

National Auctioneers Association

State of the Auction Industry Amid COVID-19

April 8, 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.

Since the first report, we have seen a 13% increase in respondents who were not NAA members, but still in the auction industry. 88% of respondents now reported they are following CDC guidelines, up 7% from last week.

Respondents work with a variety of assets, the top three being estate/personal property, antiques/collectibles, and residential real estate. 25% of respondents have been in the auction industry 10 years or less. Auctioneers continue to be very active in every market, from rural to mid-sized city, with large cities not far behind.

An impressive 80% of respondents earn income from multiple sources, including real estate, contracting, personal/commercial assets, marketing and management, and benefits. While personal and commercial assets rank highest for primary income, real estate ranks first among secondary incomes.

It is safe to say in week three of our survey, the effects of COVID-19 are felt throughout most of the auction industry. Auctioneers continue to adapt, including exploring government stimulus options, which we will report on next week.

Contact

Hannes Combest, FASAE, CAE, Chief Executive Officer
hcombest@auctioneers.org

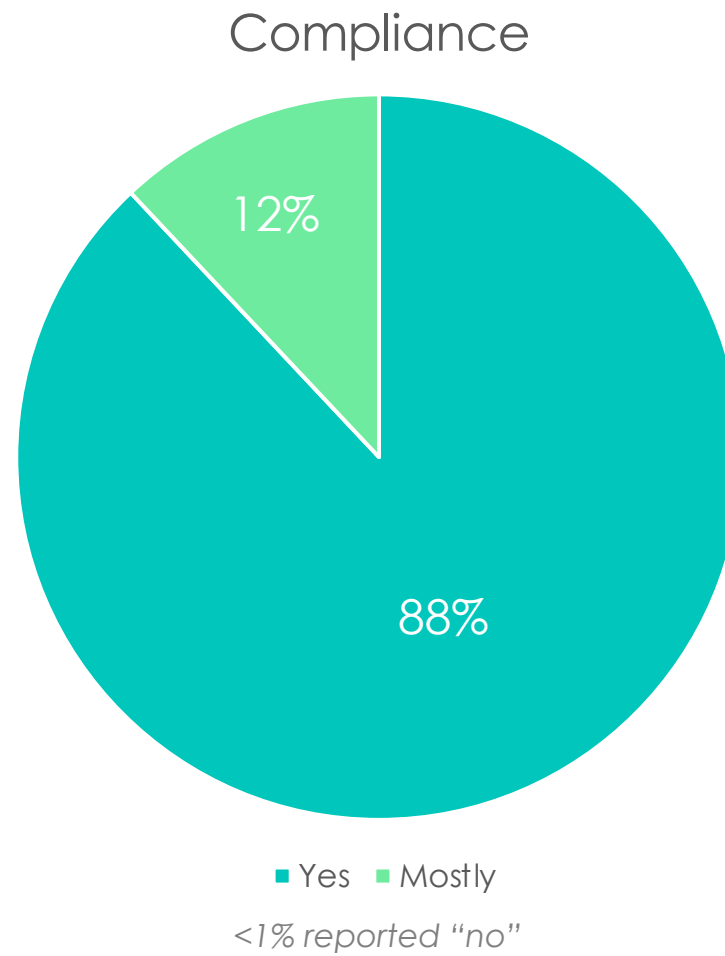
Media Inquiries

Erin Shipps, Director of Marketing & Communications
eshipps@auctioneers.org

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 survey was also distributed through a targeted Facebook ad. The association received 326 responses. Raw data was collected and tabulated using Survey Monkey.



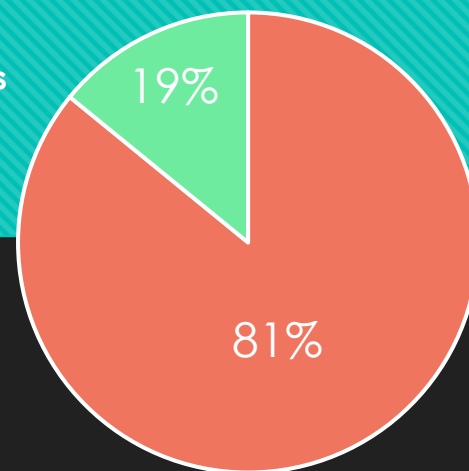
Are you following CDC guidelines?

Respondent Statistics

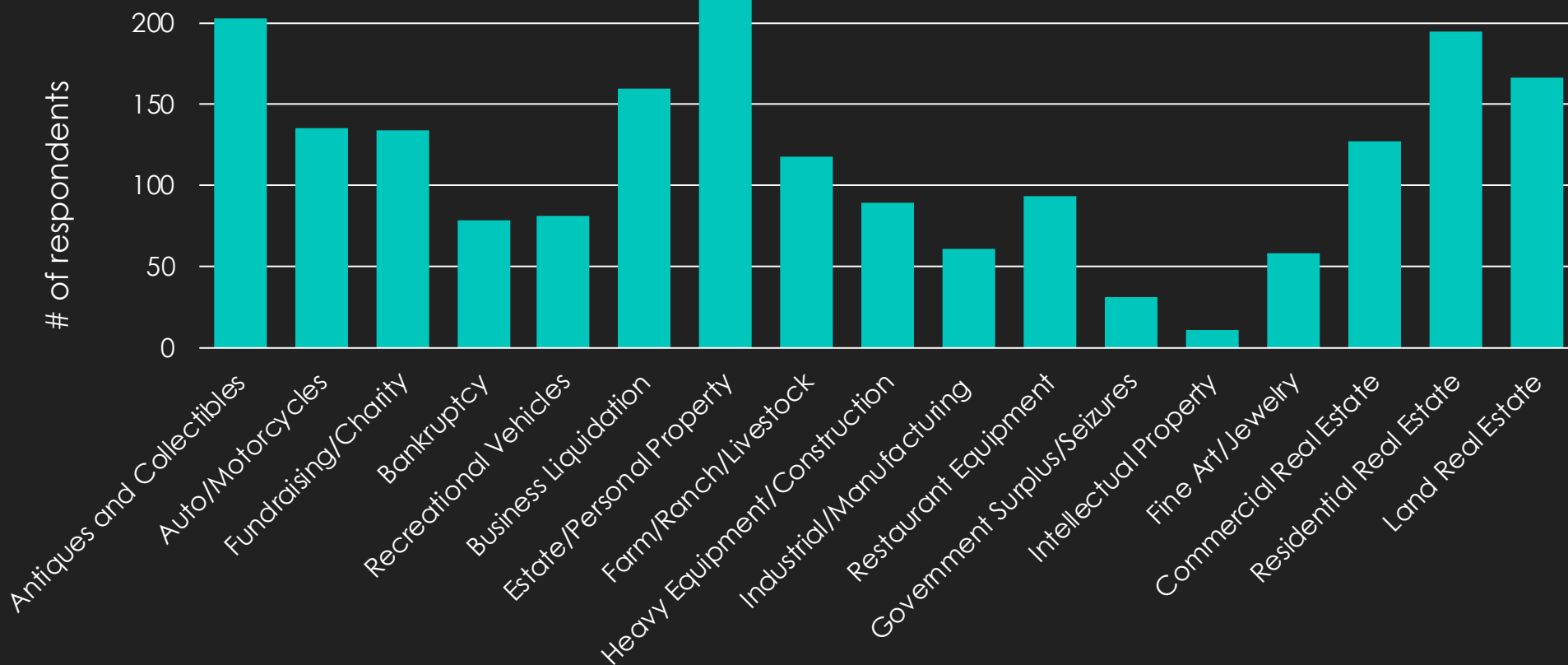
5% more non-NAA members than April 1 survey

