

National Auctioneers Association

# State of the Auction Industry Amid COVID-19

April 15, 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. Surveys are continually improved to gain the most accurate, relevant data for the industry.

This week we introduced a question about job status—whether respondents were full-time or part-time in the industry. 83% of respondents reported being full-time and 58% have been in the industry 30 years or more.

We also asked respondents how they were planning to participate in the federal government's economic stimulus program. The overwhelming majority are looking at the payroll protection plan. That said, more than 20% were not planning to participate in anything.

Many in the auction industry remain at a standstill, but many are still adapting, through online/virtual auctions, pivoting to other assets, or using this time to improve their business. Next week we will report on company sizes and whether items are retaining value in this market.

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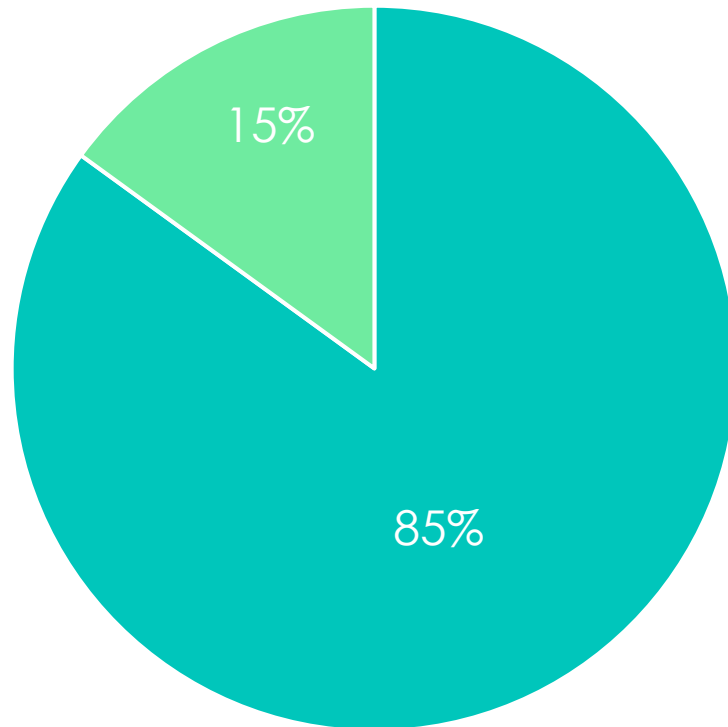
*Please contact us if you did not participate in this survey and wish to be a part of future surveys.*

#### **Methodology**

The National Auctioneers Association sent a 29-question survey built in Survey Monkey via email to 7,345 member and non-member contacts. The survey was also distributed through a targeted Facebook ad. The association received 196 responses. Raw data was collected and tabulated using Survey Monkey.

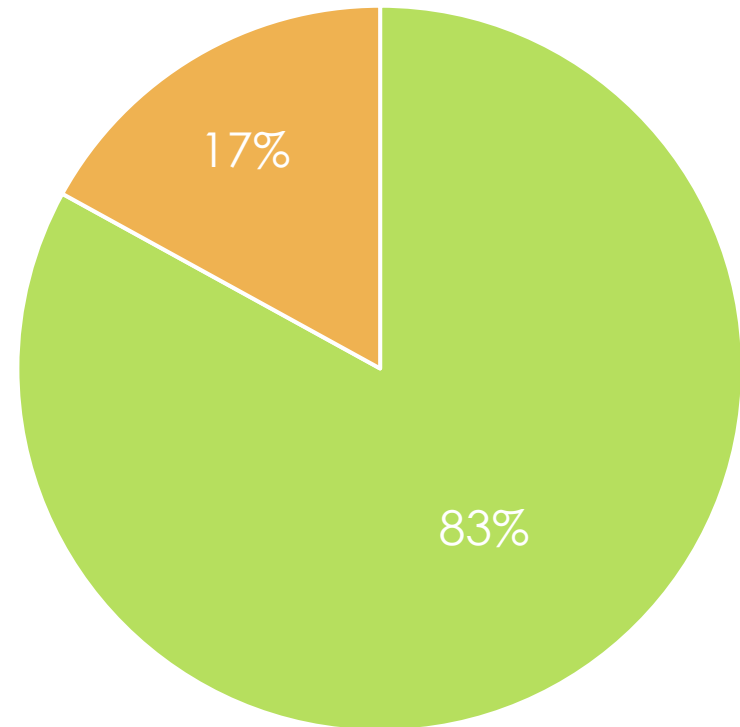


Compliance



■ Yes ■ Mostly  
<1% reported "no"

