

Digital Wholesale: Successful Buying and Selling in the Time of COVID-19



Zach Hallowell
VP, Manheim Digital



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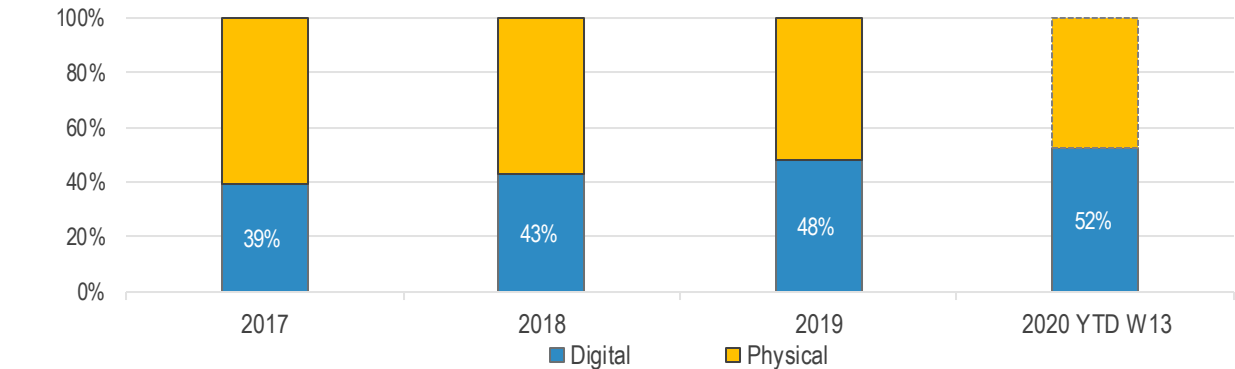
WHOLESALE INSIGHTS FROM THE PANDEMIC



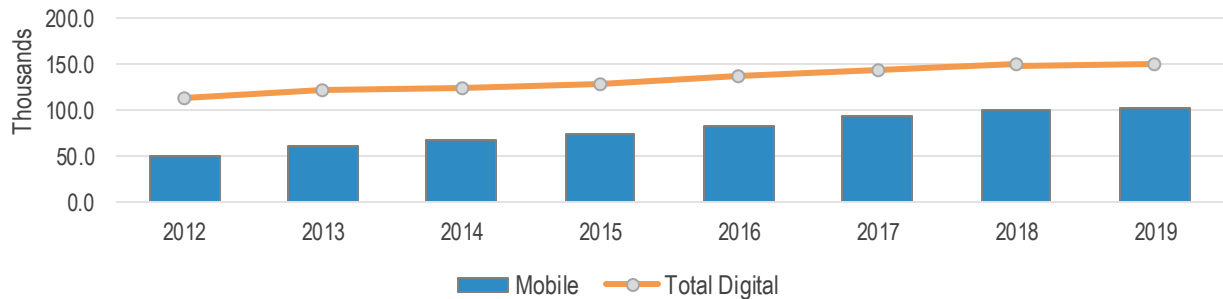
BEFORE COVID-19: THE RISE OF DIGITAL



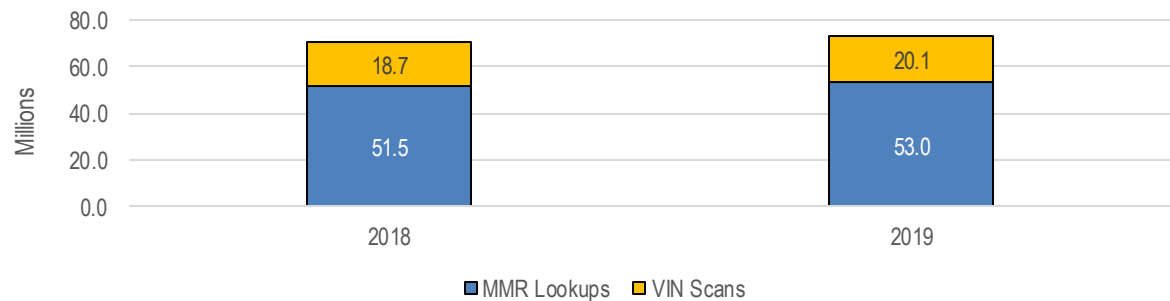
Shift from Physical to Digital Sales



Increased Adoption of Digital Platforms & Mobile Apps



Increased Usage of MMR & Mobile Scans



BEFORE COVID-19: CLIENT SENTIMENT



80%

of dealers have been doing at least some pre-sale research digitally

3/4

say digital tools make it easier to prepare for the auction and enhances their work.