NAA Member

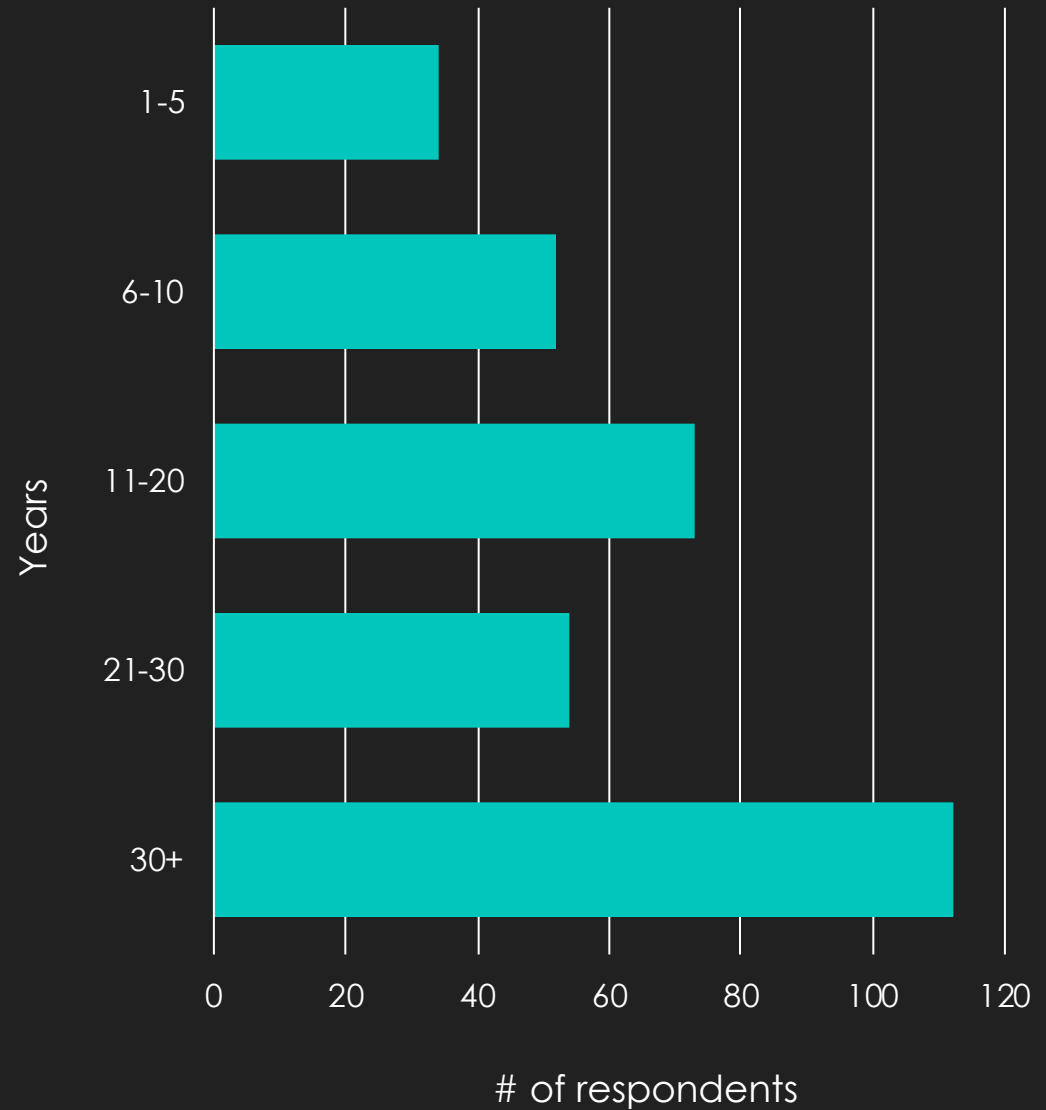
Yes No



Which assets do you market?



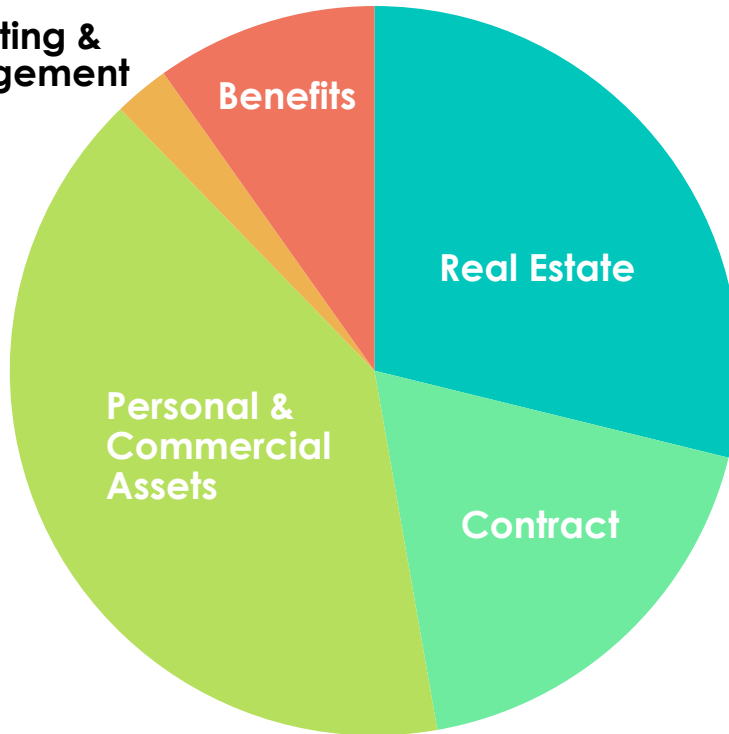
**How long
have you
been in the
auction
industry?**