Job Status

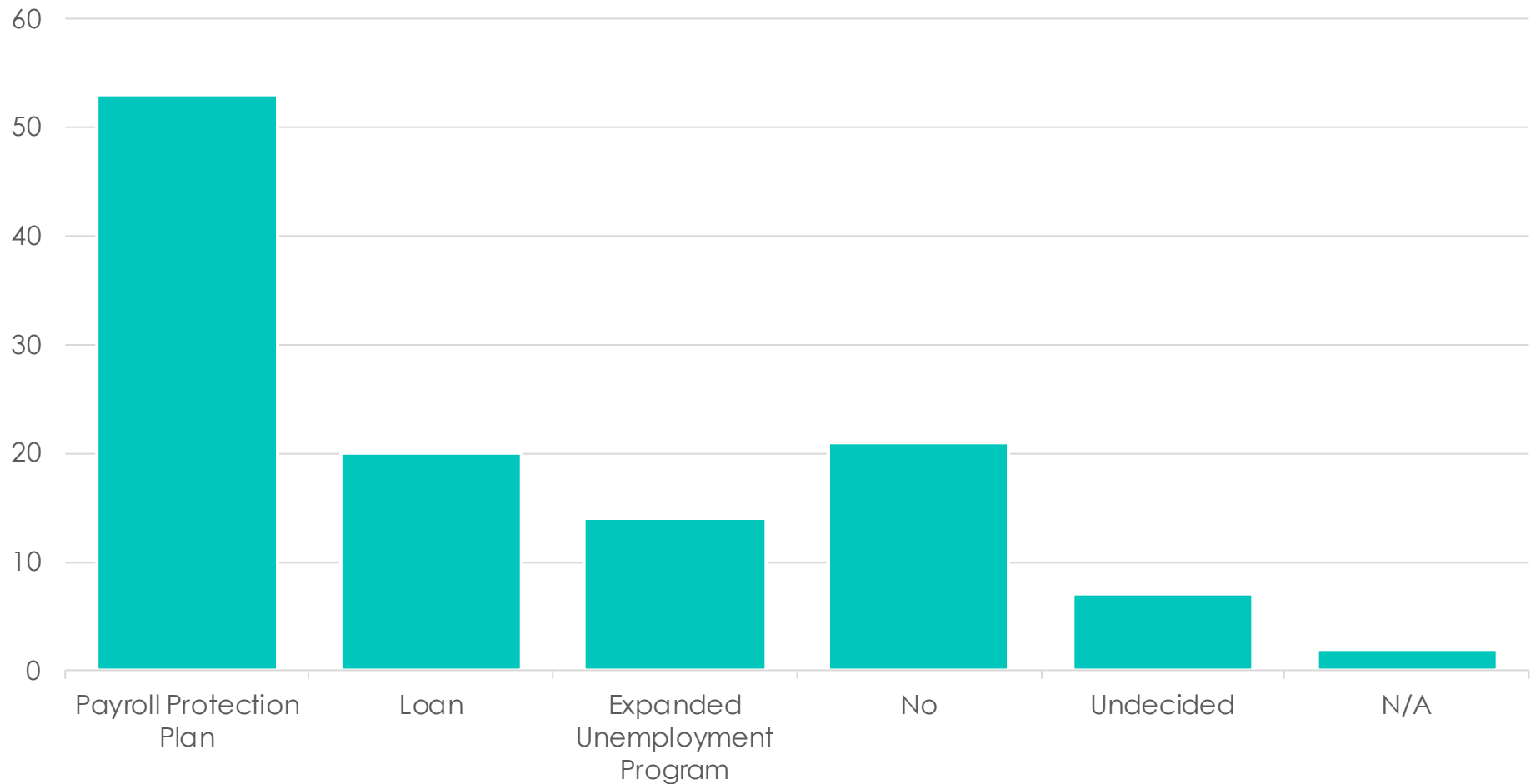


■ Full-time ■ Part-time

**Are you following  
CDC guidelines?**

**Are you a full-time  
auctioneer?**

## Economic Stimulus

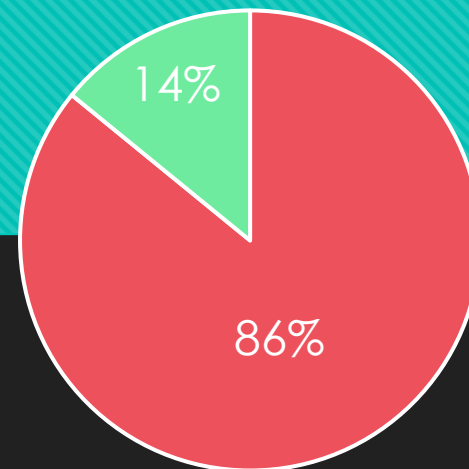


**Are you planning to participate in the federal government's economic stimulus program?**

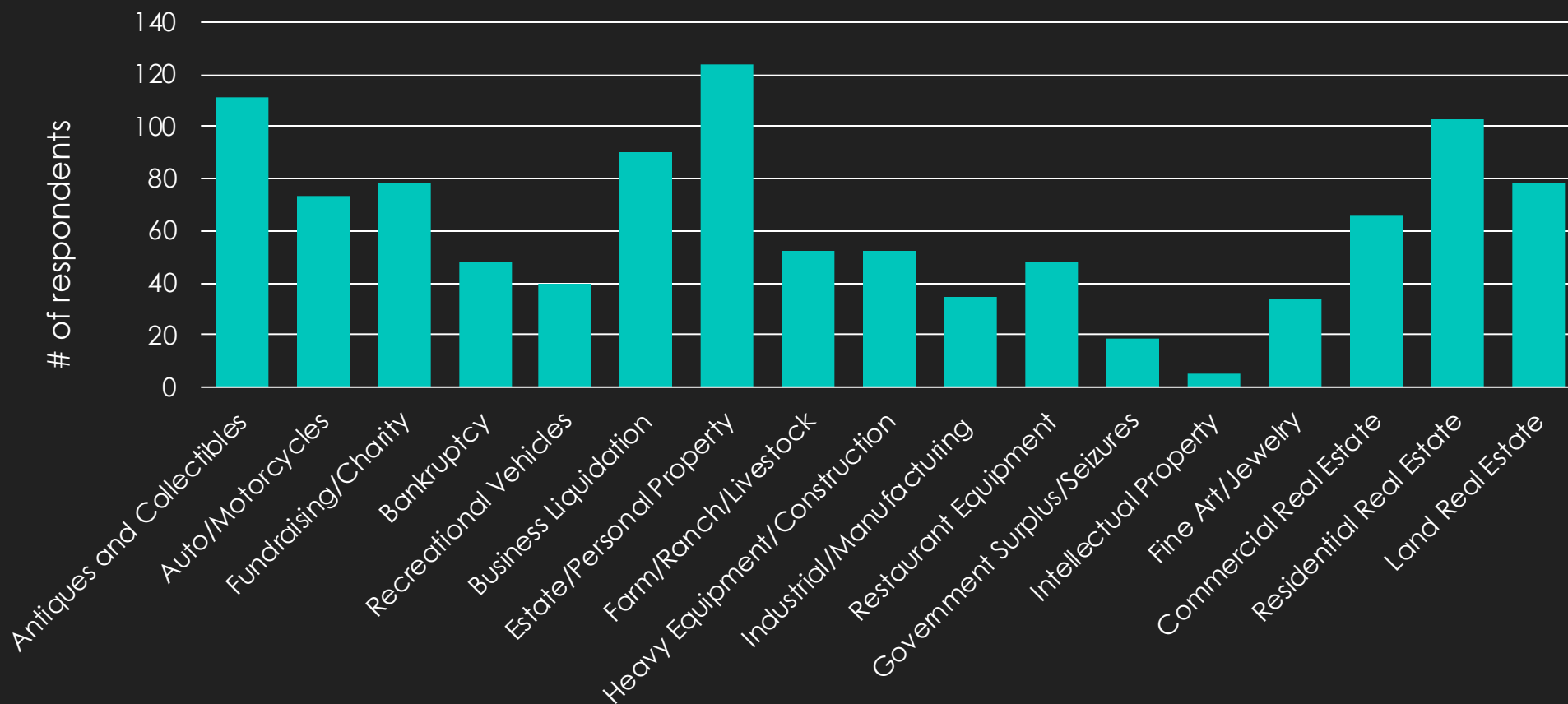
# Respondent Statistics

NAA Member

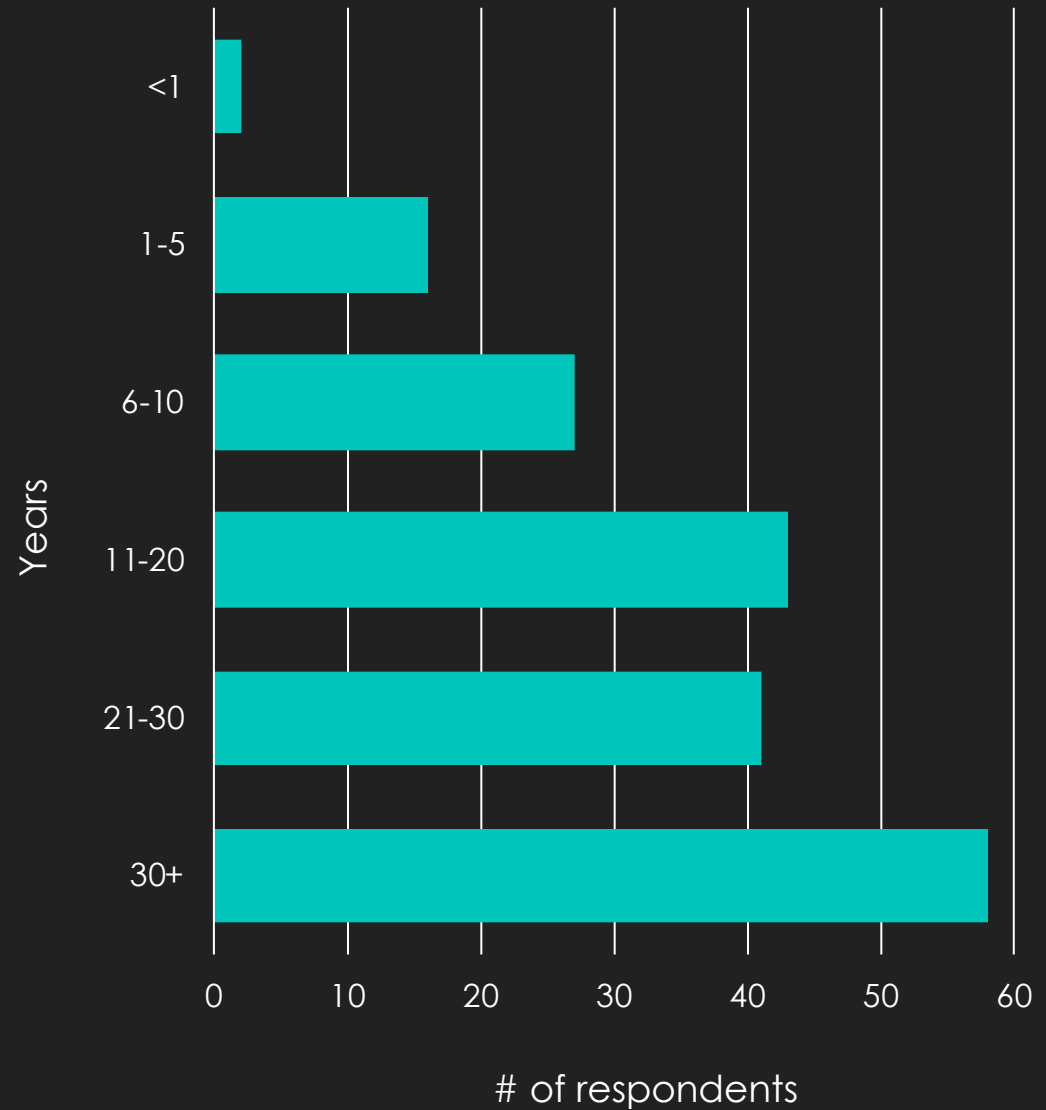
■ Yes ■ No



Which assets do you market?