2/3

say digital tools have a positive impact

Dealers Expect Growth Across Various Digital Channels



Dealers expect wholesale digital buying to grow over 30% in the next year.

CURRENT: BUYERS AND SELLERS ARE ADAPTING TO DIGITAL ONLY



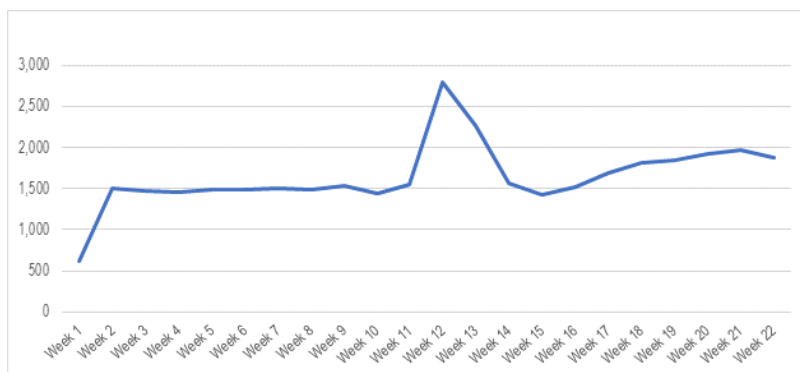
6 in 10 dealers

say that Simulcast is working
as a replacement

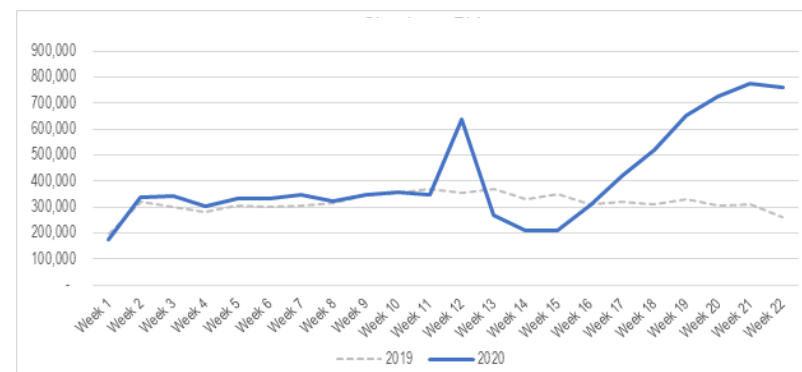
36% of Simulcast buyers

since March 16 were **first-time** buyers
on the platform in 2020

Simulcast Remote Seller Logins



Simulcast Bids



BASED ON YOUR PURCHASE HISTORY  [VIEW ALL >](#)

“

“The system is really easy and I really enjoy it. I'll be honest. I was one of the biggest skeptics against it because I really hadn't tried it and I couldn't get over the idea of bidding online. But since I've done it the last few weeks I do like it.

The more I use it, the more I like it. I like the fact that I do not have to go to the auction. I like the fact that I can still stay at my office and tend to my customers, tend to my day to day operations.

I like the fact that I don't have to worry about getting out infecting anybody or getting sick myself. And now that we can go a day in advance and kind of peek at the auction, I mean, I like everything about it.”

-Manheim Dealer Client

MANHEIM SAN FRANCISCO BAY

1,295 Vehicles | 18 Sales Today | 12 Lanes

SALES

Jan 30 at 12:00pm ET

[INVENTORY](#)

LANES

Lane 3

[JOIN SALE](#)

MANHEIM RIVERSIDE

1,790 Vehicles | 28 Sales Today | 14 Lanes

SALES

Jan 31 at 12:00pm ET

[INVENTORY](#)

LANES

Lane 3

[JOIN SALE](#)

MANHEIM SEATTLE

1,524 Vehicles | 21 Sales Today | 12 Lanes

SALES

Jan 30 at 12:30pm ET

[INVENTORY](#)

LANES

Lane 3

[JOIN SALE](#)

SALE DATE

Jan 30, 2019

32,000 mi / Adj MMR \$15,090 / CR 3.9

Manheim Seattle

Lane 34 / Run 45 / 0d, 8hr, 36m

Sales through Manheim's digital platforms have **grown nearly 50%** since the switch to all-digital.