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

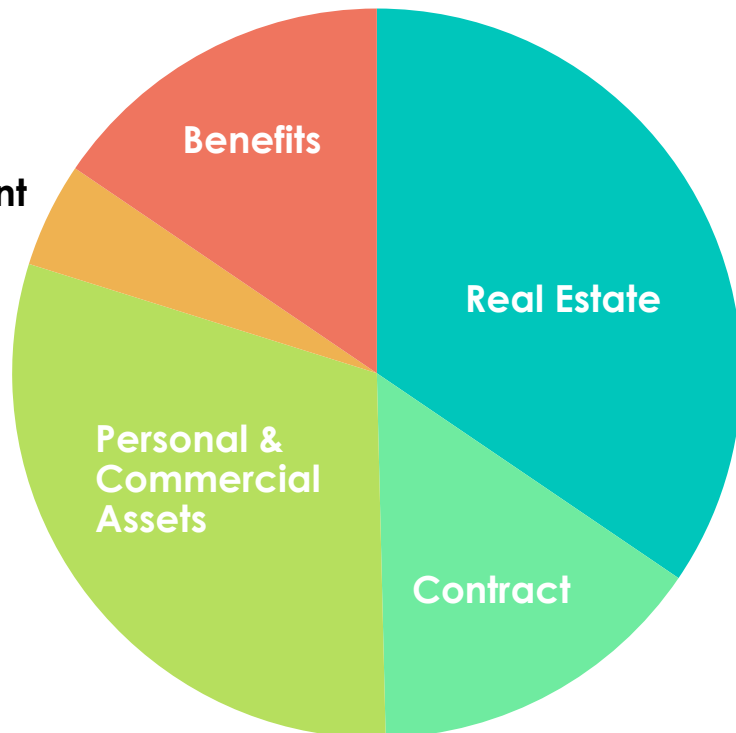


**Marketing &
Management**



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

**Marketing &
Management**

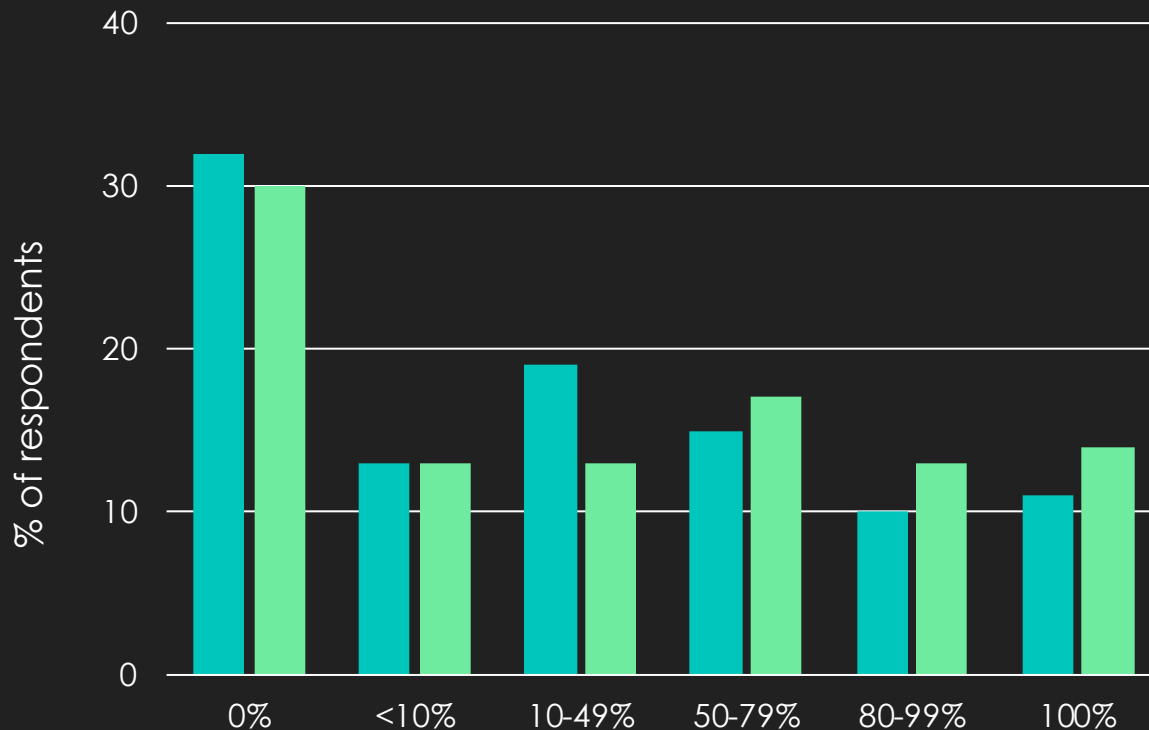


**What is your
secondary
source of
income?**

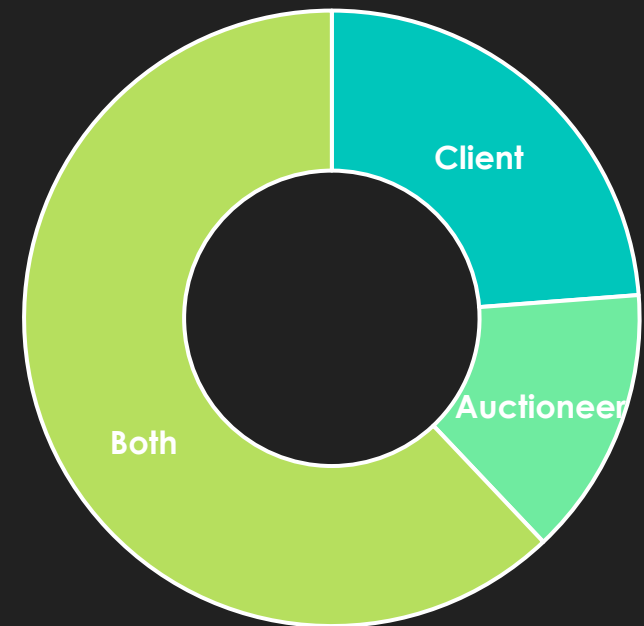
***20% of respondents chose N/A
or skipped**

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

Cancellations



Decision to Postpone



More respondents are reporting an increase in 50% or more of their summer auctions being canceled.

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

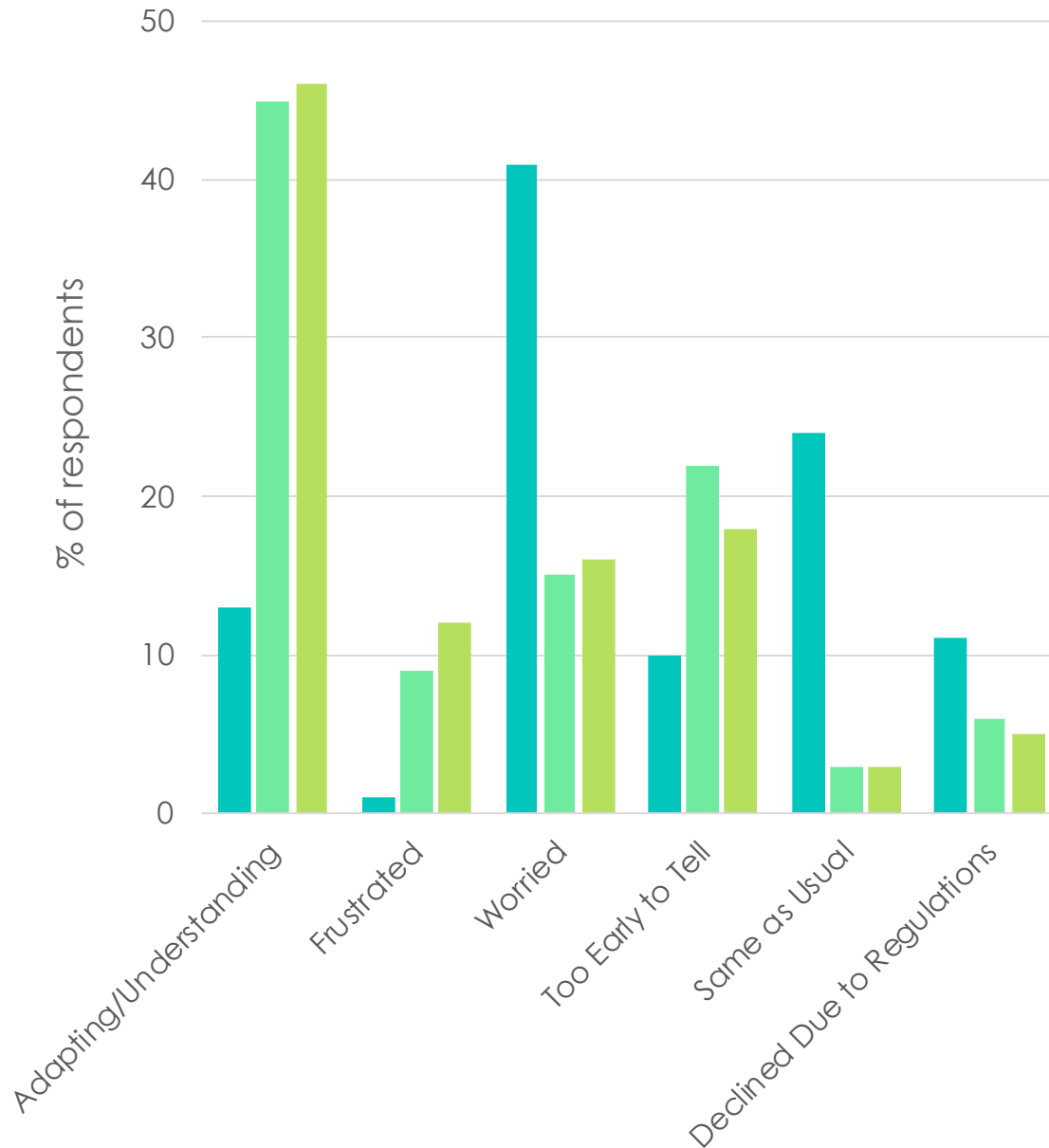
- 73% Should I reschedule and when?
- 72% Will this affect buying, prices and values?
- 58% Will this affect turnout, participation?
- 49% Will online only auctions do as well as live?
- 41% When will you sell my assets/hold live events/galas, how long will the holdout be?
- 40% Will the government allow us to have the auction? What liabilities exist?
- 39% How are other sales going?
- 37% Are you still accepting consignments?
- 26% How do we move to virtual/online?
- 23% How safe is it, what steps are being taken to ensure safety?

