

## SA not buying cars on the internet

While thousands of vehicles are being sold online by vehicle auctioneers in the United Kingdom and Europe, a leading local car auctioneer believes that the South African market will not follow suit in the near future.

“For the time being, the internet and cars do not mix - well, not in South Africa anyway,” says Darryl Jacobson, managing director of Burchmore's.

This is in stark contrast to overseas markets, where buying a car online has become the norm. Burchmore operates under license to British Car Auctions (BCA), which sold 4,650 vehicles valued at nearly £1 million the month of January 2009 alone - all online.

“Across Europe, the company sold a further 2,300 vehicles during the same month,” he said.

According to Jacobson, online sales are now an accepted part of vehicle remarketing overseas. “BCA started its online auctions in 2000, so it has been a long haul in terms of development and investment, but we are now seeing the real benefits that this dynamic and integrated online sales channel is delivering to buyers and sellers alike,” says Jacobson.

The Burchmore's MD expects more and more overseas buyers to go the online route. “In a number of sales this year, BCA has had more buyers online than in the auction hall!” he reveals.

But Jacobson says he does not expect this trend to be mirrored in South Africa in the near future. “This is because the modus operandi of car auctions varies from country to country. Our auctions are completely different to those conducted by BCA,” he explains.

André Dalais, finance and operations director of Burchmore's, concurs: “Online bidders in the UK and Europe know exactly what they are bidding on. That's why internet auctions are proving so popular over there,” he maintains.

Dalais says BCA regularly knocks down fleets supplied by vehicle manufacturers. “Sales are conducted on behalf of Ford, BMW, Vauxhall, Citroën, Mitsubishi and Volkswagen. They may be demo models or nearly new cars, but there is very little element of risk. Bidders know exactly what they are getting and they know that the car will be backed by the relevant manufacturer.”

This does not happen in South Africa yet - manufacturers sell their stock via their own dealers and not via auction houses.

Furthermore, BCA uses sophisticated web browser technology to deliver live video and real time audio to remote bidders, allowing them to compete with buyers in the auction hall.

“The system uses BCA's vehicle information screens in the auction hall to display online bids, meaning the system is entirely transparent for both buyers in the auction hall and remote bidders via the internet. Catalogue descriptions for online bidders are based on a strict grading system, which dovetails with the lease-end/pre-sale inspection process,” he said.

In addition, BCA has plenty of data on what the dealer wants as a buyer and the company uses that information to deliver a hassle-free buying experience. “Dealers want clear and unequivocal catalogue descriptions, easy to use systems that don’t break down, transparency in the bidding process and confidence in the organisation staging the sale. If they have a problem, they want to talk to a real person who will help them solve it - which is why BCA has dedicated help-desks for all its online sales.”

This advanced technology is not available in South Africa yet, although Burchmore's could certainly acquire it in time to come. Bearing this in mind, Jacobson and Dalais will be visiting BCA next month, in order to investigate online auctions further. “We know that the concept has enormous potential; we need to establish if and when it can be introduced in South Africa,” said Jacobson.

Meanwhile, in the foreseeable future, conventional auctions will take place at Burchmore's three branches (Sandton, Durban and Cape Town), with buyers attending the auctions in person and raising their numbers bid instead of switching on their computers and clicking on a mouse.

And, judging by the record crowds at every auction, that's just fine with local bidders!

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