

Multiple Online Sale Platforms

Mission

The IARA Standards Committee's mission is to facilitate the development of standards and leading practices for the application of automotive remarketing models, tools and services, especially those that improve the effectiveness and efficiency of remarketing processes. The use of online sales platforms continue to grow in popularity and remarketers are beginning to adopt new remarketing strategies involving the use of multiple platforms for the sale of a single vehicle. As the remarketing industry initiates the development of new tools and services designed to facilitate remarketers' desire to sell vehicles on multiple platforms, the committee offers its recommendation for standards and practices to assist consignors, auctions, vendors, and dealers.

The IARA Standards Committee acknowledges the many complexities of this subject and that there will be many unanswered questions. This position paper is about the concept and not a turn-key solution.

General Principles

The Committee suggests the following general principles when remarketing on multiple online sale platforms:

Real-time Exchange of Data Across Various Bidding Platforms

- Vehicles are simultaneously listed on multiple sales platforms, as configured by the consignor.
- Bidding received on one platform is sent in real-time to a central portal that sends out an update, also in real-time, to all other platforms upon which a vehicle is simultaneously posted.
- The central portal should be agile enough to support both competitive bidding and "Buy Now" sale transactions.

Improved Buyer Experience

- Online sale platforms work cooperatively with each other to allow buyers, to do business in the sale platform with which they are most comfortable, to include global sale venues.
- Buyers need the ability to operate on their preferred sales platform and have access to the maximum selection of vehicles.

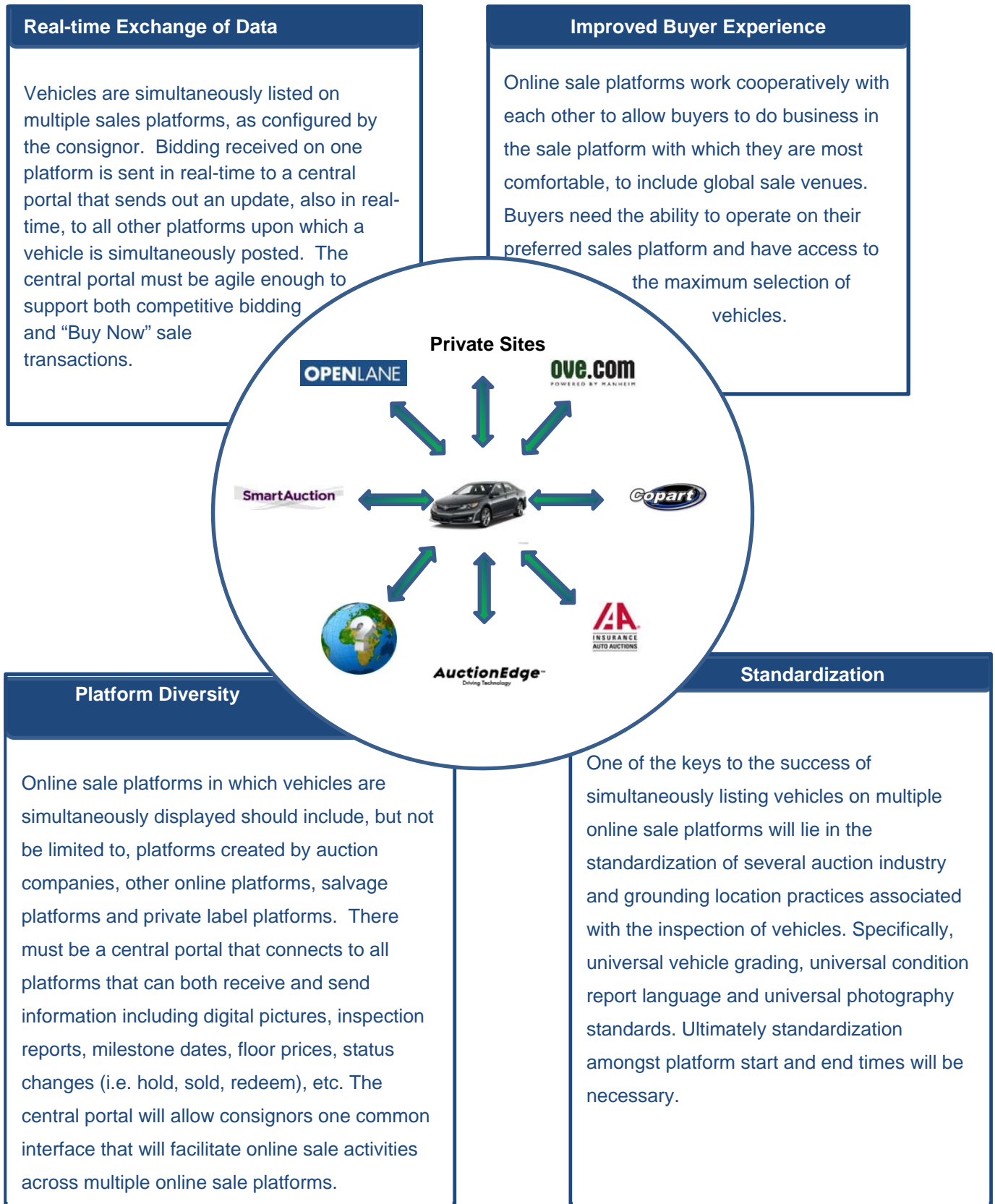
Platform Diversity

- Online sale platforms in which vehicles are simultaneously displayed should include, but not be limited to, platforms created by auction companies and other online platforms.
- There should be a central portal that connects to all platforms that can both receive and send information including digital pictures, inspection reports, milestone dates, floor prices, status changes (i.e. hold, sold, redeem), etc.
- The central portal will allow consignors one common interface that will facilitate online sale activities across multiple online sale platforms.