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

- 74%** Keeping in contact, following up, informing
- 62%** Giving reasonable timeframes/realistic alternatives/flexibility in rescheduling
- 61%** Positive reinforcement – we will get through this; people will be ready to get out again
- 54%** Providing guidance – scheduling, processes, sanitary measures
- 44%** Discussing pros/cons of postponing vs. canceling
- 44%** Assuring we have tools/knowledge to conduct online auctions
- 31%** Counseling on benefits/success of virtual live/online only auctions
- 28%** Providing more options for previews and pickups to reduce group gatherings, sanitary cleanliness, delivery service options
- 28%** Encouraging back-up plans
- 24%** Showing recent auction results/sales data
- 14%** Using SignUp Genius for scheduling previews and pick ups

March 25
April 1
April 8

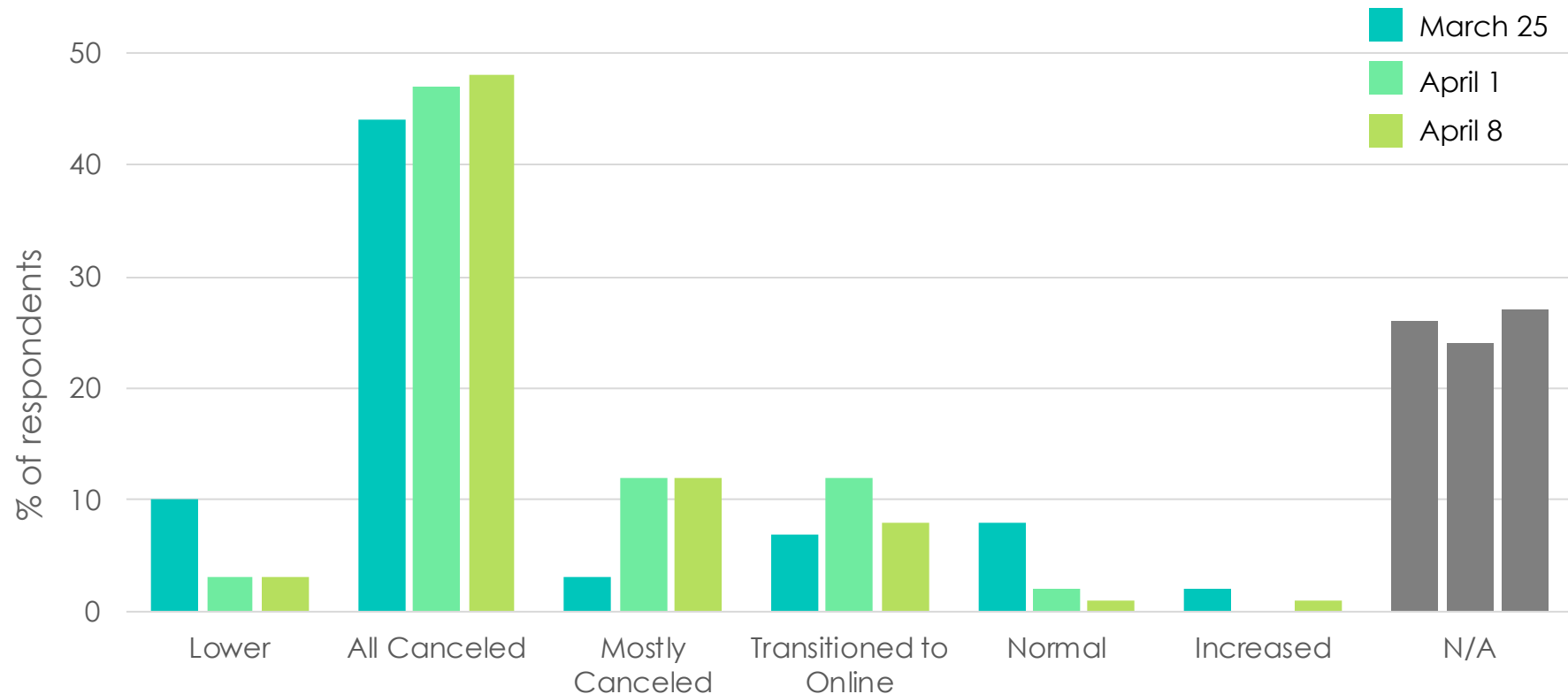
Buyers & Donors



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

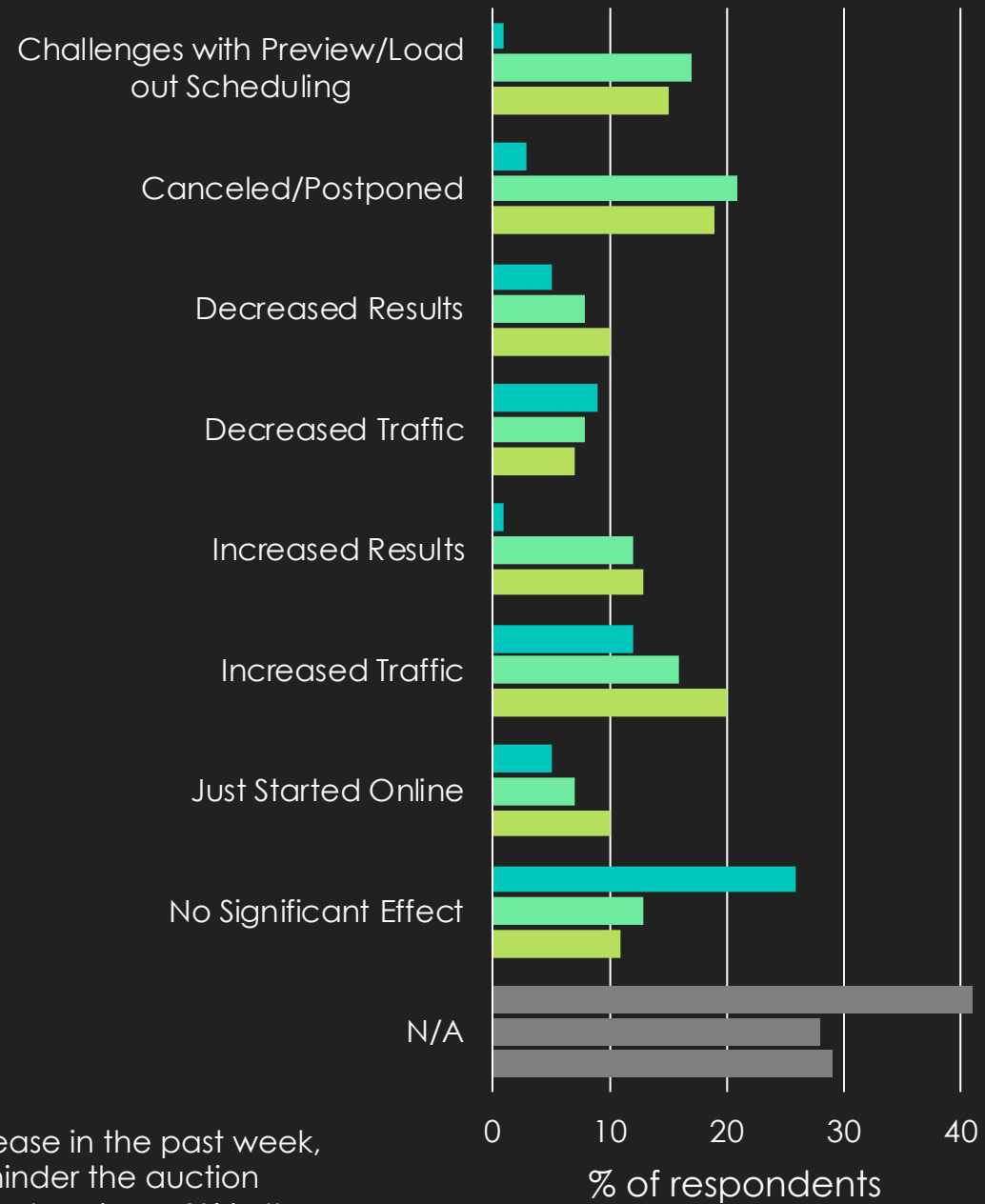
As buyers, donors and auctioneers are settling into government regulations, the fear response has continued to stay at a lower level, and the attitude of adaptation and understanding remain high.