Digital buyers have **purchased over 1 million cars** through our digital channels this year.

In May 2020, sales on OVE were **up 35% year-over-year**.



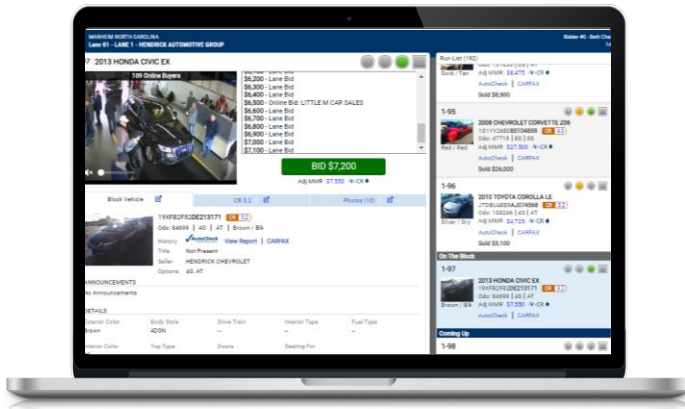
SMART BUYING IN THE DIGITAL MARKETPLACE



HOW TO FIND THE INVENTORY YOU NEED



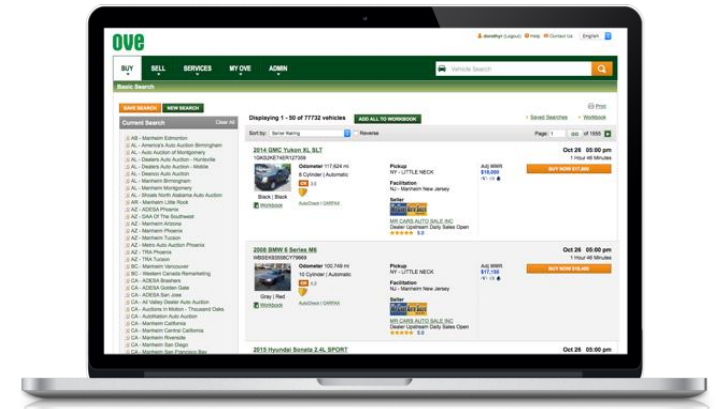
REAL-TIME BIDDING



DEALER CONSIGNMENT APPS



24/7 ONLINE MARKETPLACES



WORKING WITHIN THE MARKET'S CURRENT PRICING DYNAMICS



Fact: Wholesale prices are still down, but retail prices haven't been as affected.

Takeaway: There are lots of opportunity for profit.



Fact: MMR has mostly recovered but is still slightly lower.

Takeaway: You can still buy a little above MMR and have room for profit on the retail side.



Fact: Dollar cost averaging can work in your favor.

Takeaway: Buying more in the down cycle can pay off as values come back.

