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ServNet Recalls Early Days of Simulcast Technology

ServNet Auctions, in an annual review of technology systems, recalled the origins and impact of the independent auctions on the birth of selling vehicles over the internet.

"May 26, 1999 was an historic day for the automotive industry as the first live Internet auction, using the On-Line Ringman software system, was hosted at a ServNet auction," reports ServNet's Chairman Jeff Brasher. The sale took place at Pennsylvania Auto Dealers Exchange, then a member of the ServNet auction group. Included in the simulcast auction were more than 200 fleet vehicles from RSA, First Union Auto Finance and GE Capital Fleet Services. The sale drew on-line bidders from Connecticut, Indiana, New York, Wisconsin and Pennsylvania. It was the result of ServNet's pioneering efforts in a new and innovative technology that was the start of great things to come.

At the urging of its independent auction owners, ServNet has been on the cutting edge of some of the industry's most progressive technology, and in the mid-90's the group perceived the need and the potential for a simulcast system that would make buying and selling vehicles internet-easy. Developed for ServNet by Auction Management Solutions (now Xcira), OnLine Ringman was unveiled by the ServNet Auction group in the summer of 1998, and ServNet owners were united in their enthusiasm, working to update their own facilities to make way for the new technology.

Quick to follow PADE's premiere was Idaho Auto Auction, which held its first simulcast sale in July of 1999 in conjunction with its General Motors factory sale. Although intended to be a "test" sale in preparation for the official roll-out at the GM Sale in August, enthusiastic dealers jumped online early, with the result that 44 factory vehicles were purchased online at the July sale.



The first simulcast auction, using OnLine Ringman, was hosted by a ServNet auction in May of 1999. By 2003, ServNet auctions had sold more than 10,000 vehicles online.

Idaho went on to hold 10 simulcast sales for General Motors over the next six months, posting more than \$3 million in internet sales, and recording over 1,900 internet bids on 707 vehicles.

Dan Kennedy, Sales Manager for General Motors, attended the first online factory sale at Idaho, and remembers it well.

"In spite of the fact the dealers in the lanes were initially suspicious of the online process, thinking that it was merely a ploy to drive up prices, those early factory sales at Idaho Auto Auction using OnLine Ringman were very successful," Kennedy recalls. "General Motors saw the value in simulcast selling from the beginning, and pushed to make sure the technology was used at all the independent and the corporate-owned auctions that sold GM factory vehicles. The testing that took place at those ServNet auctions in the early days, and the pilot programs using the software, eventually drove the need to have the simulcast selling available across the entire auction portfolio."

"Frankly, it would be difficult to run a GM sale today without that capability," Kennedy said.

Carolina Auto Auction was next to enter the world of simulcast selling with the introduction of Online Ringman in November of 1999. Chattanooga Auto Auction followed in 2000, and quickly emerged as a leader for American Honda Finance as its top-performing simulcast sale.

Other auctions in the ServNet auction group were quick to follow suit, and by November of 2003 ServNet had recorded the sale of more than 10,000 vehicles online.

Today, simulcast selling is a necessary tool for vehicle remarketing, bringing buyers from all over the country -- and the world -- to the center of the action in the auction lane. All ServNet auctions hold simulcast sales, offering vehicles consigned by new and used car dealers, fleet/lease and repo accounts and manufacturers. Buyers from far and wide can choose from 157 simulcast lanes every week at ServNet auctions alone.

"Pioneering simulcast technology involved tremendous vision, and not a small sacrifice on the part of ServNet and its auction owners, notes Brasher. "Not only did it require a significant investment in capital, but ServNet auctions worked hard to counteract the political fallout. We endured a temporary loss of good will from the dealers in the lane who resented the presence of online bidders. Nor was simulcast selling immediately popular with the industry at large: as a matter of fact, there were a number of auctions and remarketers who insisted that selling vehicles on the internet would never work and said 'no way' to online selling."

Said Brasher: "ServNet's auction owners stuck their necks out, insisting that simulcast technology was the wave of the future, and a tool that would enhance the auction process. Now simulcast selling is an industry standard, thanks to ServNet's vision and efforts.