How has your live auction attendance been affected?



Total live auction cancellations continued to rise this week, while those reporting normal attendance in the past have seen it dwindle to only 1% of respondents.

How has your online bidding participation been affected?

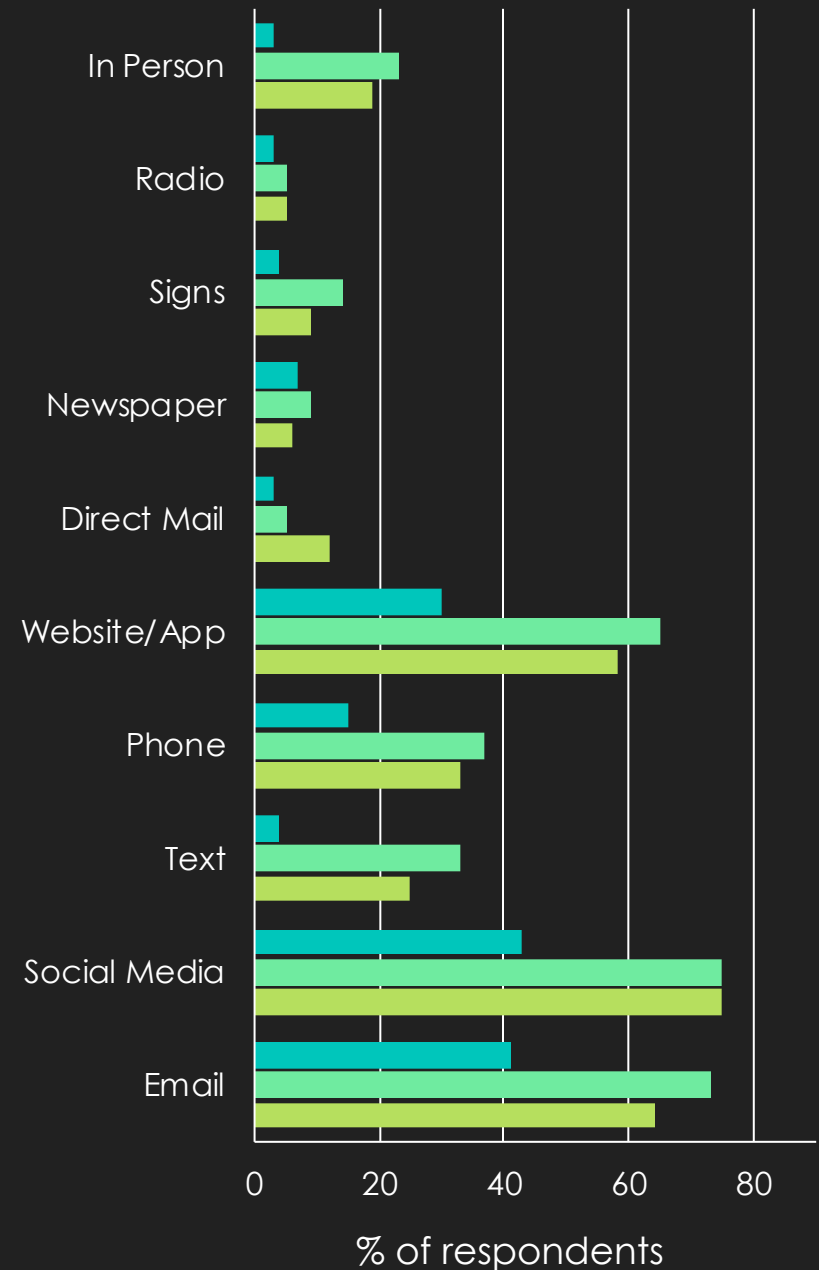


Auctioneers reported online traffic saw a 4% increase in the past week, while challenges and cancellations continue to hinder the auction industry. The number of respondents starting online has risen 10% in the past week.