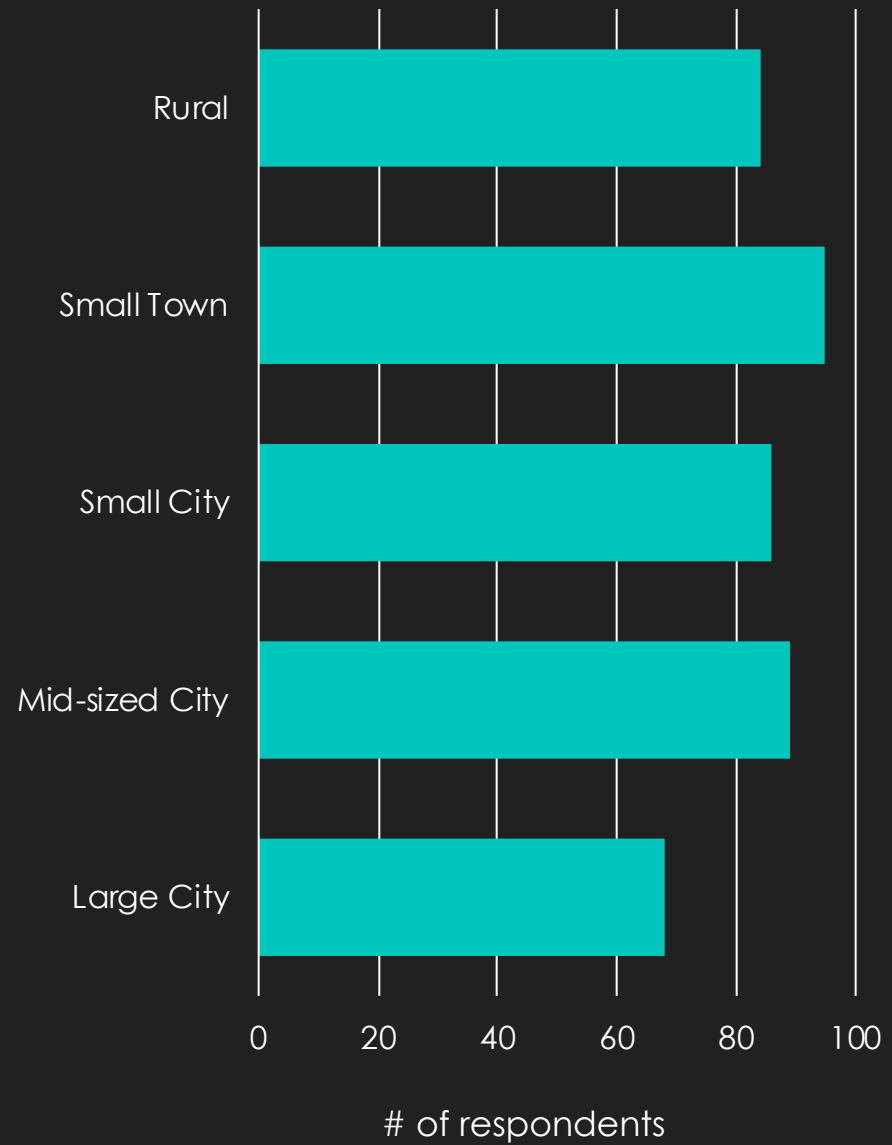


**How long  
have you  
been in the  
auction  
industry?**

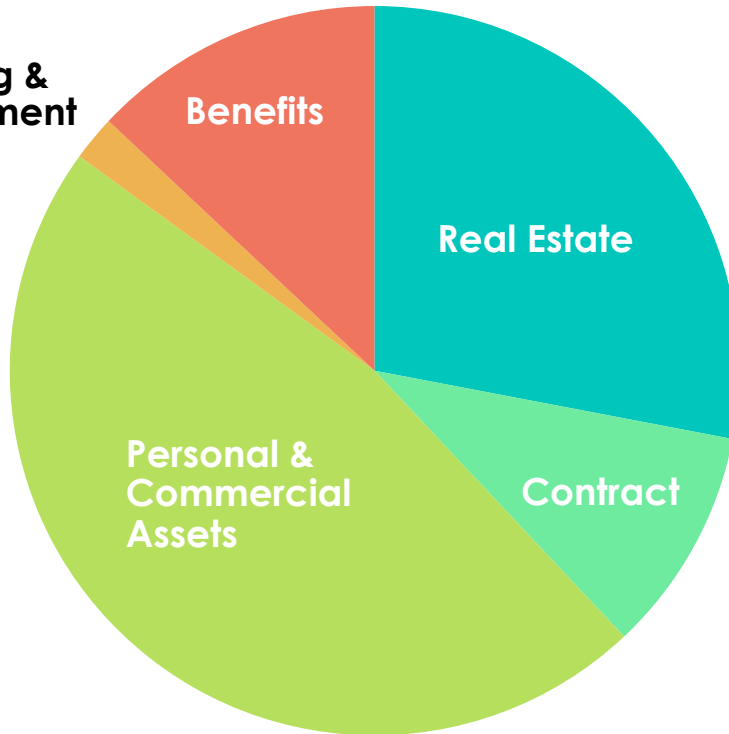




What type of market(s) are you typically operating in?

