

Auction technology in 2020: a guide for agents

September 26, 2020



There's something special about an auction. Standing in front of a property you're about to bid on evokes a unique set of feelings and a sense of competition and urgency rarely felt in a private purchase.

But COVID-19 has put traditional auctions under threat in 2020, with social-distancing rules limiting numbers of bidders or, in some states, preventing on-site auctions

from happening altogether.

Many agents have turned to technology to continue running auctions and have been reassured by the [growing wave of technology](#) options on offer.

But what exactly can auction technology do? Can it replicate the on-site experience? And how can agents use it to improve the auction experience for vendors and buyers alike?

Two types of auction technology

When it comes to auction technology, there are two broad categories:

1. **On-site auction technology** is used to compliment and streamline the on-site auction experience and make closing the deal more effortless. For example, it can simplify the check-in process, digitise the contract process, and analyse sales results after the transaction.
2. **Virtual auction technology** allows you to live-stream auctions and enables people to bid in real time from any location. This is done either through virtual auction platforms (like GAVL or Anywhere Auction), or consumer based digital conferencing platforms like Google Hangouts or Zoom.

Attracting more bidders, creating more competition

Virtual auction technology has become an essential tool for agents to continue running auctions throughout COVID-19, and the benefits are fast becoming apparent:

- **Saves time and costs:** running online auctions eliminated travel to and from auction sites, and allows auctioneers to run more auctions per day.
- **Provides a better experience** for customers through on-site check ins and streamlined contract processes.
- **Ensures customer safety:** The uncertainty around this pandemic means not everyone is comfortable attending an on-site auction, even if social distancing measures are in place. Virtual auction technology allows people to bid from the safety of their homes.

But the underlying benefit for everyone involved has undoubtedly been getting more people along to auctions.

There's always people who don't like standing in front of the crowd feeling like they're "on show" at an auction. You also get a lot of people, particularly investors, who think a property will be out of their price range so don't bother going to that auction.

This technology really opens auctions up to those groups of people who wouldn't have attended on-site. They can easily log on, watch it and then participate if they see that it's a good opportunity.

Virtual auction technology is also helping agents create better visibility around bidder numbers. There's often a lot of guesswork with on-site auctions as you're not sure who's going to show up on the day. Virtual auction technology gives you a clear indication of who is interested which allows you to provide more transparency and build confidence with vendors.

A hybrid model emerges

So will virtual auction technology replace on-site auctions?

I really don't think so. Auctions will always have a huge place in our marketplace in Australia and I have no doubt we'll go back on-site when it's possible again. Getting people in front of the home they're about to buy is a tried-and-tested way to sell houses, there's a certain emotional drive that you can't completely replicate in an online environment.

But there are a number of buyers who are indicating they'd prefer to be online than in-person, either because they feel more comfortable bidding at home, or because of where they're located. So providing options for buyers is crucial. We need to be flexible in our approach and embrace the technology that's going to enable us to do that.

From the agent's side, many auctioneers have realised that they can do more auctions online, which means they can service more customers and help their customers to turn over more property.

Taking all these factors into account, it's looking likely that a hybrid model will emerge. One that uses both on-site and virtual auction technology (or consumer based videoconferencing) to enable online and on-site bids. And this model will continue to evolve, even after the pandemic has passed.

Confidence key to running a successful online auction

As with any new technology or process, it's crucial to be confident and prepared before you use it. This is especially important for agents, who are very much driving the auction process. Remember vendors and buyers don't transact every day like we do, so they put a lot of trust in us that the technology and processes we have chosen are in line with industry best practice.

Most technology providers will give you a dedicated account manager who can provide in-person training (in the states that currently allow this). Another option is to run mock auctions in your office. This will allow you to experience a virtual auction from start to finish so you can see the different points of interaction through the platform.

Leverage technology to close off the transaction

While it's great to have a virtual platform for buyers who don't want to come onto an on-site auction, it's important to have a way to close out the deal once the auction's finished.

We've recently built functionality into [RealTime Agent](#) that enables you to sign a contract in person or send it for offsite signing, or a hybrid of both. It's crucial to offer flexible options like this as we enter this new way of operating.

Auctions in 2020 and beyond

Agents have done some hard yards over the last few months to continue transacting for their clients and they really deserve some recognition for their adaptability and resilience.

We now need to think about how to build on this to provide an even better customer experience, and at the same time using technology to scale our businesses by doing more transactions.

The agents who embrace this kind of technology are showing vendors and buyers that they're flexible and can adapt to new ways of transacting. Those are the agents who are really going to stand the test of time. If 2020 has proven anything, it's that you've got to be able to do things differently when challenges occur, and those that can adapt will come out on top.