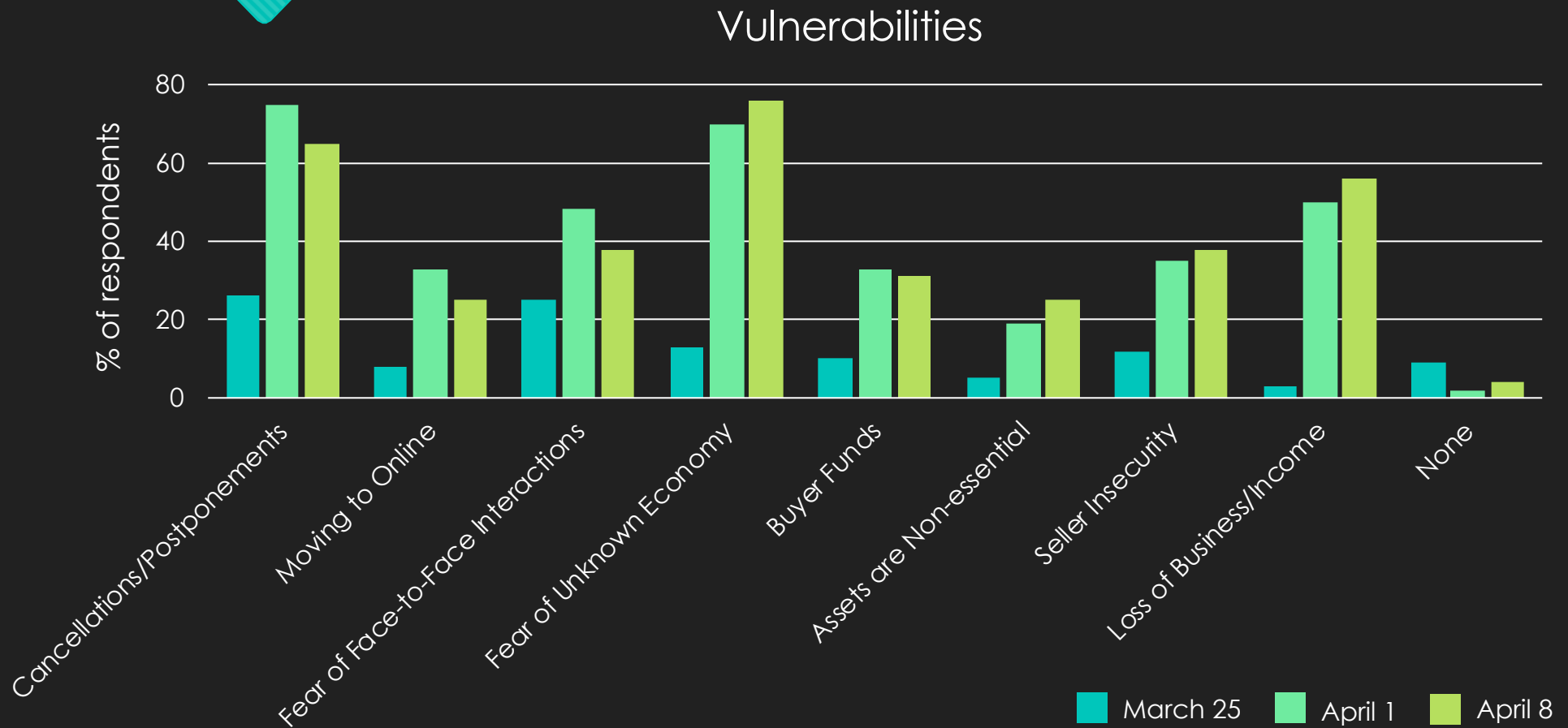
March 25 April 1 April 8

■ March 25 ■ April 1 ■ April 8

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

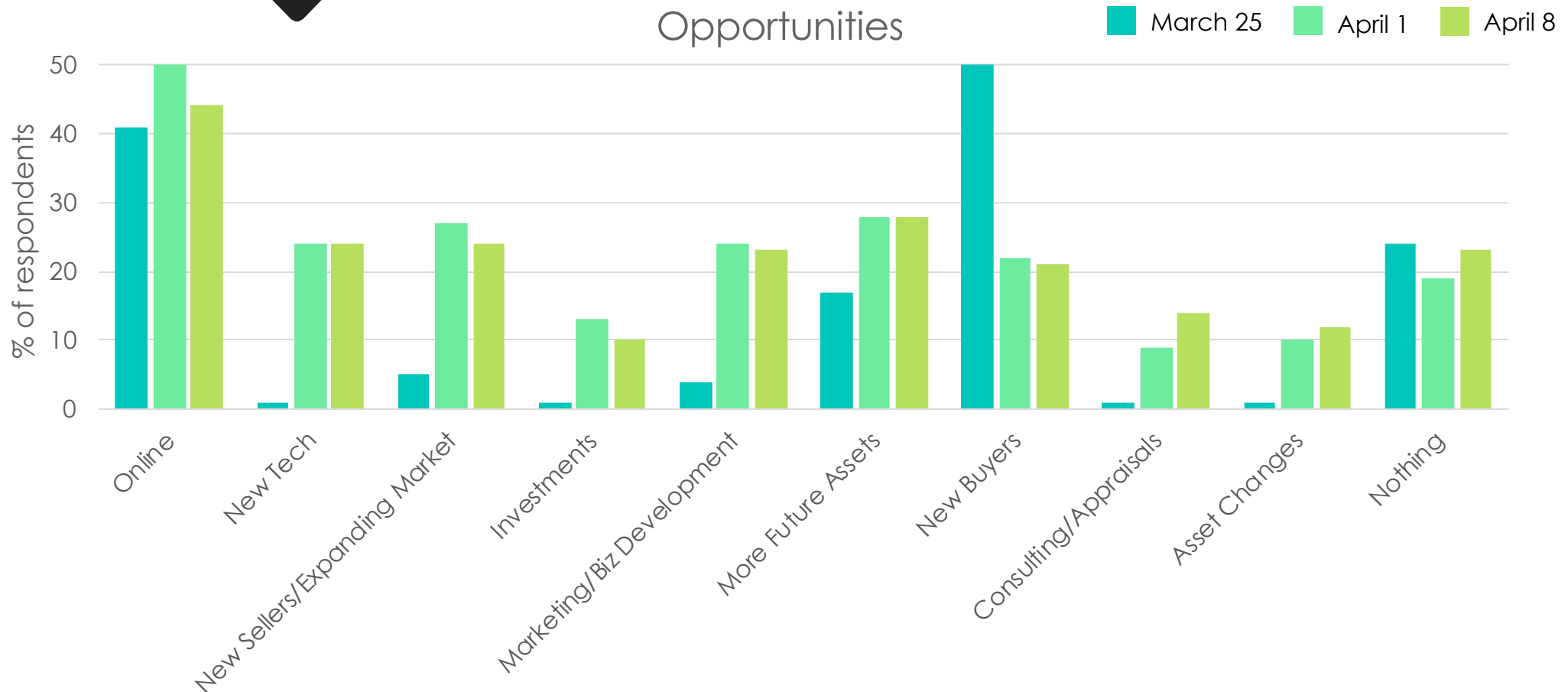


What vulnerabilities are you currently seeing in your market?



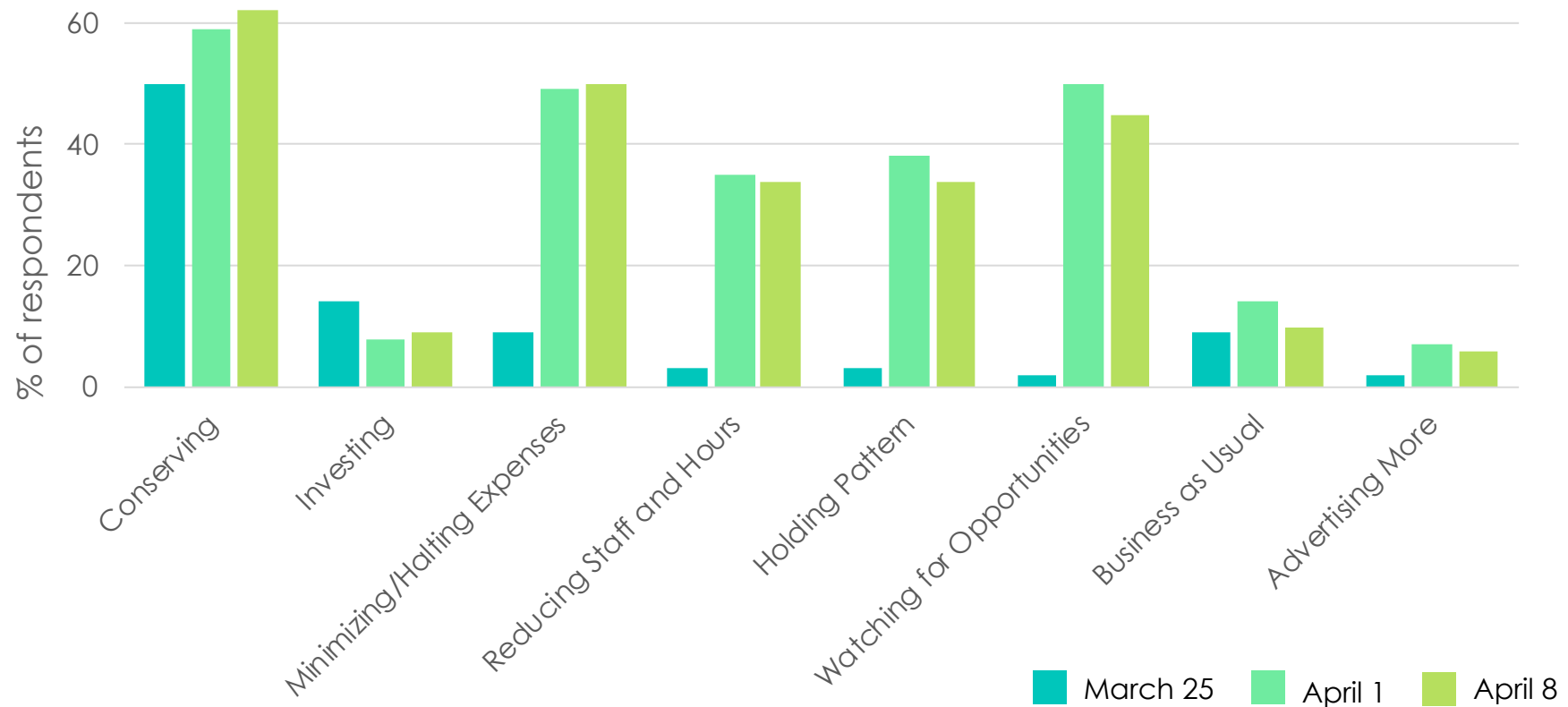
As fear of face-to-face interactions has decreased with shelter-in-place orders, vulnerabilities have shifted to the fear of the unknown economy, seller insecurities, loss of business, and not being able to sell assets listed as "non-essential."

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



Auctioneers continue to see value in online and new technology, as well as most other opportunities. 7% more auctioneers this week are considering asset changes and consulting during this difficult time.