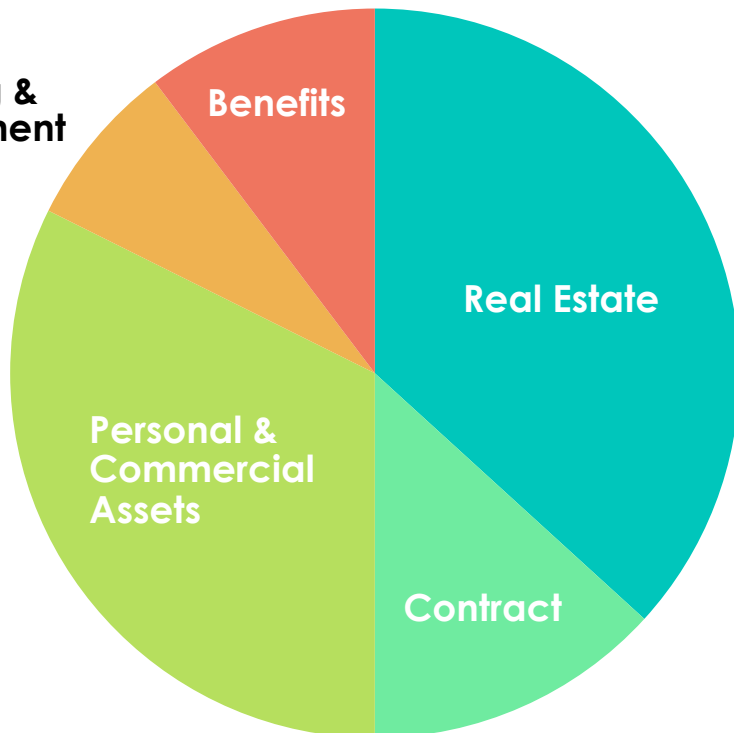


**Marketing &  
Management**



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

**Marketing &  
Management**

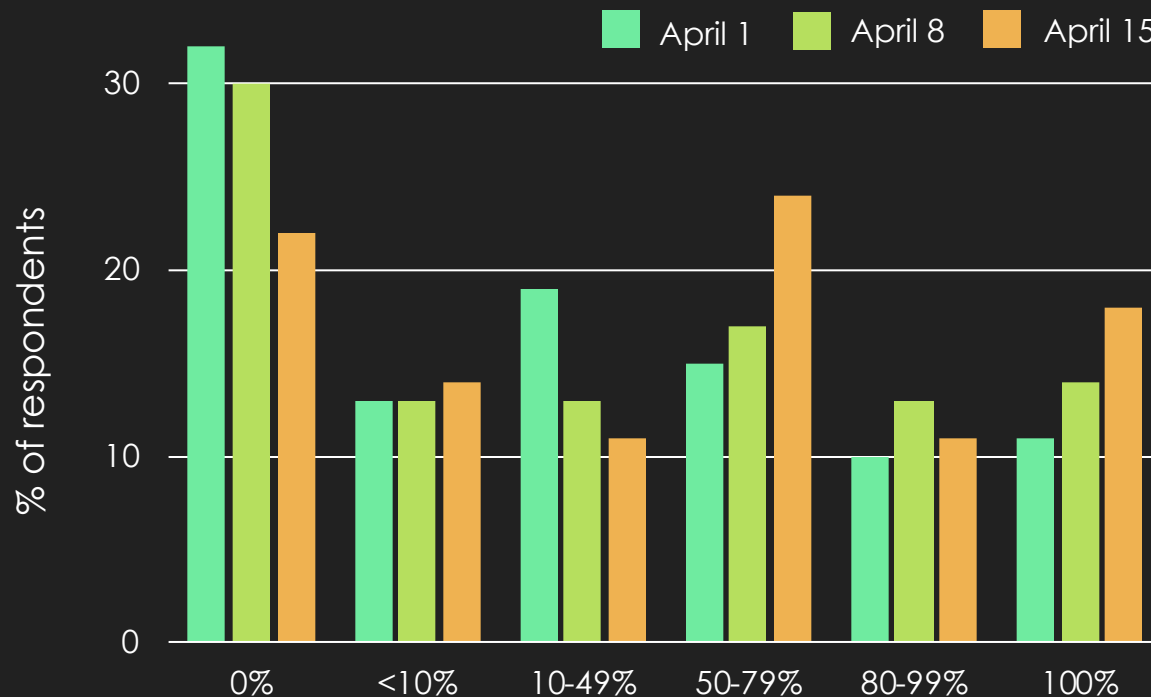


**What is your  
secondary  
source of  
income?**

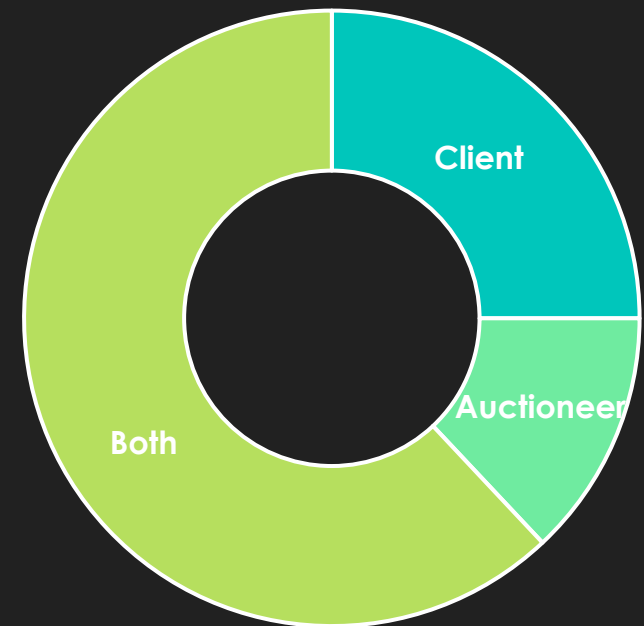
**\*32% of respondents chose N/A**

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

Cancellations



Decision to Postpone



Respondents seeing zero summer auction cancellations dipped lower this week, while those in the mid range and 100% cancellation levels saw increases. Responsibility for decisions to postpone has remained consistent.

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

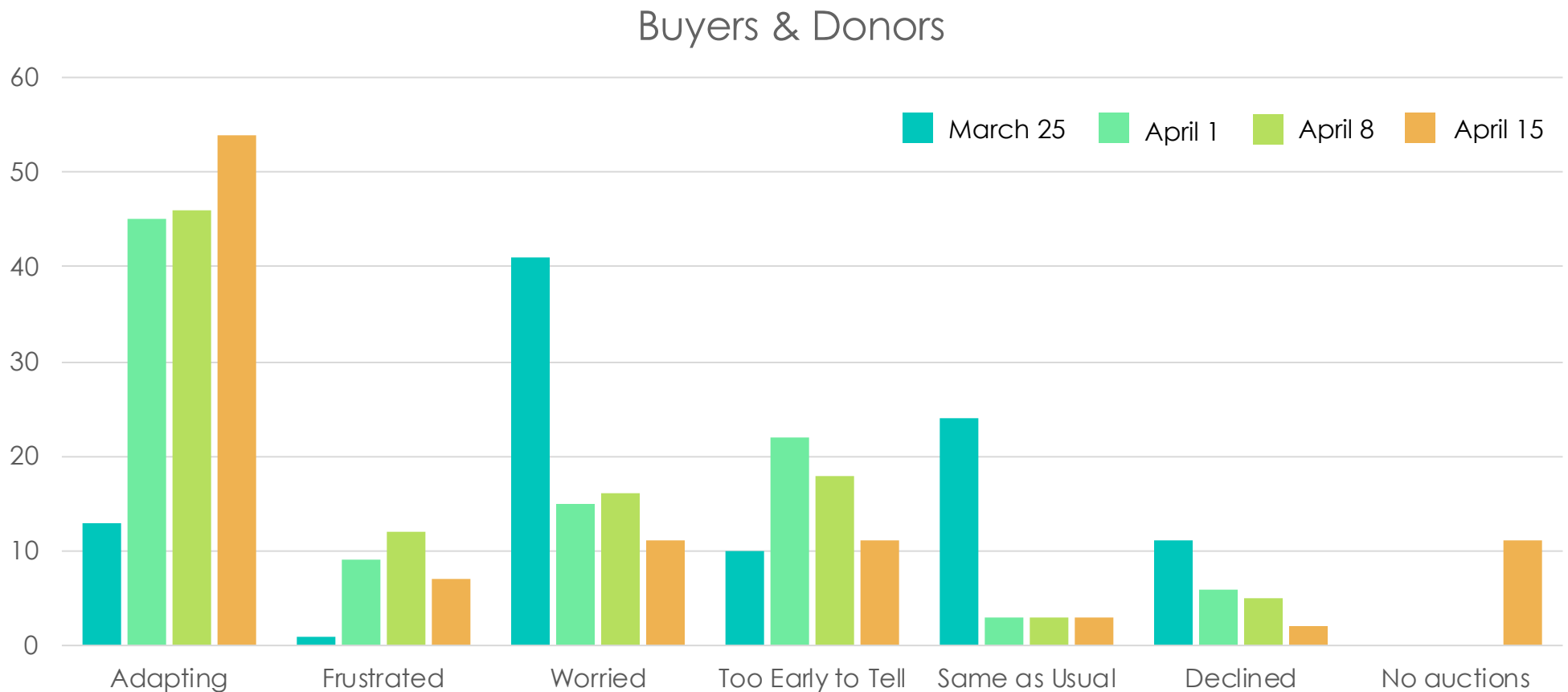
- 71% Will this affect buying, prices and values?
- ↓ 64% Should I reschedule and when?
- ↑ 64% Will this affect turnout, participation?
- ↓ 43% Will online only auctions do as well as live?
- ↑ 42% How are other sales going?
- ↑ 40% Are you still accepting consignments?
- ↓ 38% When will you sell my assets/hold live events/galas, how long will the holdout be?
- ↓ 33% Will the government allow us to have the auction? What liabilities exist?
- ↑ 30% How do we move to virtual/online?
- ↓ 21% How safe is it, what steps are being taken to ensure safety?
- 9% We are online-only, nothing has changed
- 6% Clients are not asking questions



