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## **Auto Auctions Play Key Role in Business Strategy for Auto Dealers**

Since the early days of the auto auction industry, auto dealers have realized the valuable role that auctions serve in the used car process. Born in the late 1930's when a handful of Depression-era vehicles were sold in a converted cattle barn, the wholesale auction business grew dramatically following the end of World II, when dealers were faced with the necessity of disposing of trade-ins and slow moving inventory. They discovered in the auto auction a marketplace where they could get a fair market price for their aged inventory and fresh cars to take home.

Seventy-five+ years later, the auction action continues to be one of the best and most efficient ways for auto dealers to move their cars and trucks. With 8.2 million vehicles sold at auctions affiliated with the National Auto Auction Association (NAAA) in 2013 at a value of \$75.7 billion, wholesale auctions have firmly established themselves as a vital and integral part of the auto industry and the U.S. economy. The auction industry continues to thrive because it provides a dynamic trading floor where open, live competitive bidding is fast-paced, and true market value is determined with each vehicle that comes to the auction block.

While there are alternatives for remarketing cars -- wholesalers, dealer-to-dealer transactions, and direct selling to consumer -- the auto auction offers multiple benefits, whether auto dealers are buying or selling notes Patty Stanley, ServNet's President and owner of two auction facilities: Carolina Auto Auction and Indiana Auto Auction.



**Patty Stanley  
ServNet President**

"Whether auto dealers are buying or selling, the benefits of the wholesale auto auction are many," says Stanley. "From ease of use and vehicle selection, to the security of check and title transactions and the multiple services offered, today's auto auction is a key resource in the business strategy of any dealer looking to expand his used car operations."

Stanley cites some of the key benefits of the auto auction:

- **Market Liquidity:** at the auto auction, dealers convert cars into cash quickly.

- **Fair market pricing:** auctions provide an objective view of what vehicles are worth in the marketplace, and move large volumes of vehicles without depressing prices
- **Selection:** Through the auto auction, dealers can access a broad selection of vehicle types, mileages and price points from a variety of consignors, including other dealers, lease companies, rental companies, bank and finance companies, fleet companies and even auto manufacturers.
- **Integrity:** Check and title transactions are secure and guaranteed; standards for vehicle condition and inspection are uniform across NAAA auctions.
- **Technology:** auctions have developed technologies that increase efficiency, offer convenience, and provide multiple services to buyers and sellers. With cutting-edge internet applications, dealers can attend auctions in multiple locations, seeking the inventory that fits their inventory requirements.
- **Ancillary Services:** auto auctions provide and coordinate a wide array of complimentary services including vehicle reconditioning, transportation, and wholesale financing.

ServNet auctions, in particular, are important partners for auto dealers across the country, says Stanley.

"Auto dealers are the backbone of our business, and our partnership with both franchise and independent dealers is of paramount importance to the 31 auctions in the ServNet group," Stanley emphasizes.

Stanley explains that ServNet auctions are firmly rooted in their communities and are dedicated to the relationships that have been developed over their many years in business. Like many of the dealerships they serve, ServNet auctions are backed by multiple generations of private ownership and experience, and the owners are clear about their personal stakes in their businesses.

"As independent ServNet auction owners, we are united in our commitment to building strong relationships with our customers, offering the finest auction services available," says Stanley. "At every ServNet auction, buyers benefit from a tremendous selection of vehicles running weekly in the auction lanes, the convenience of many online services, and the confidence of secure transactions. Buyers benefit from a quick turn of inventory at market value, in a venue where a vehicle can even sell for MORE than asking price."

The ServNet Auction Group is a network of America's best strategically located independently-owned wholesale auto auctions. Since 1988, ServNet member auctions have been working together to provide a full range of remarketing services to its customers, including the best auctioneers, inspections, reconditioning, transportation assistance and inventory financing. The ServNet Auction Group is managed by TPC Management with headquarters in Franklin, TN.