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

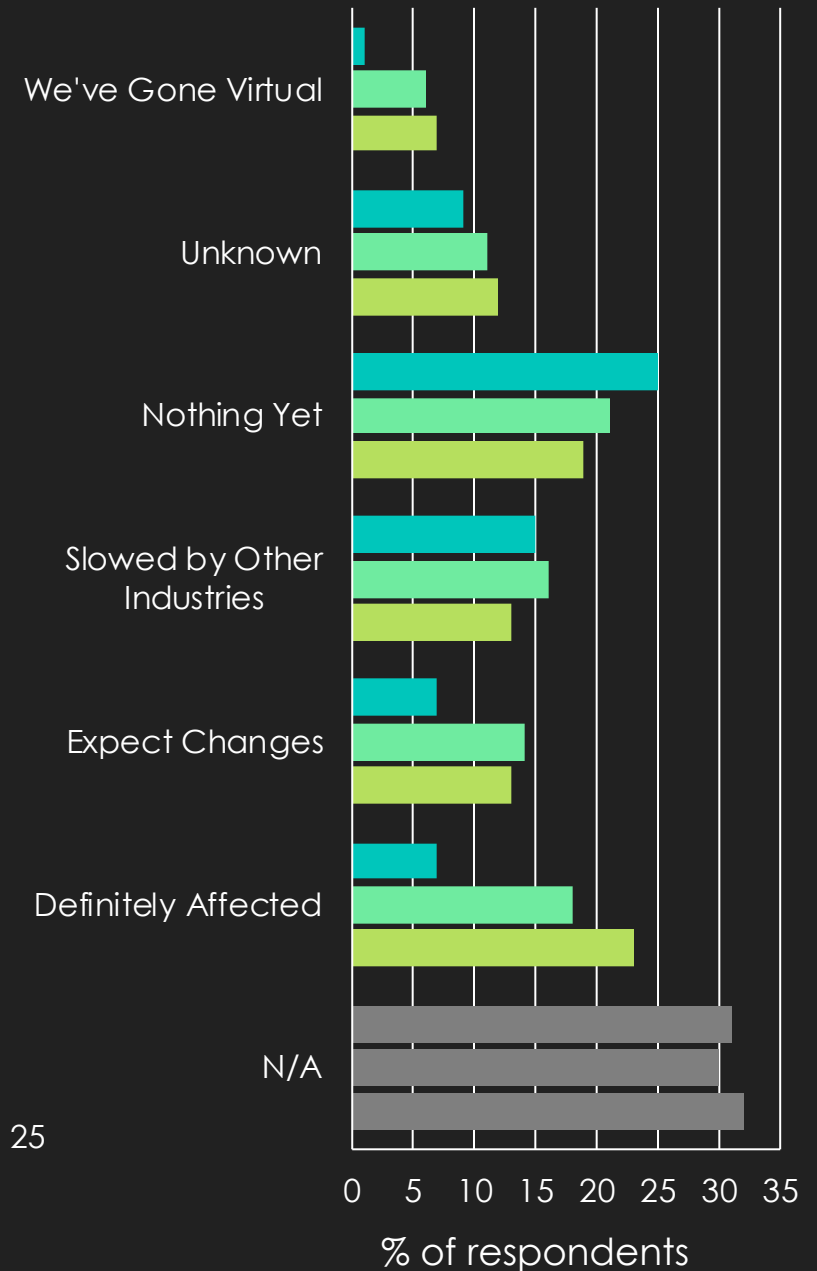


More than half of auctioneers reported that they are conserving and minimizing for their businesses. However, 45% remain optimistic and are watching for opportunities.

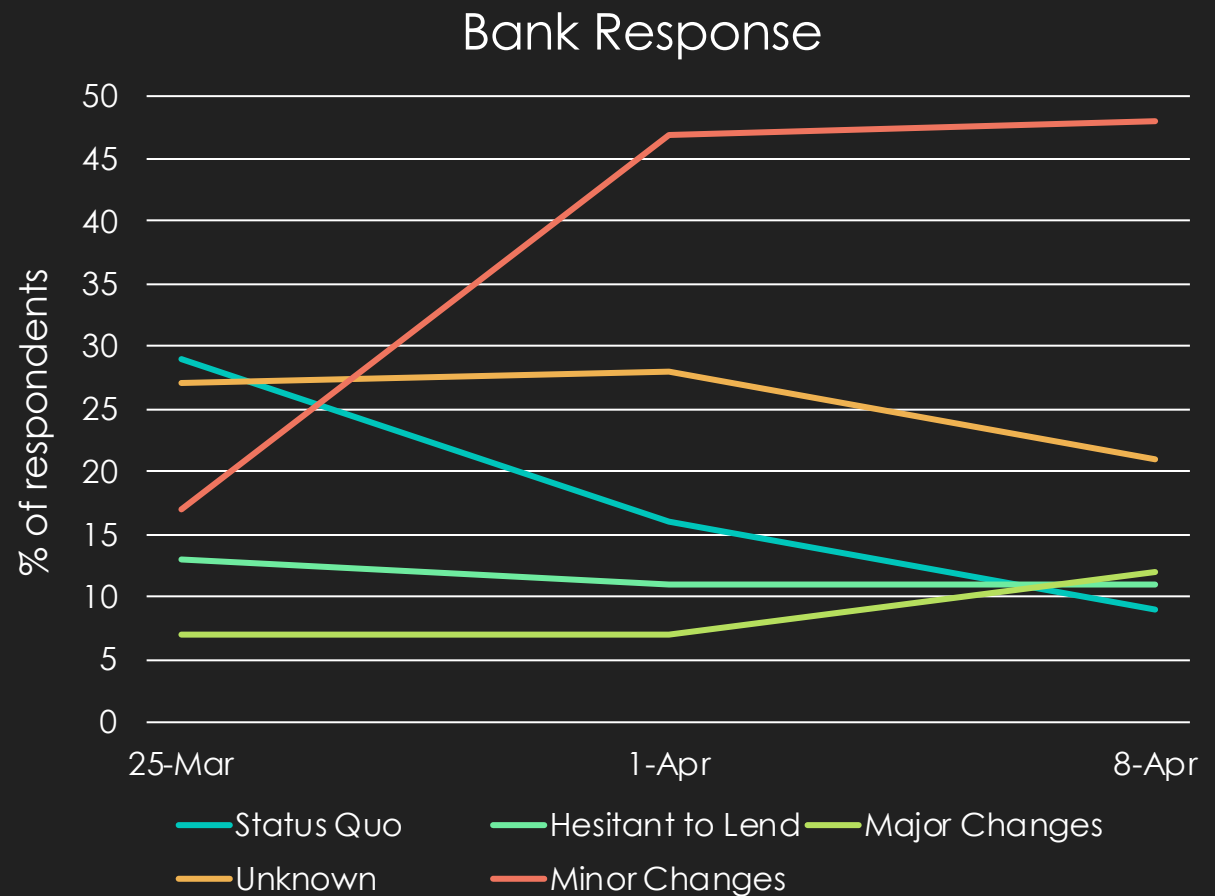
Are real estate closings currently being affected as a result of COVID-19?

16% more auctioneers are seeing real estate closings affected this week than two weeks ago, and a good number expect changes to come. In the past three weeks, the number of real estate auctioneers going virtual has increased 7%.