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

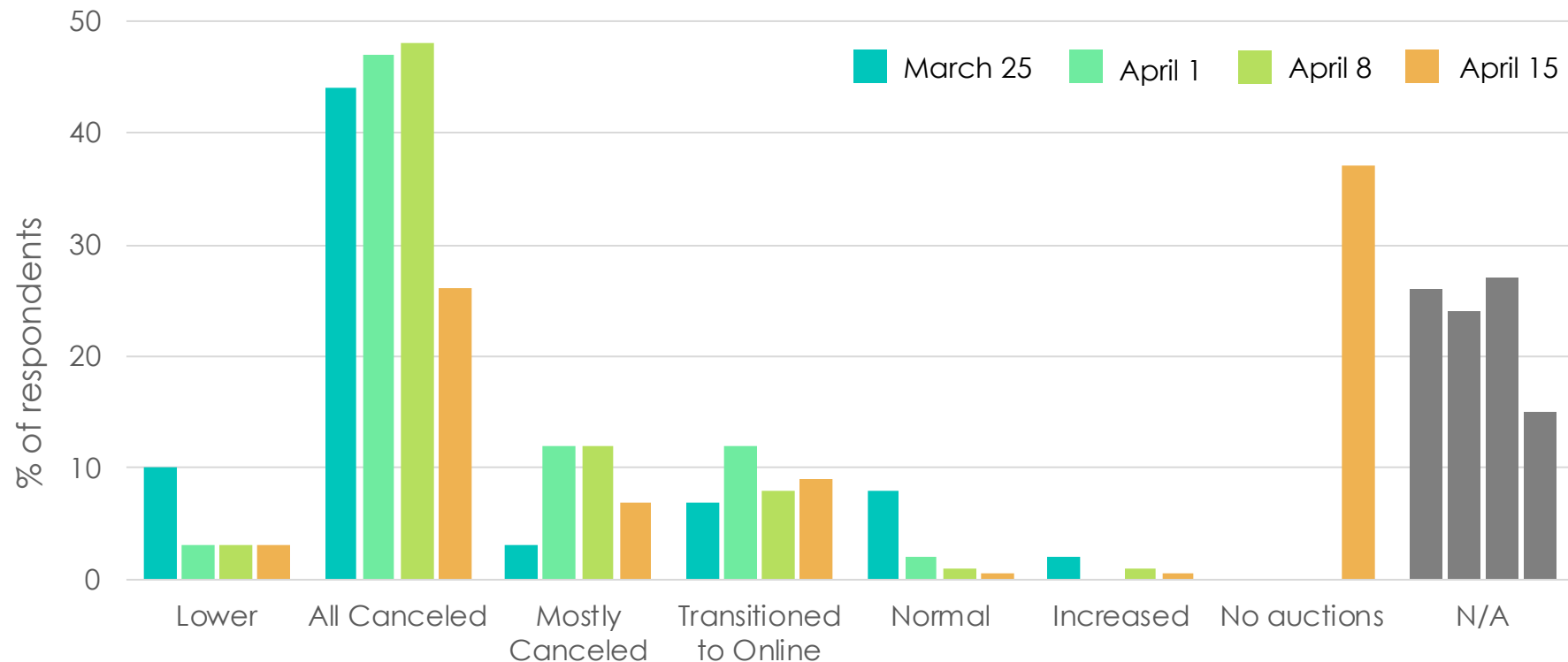
- 74% Keeping in contact, following up, informing
- ↑ 63% Providing guidance – scheduling, processes, sanitary measures
- 62% Giving reasonable timeframes/realistic alternatives/flexibility in rescheduling
- 62% Positive reinforcement – we will get through this; people will be ready to get out again
- 60% Staying calm
- ↑ 49% Assuring we have tools/knowledge to conduct online auctions
- ↓ 40% Discussing pros/cons of postponing vs. canceling
- 32% Counseling on benefits/success of virtual live/online only auctions
- ↑ 31% Providing more options for previews and pickups to reduce group gatherings, sanitary cleanliness, delivery service options
- ↑ 27% Showing recent auction results/sales data
- ↓ 23% Encouraging back-up plans
- 14% Using SignUp Genius for scheduling previews and pick ups
- 6% We are online-only, nothing has changed

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



Buyers and donors are by and large understanding and adapting to the current changes in the auction industry. Overall, frustration and fear seem to be subsiding.

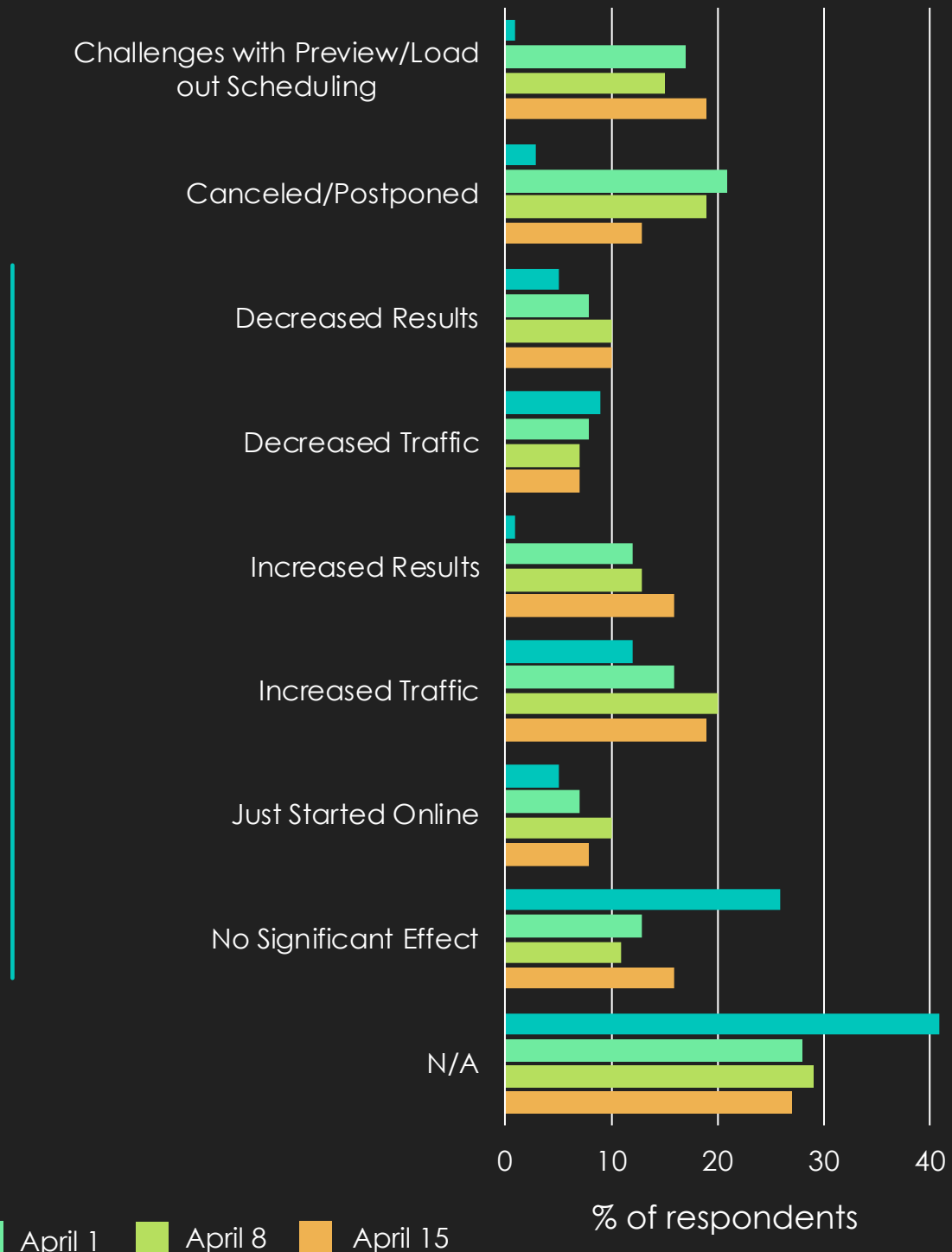
## How has your live auction attendance been affected?



It is clear at this point that live auction attendance is mostly unattainable until government regulations change.

