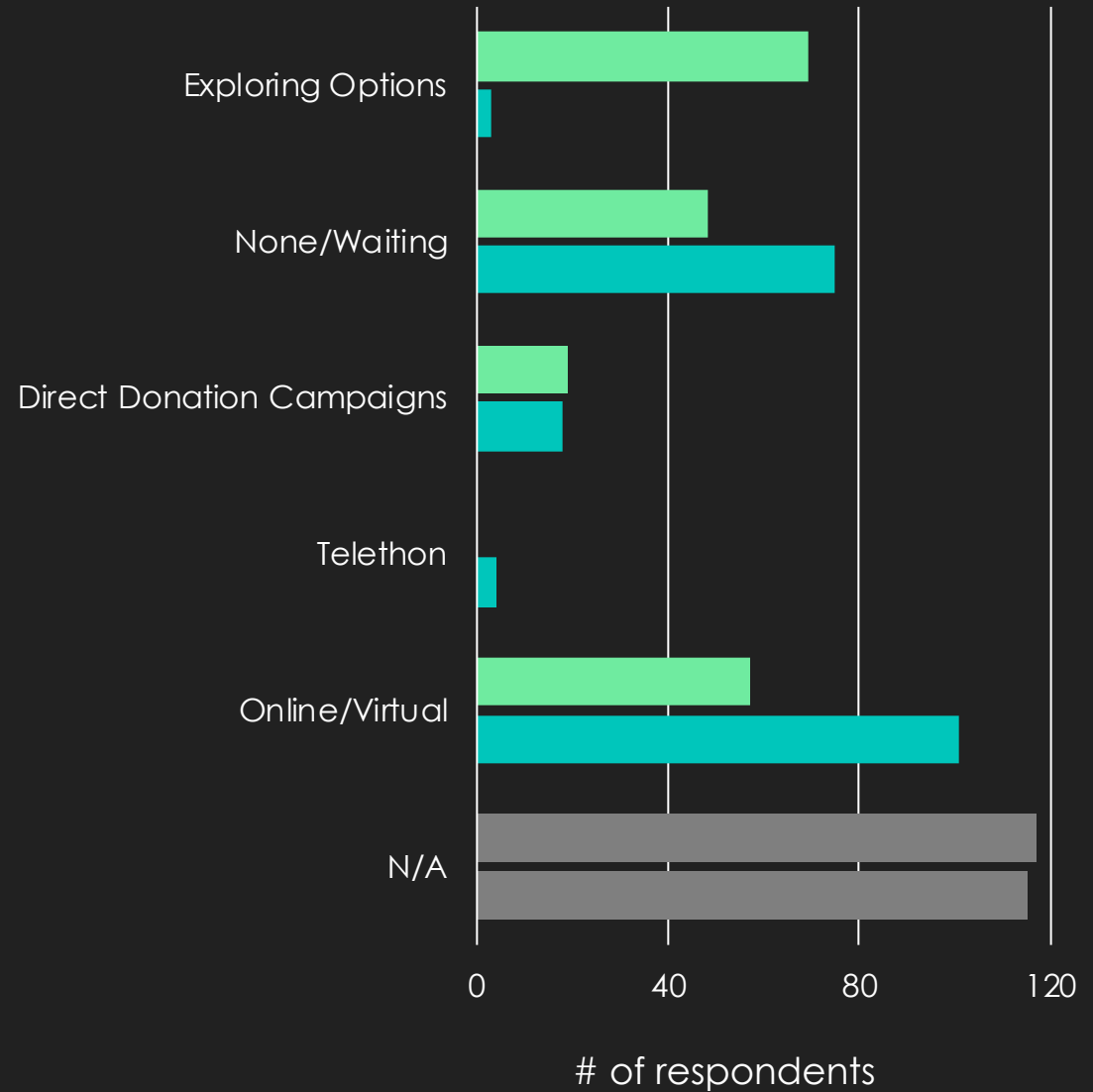
From last week, the number of banks reported by respondents to be operating "status quo" was cut in half. Other metrics remained consistent, apart from "minor changes," which respondents are saying more than doubled this week.

What are your non-profit clients doing because of event cancellations?



Some good news for fundraising auctioneers is that many more clients are open to exploring options and alternatives this week as opposed to last week. While cancellations and postponements are still high, it will be interesting to see how this shift continues.

What other fundraising methods are you and/or your non-profit clients currently utilizing?



80% of respondents who work in fundraising reported utilizing online/virtual events for their clients. Many are still on hold and waiting.

As of March 25 As of April 1

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