Standardization

- One of the keys to the success of simultaneously listing vehicles on multiple online sale platforms will lie in the standardization of several auction industry practices associated with the online selling of vehicles.
- Specifically, universal vehicle grading, universal condition report language, universal photography standards, and ultimately standardization amongst auction start and end times.

Simultaneous Listing of Vehicles Across Multiple Sale Platforms



Initial Thoughts on Business Processes

Business Process

The IARA Standards Committee realizes there is a need from the consignors for a solution in the immediate future and it can be addressed. There is also a long-term solution that needs to be addressed, but will require more cooperation and active dialogue with different industry leaders.

Feature Functionality

- The consignor will be responsible for the decision on the venues their collateral is posted on for cross-listing or cross-bidding vehicles.
- Currently, consignors can use a central portal capable of cross-listing vehicles on multiple auction sites.
 - A single vehicle can be simultaneously listed for sale on several participating auction sites. Once the consignor's floor price is surpassed on one site, the vehicle can be automatically and instantly removed from the other sites. This is considered best practice but is not currently required.
- In the second phase, the central portal should facilitate cross-bidding.
 - Cross-bidding brings a new layer of complexity and additional time will be required to develop the business rules to facilitate this functionality with cooperation from the sale venues on items like start and end time of an auction.
- The central portal should be equipped to facilitate the functionality features of each participating auction. For example, if a participating platform offers the ability to receive offers and a consignor elects to receive offers, the offers need to be transmitted through the portal. The goal will be to encourage the platforms to continue to innovate and compete by offering new solutions and to have the portal keep pace with the underlying development. At the onset, the portal should facilitate the following functions:
 - Offer/Counteroffer
 - Chat functionality
 - Reporting
 - Pricing/Market Feedback, Advice or Guidance
 - AutoCheck and CARFAX Exception Reporting

Requirements

- Vehicles should be grounded so they can be prepared for sale and the online buyer knows where it is for transportation purposes.
- Vehicles should be visible where the vehicle was grounded, but may also be in the transportation mode.
- Vehicles should have digital pictures and an electronic condition report.
 - The data for the condition report should be standardized so that one feed from the central portal can be sent to each online sales platform. The online sales platforms will be able to display the data in its chosen format.
 - To assist with a standardized feed of data, consignors will need to establish a common set of data points for inspectors to collect and send to the central portal.
- If the grounding location is an auction where the vehicle will also be offered for sale in the lanes then the auction sale day should be part of the

programming where the central portal will automatically pull the vehicle down and not expose it on any platform on the auction sale day. It's also recommended that it not be exposed the day after the auction sale day to allow time for the auction to update their sales. This also requires the central portal to be connected to either the auctions or AutoIMS to receive the physical auctions updates on sold vehicles that have to be pulled down from the sites.

Buying Process

- Initially, a floor price is recommended for every vehicle and it is recommended that the bidding starts at the floor price on each of the platforms. Vehicles may also have a buy it now sale price where the buyer can buy it on the spot. As the second phase develops, the committee would recommend the strategy adapt with the technology.
 - When a buyer makes a bid or has a proxy equal or greater to the floor price on a platform that platform sends a hold status to the central platform and the central platform sends a message to all other platforms to pull the vehicle down. The vehicle continues to be available for additional bids on the first platform that got the original bid until that online sale closes and the bidding ends. If the buyer clicks on the buy it now sale price it also tells the central platform to pull it down from the other sites and it moves directly to the sale process.
 - In the second phase, it will be possible to start the bidding at the floor price and to keep it up for sale in all venues even after the floor price is reached. This will require all platforms to "close" their sale at the same time.
 - At the end of the sale the platform that had the buyer transmits the final sale price and buyer information to the central platform and the central platform issues a redeem notice to the grounding location to release the vehicle to the buyer.
 - The online platform, facilitating auction, or company pays the seller and provides any and all required paperwork related to the sale.
 - The central portal will allow consignors to set business rules for selling inventory, e.g., post each vehicle for five days and lower floor by \$100 per day.
 - The central portal will be integrated with participating platforms to allow rules to be uniformly applied.
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Conclusion

Solution

- Initially, a central portal providing consignors' one user interface to manage online sales activities across all participating online sales venues. With the functionality for the central portal to allow consignors the ability to manage online sales inventory through a single common user interface. Logging-in to the portal will facilitate the log-in to each participating platform.
- The second phase will allow vehicles to be posted on multiple online sale platforms all facilitated by the central portal. The functionality will allow consignors one location to facilitate a vehicle posted on multiple venues with competitive bidding across the different channels.

Inventory

- All online sales inventory will be visible in the central portal (with CR) and the inventory will be managed from the central portal.

Condition Reports

- The content of condition reports will be consistent across all participating platforms. Each platform will be free to develop the platform's own layout, but once a condition report data is housed in the portal, consignors will be able to push that data to a participating platform without modification. The platform will then compile and display the data in its chosen form. Again this will promote innovation and competition at the platform level, but create efficiency for the consignor.

Reporting

- The portal will provide live reporting of all listing and sale activity.