# How has your online bidding participation been affected?

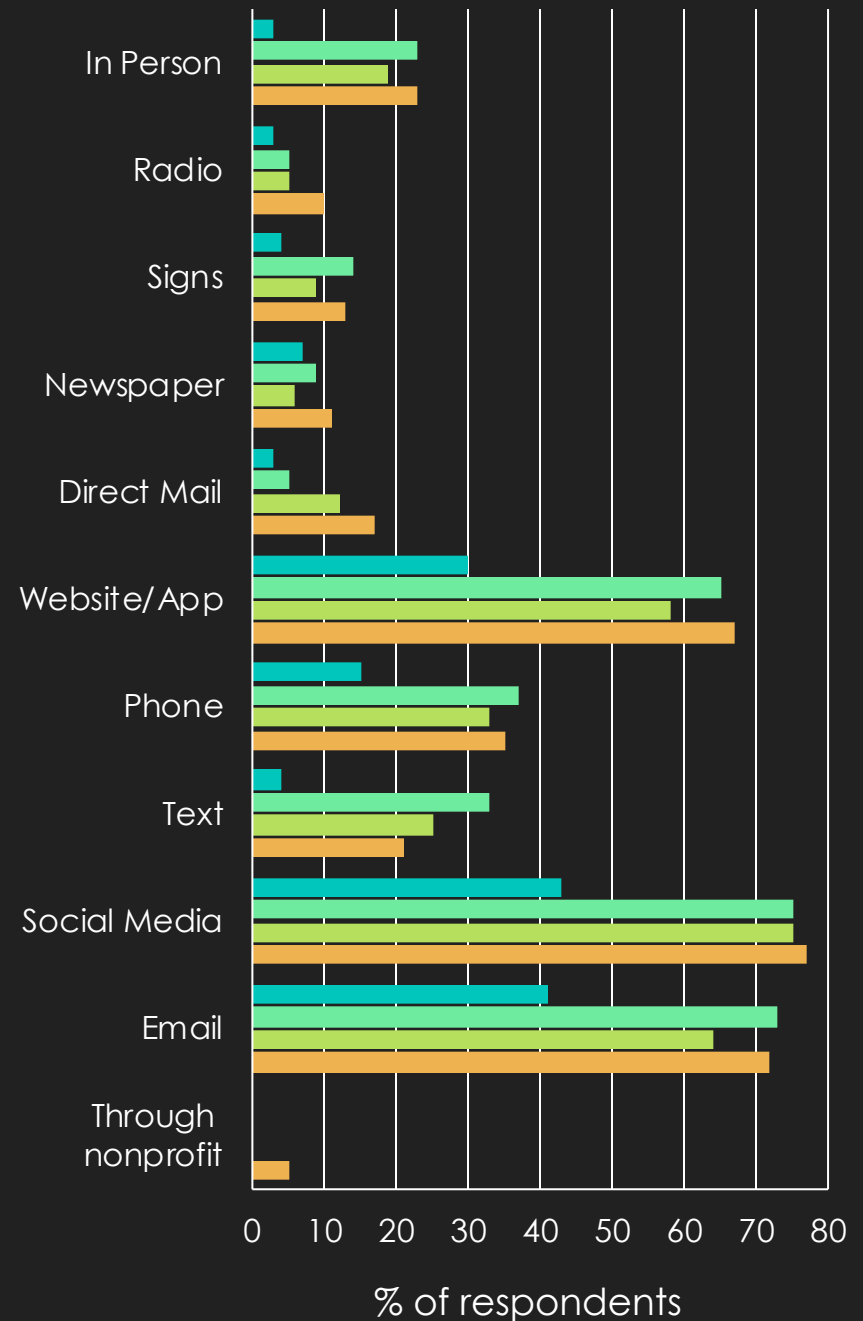
The percentage of respondents reporting that online auctions are not applicable to them has dropped 14% since March 25. As auctioneers are adapting to an increase in online auctions, more are experiencing challenges with preview/load out scheduling. However, increased results and traffic continue to rise or remain high.





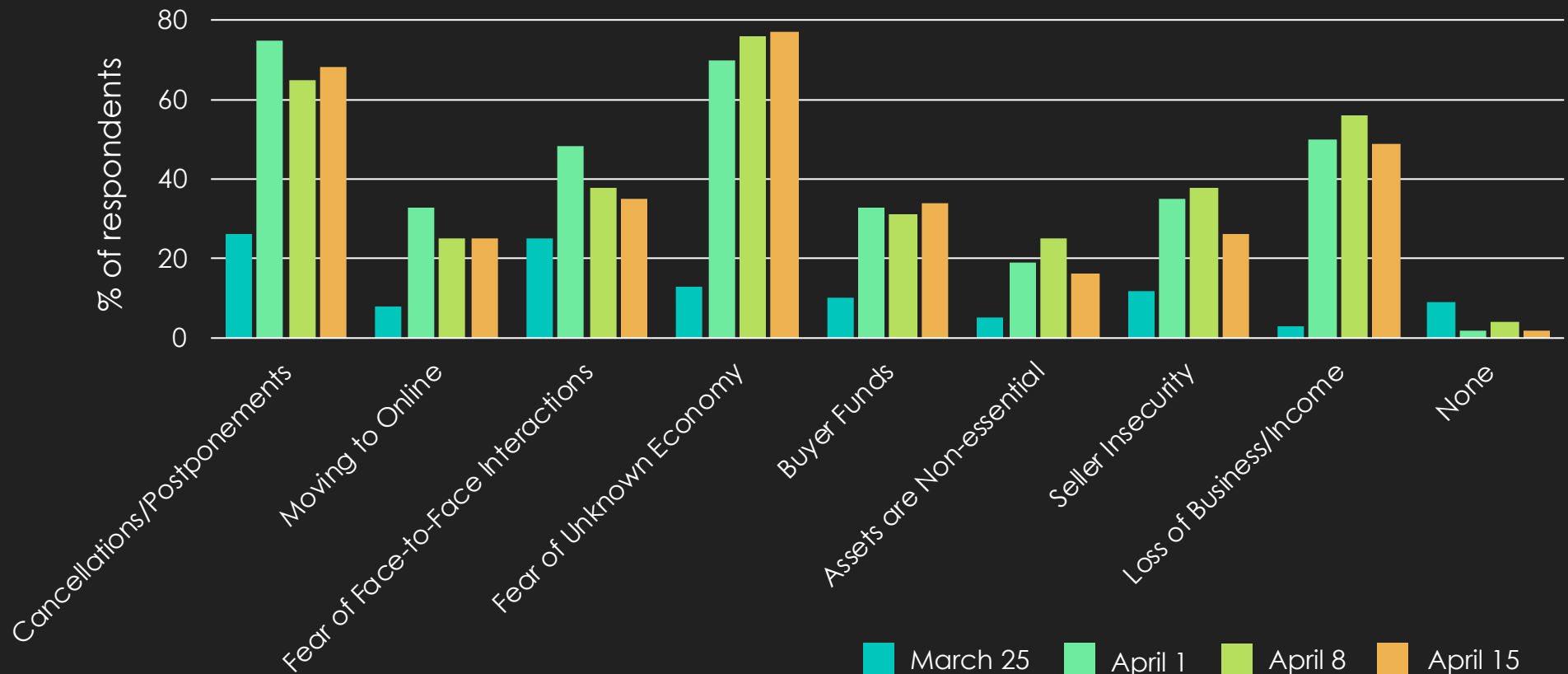
# How are you communicating to your community regarding auction or event cancellations?

March 25 April 1 April 8 April 15



# What vulnerabilities are you currently seeing in your market?

Vulnerabilities



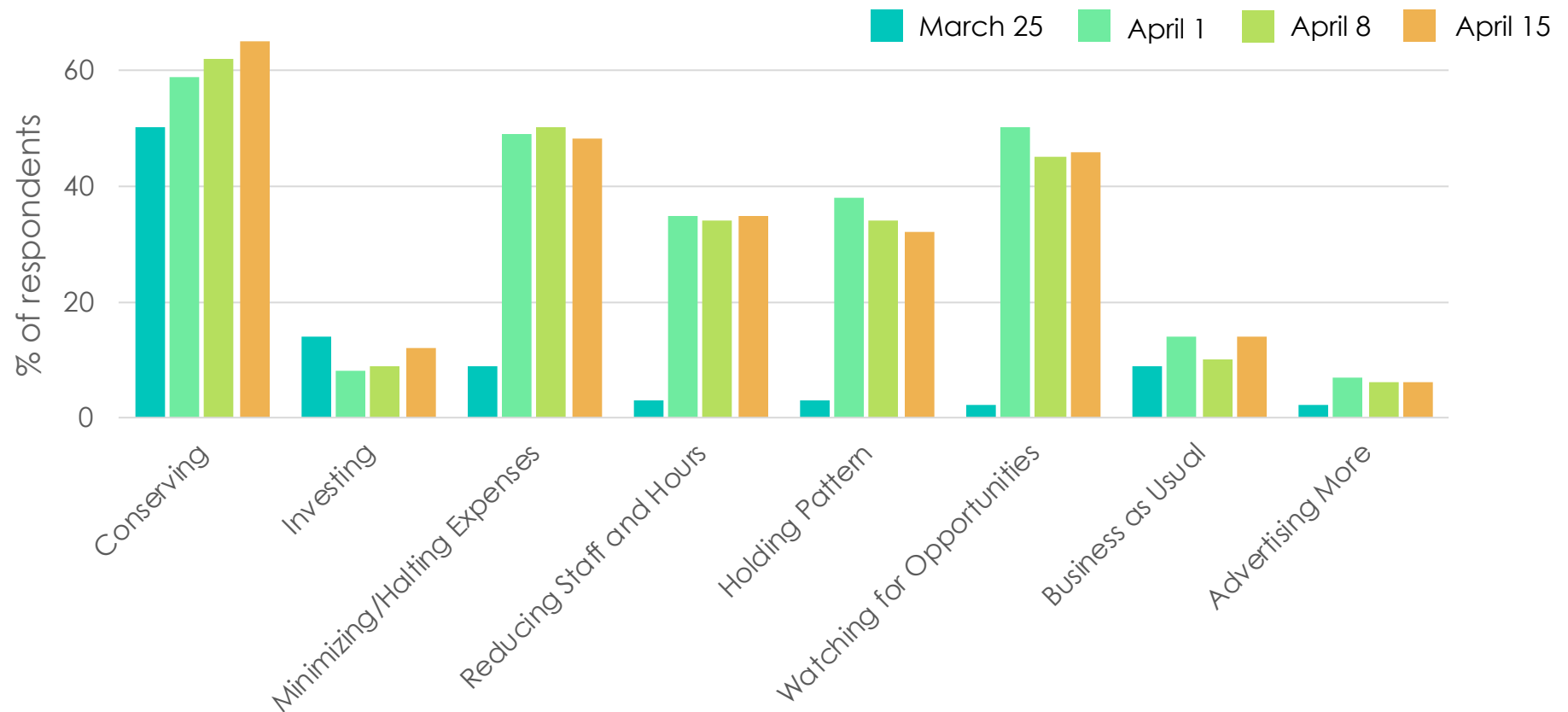
Many concerns are still high for auctioneers, including fear of the economy, loss of business and income, and buyer funds.