March 25
April 1
April 8

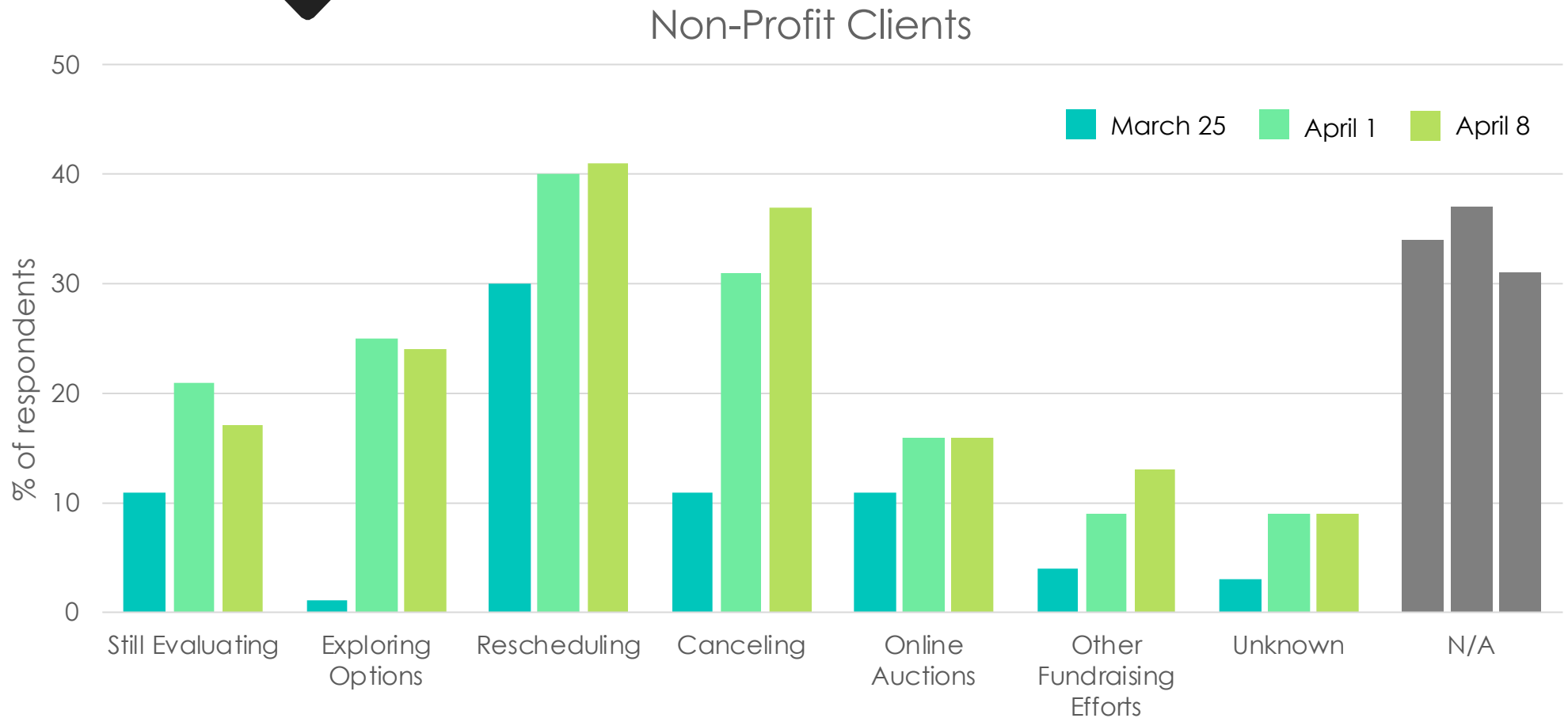


How are you seeing banks respond to the COVID-19 crisis?



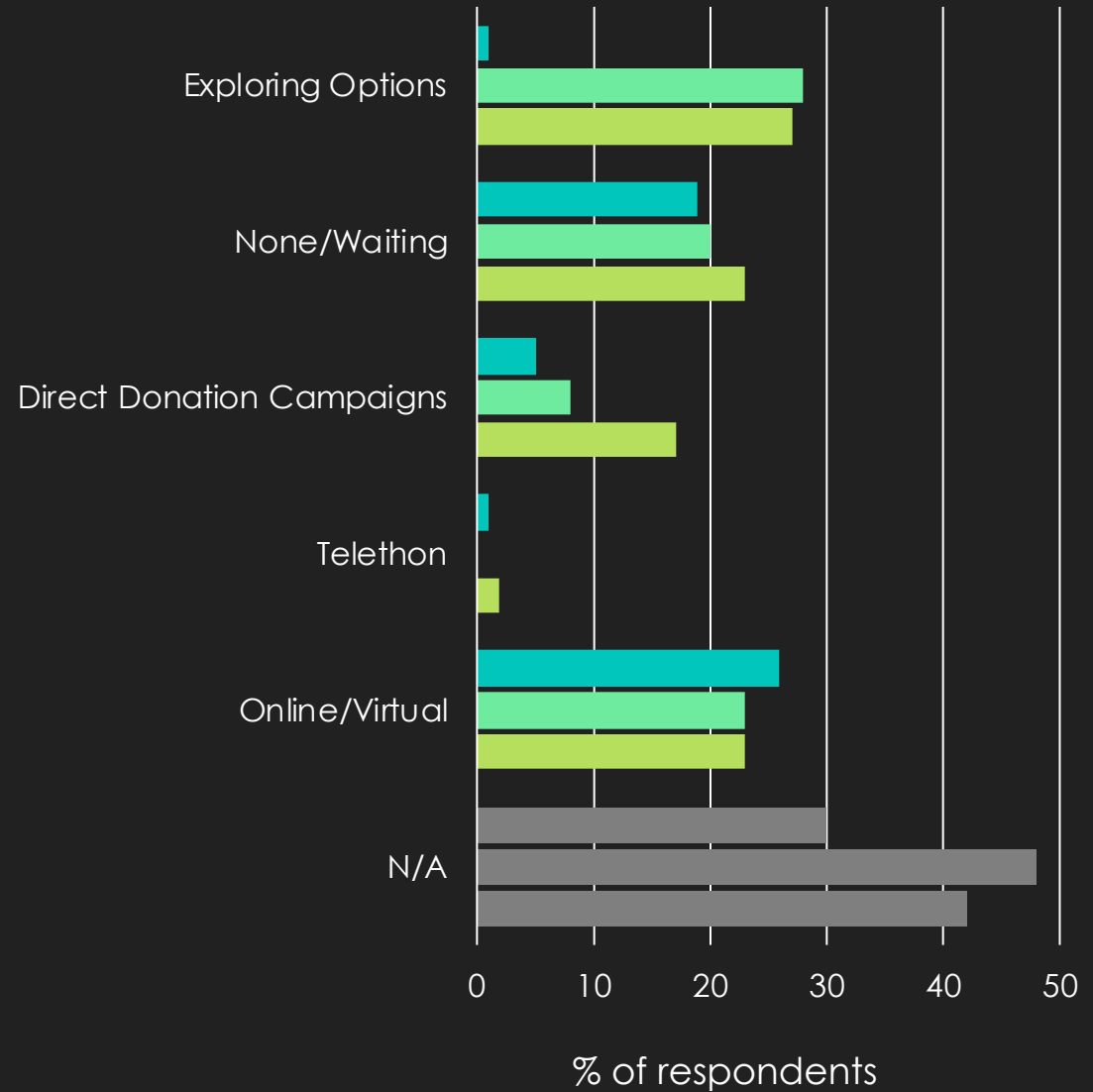
Banks continue to impose minor changes to their business, as major changes are increasing and banks remain consistently somewhat hesitant to lend.

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



Since March 25, other fundraising methods for non-profit clients have seen an 11% jump. And, 24% of respondents now report their clients are open to exploring options, whereas two weeks ago, very few were. Non-profits are, however, continuing to cancel and reschedule the majority of their events.

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



As online and virtual events remain strong alternative methods for fundraising, direct donation campaigns also saw an 11% jump in the past week.

March 25 April 1 April 8

Sponsors

Contact: Adam Kenne
akenne@auctioneers.org
(913) 563-5421



auctioneersoftware.com
Contact: Brandon Kaptein
brandon@auctioneersoftware.com
866-773-2638



bidspotter.com
Contact: Sales Team
sales@bidspotter.com
866-597-2437



themarknetplatform.com
Contact: Jerry Lowry
jerlowry@marknetalliance.com
888-307-6545



proxibid.com
Contact: Sales Team
sales@proxibid.com
877-505-7770