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



Opportunities for online auctions has consistently remained at the top of auctioneers' list. This week, we included new skills and training, as auctioneers have been taking advantage of those opportunities regularly. Auctioneers are also anticipating more expansion, business development, future assets and new buyers this week.

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



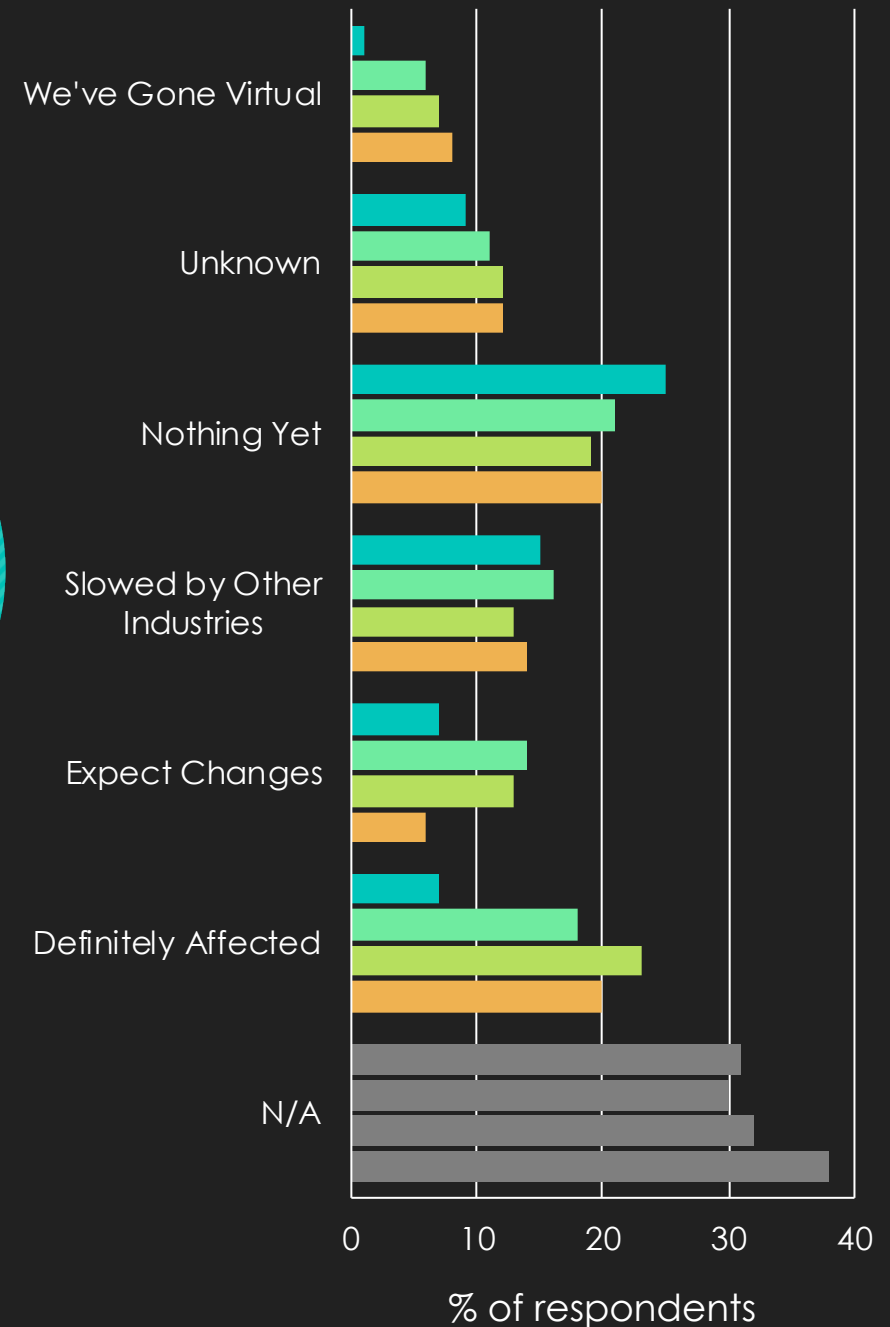
The percentage of respondents whose company is conserving has risen steadily since March 25. But for as much as auctioneers are minimizing and reducing, the same percent are on the lookout for opportunities.



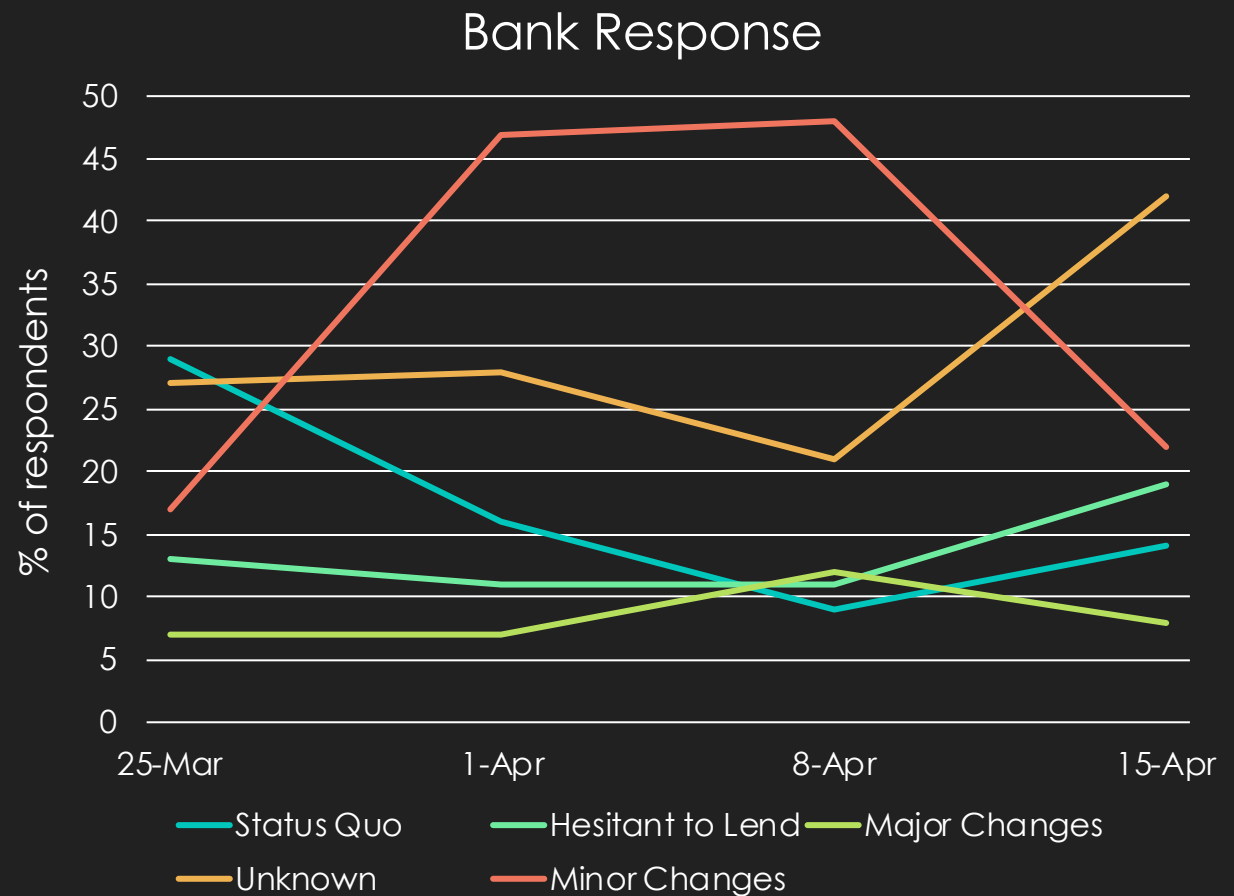
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# Are real estate closings currently being affected as a result of COVID-19?

7% more auctioneers have gone virtual in their real estate closings since March 25. Work is definitely affected according to 20% of auctioneers this week.

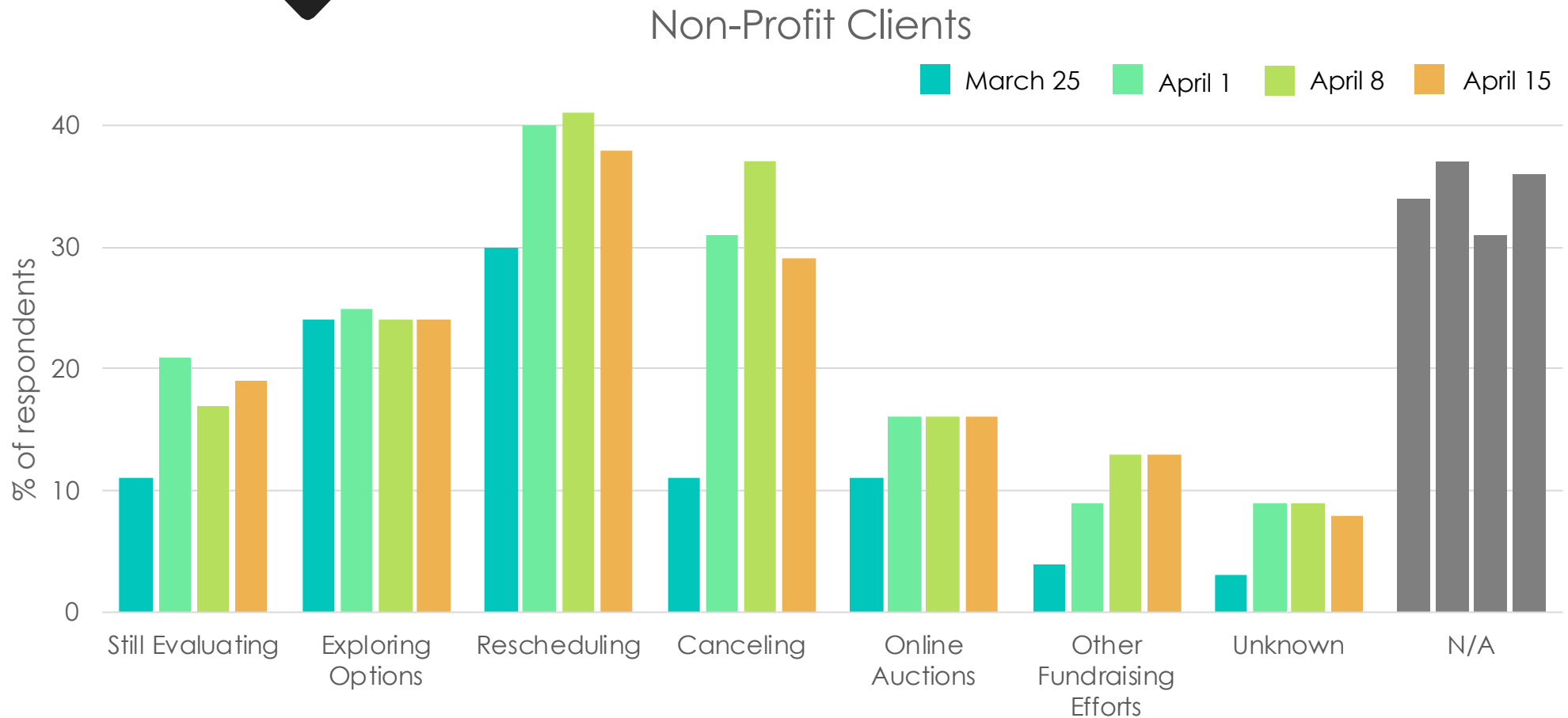


# How are you seeing banks respond to the COVID-19 crisis?



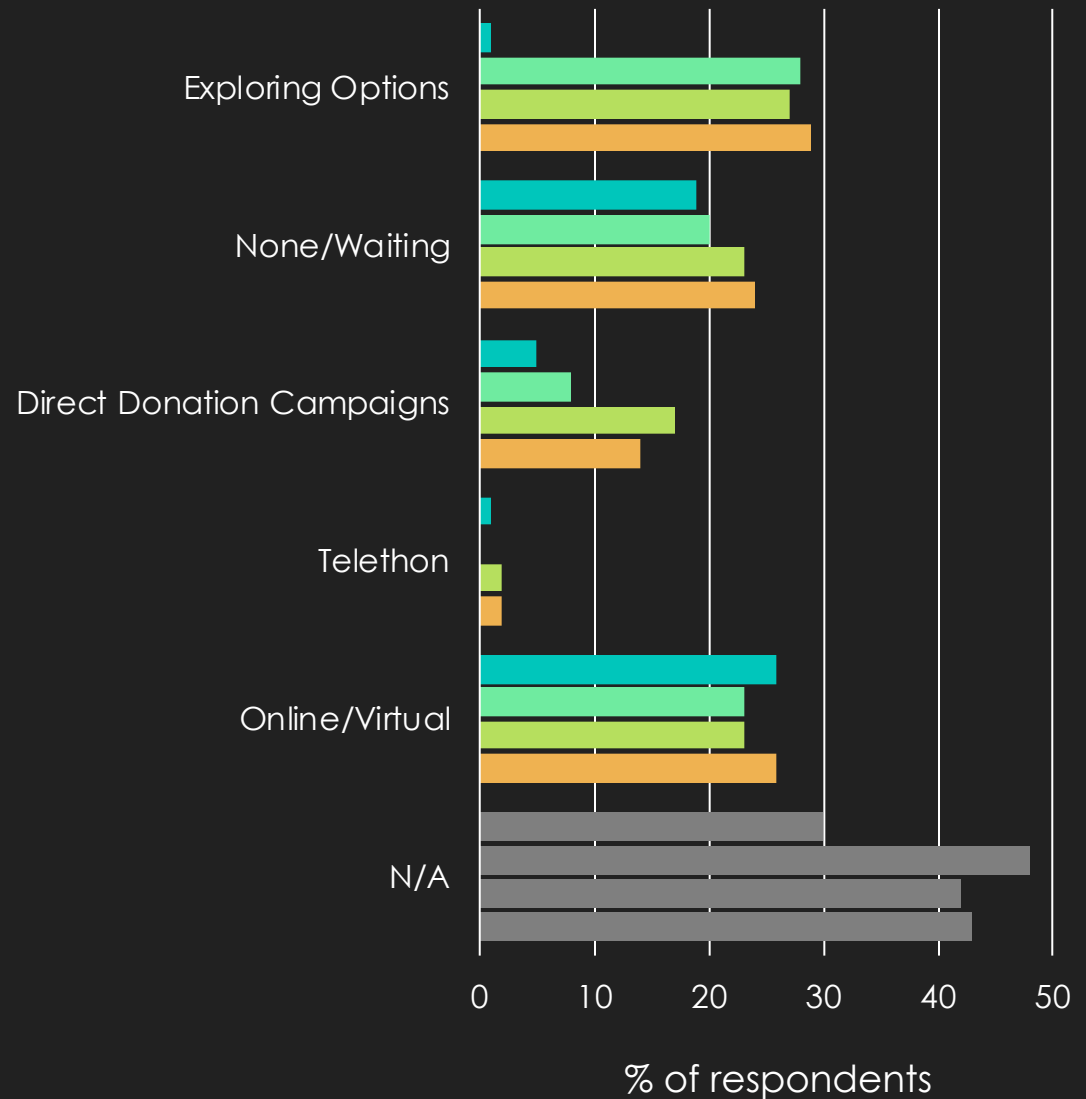
Interesting trends developed this week as banks are beginning to take on the large task of instituting government assistance. This change has doubled the percentage of auctioneers who say they are unsure about bank response. The percentage of respondents who saw minor changes in banks fell by more than half, while hesitancy to lend rose by 8%.

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



Since last week, the percentage of non-profit clients canceling events dropped by 8%. Online auction acceptance and those open to exploring options has remained consistent week-to-week.

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



Online/virtual auctions are back up to their highest level since March 25. More auctioneers are exploring options with their clients this week than any time in the past month.

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