UNDERSTANDING VEHICLE CONDITION



Condition Reports



Vehicle History Reports



Valuation Guides



Images



AutoGrade



Engine Noise

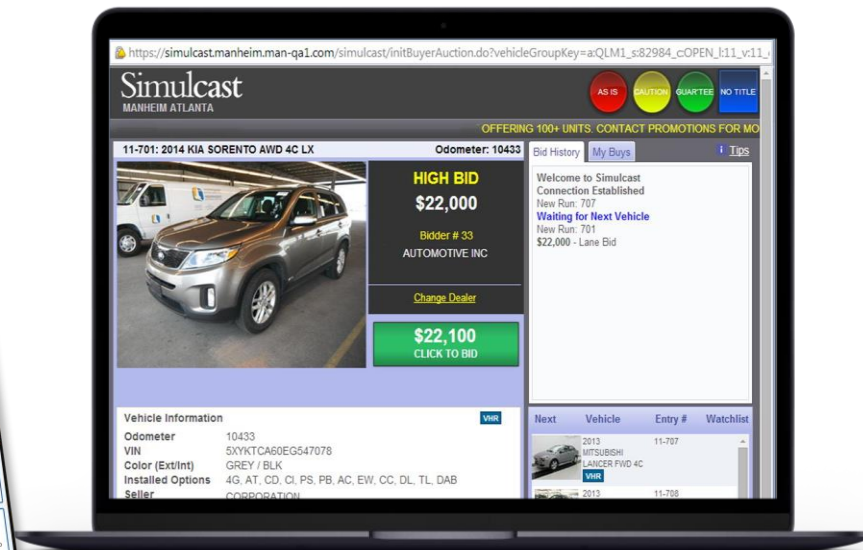
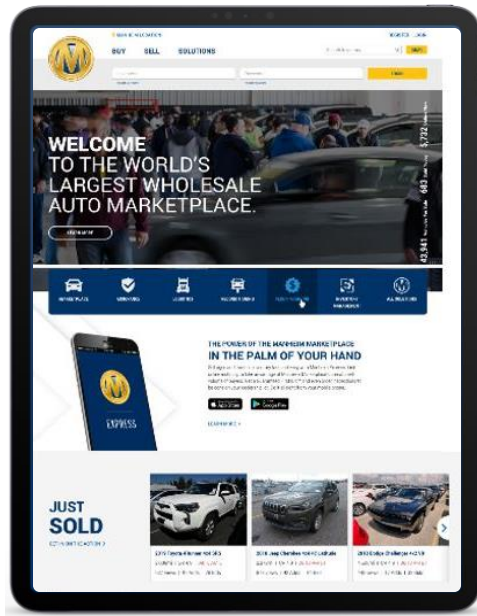


**BUYER
SUCCESS
STORIES**

A close-up photograph of a person's hand holding a smartphone. The screen displays a form with several input fields and buttons. The visible text on the screen includes 'Yes', 'No', 'As Is', 'Prior Paint', 'Frame D', 'Previous Canadian', and 'Continue'. The background is a solid yellow color.

SUCCESSFUL DIGITAL SELLING STRATEGIES

ONSITE VS. OFFSITE: WHICH WORKS BEST FOR YOUR INVENTORY?



ONSITE WHOLESALE: SEEDING INVENTORY FOR SUCCESS



OFFSITE WHOLESALE: MANAGING INSPECTIONS



Self-Serve vs Concierge



ENGAGING IN THE AUCTION AS A SELLER



RT LAUDERDALE | Lane 3 - DEALER CONSIGNMENT

Bidder #3 - Shannon Rowe
5289384 - Best Metro Auto Inc. Fort Laderdale, FL

HONDA ODYSSEY TOUR ELITE 4X4 PLATINUM

23 online buyers

\$1,800 - Online Bid: MOTORSPORTS
IF Sale - \$1,800 Online Bid: \$1,600 -
Online Bid: MOTORSPORTS LLC

New Run: 5
This vehicle is on your watch list
Light status changed
Ask ... \$2,000
\$2,000 - Lane Bid
\$2,200 - Lane Bid
Your Proxy \$2,000

BID \$2,100

Adj MMR \$2,300 CR

Vehicle CR 1.7 Photos (8)

5FNRL387X5B084516 CR 1.7 DE WS

139,310 mi | 6 Cyl | Auto | Red / Tan

HISTORY ✓ AutoCheck View Report CARFAX

TITLE Present

SELLER NICA MOTORS INC

OPTIONS 4G, AT, CD, CI, PS, AC, EW, CC, DL, TL, DAB

• Heated Front Seats
• Power Driver Seat

Run List (123)

Off The Block

3-1 2007 CHEVROLET TRAILBLAZER
WP0AA2A70BL012451
Blue/Tan
Sold \$4,600

3-2 1999 CHEVROLET 1500 4X2
REG SILVERADO
1GCEC14V9XZ178343 CR
Red/Black
139,990 mi | 6 cyl | Auto
Adj MMR \$3,750 CR
AutoCheck Accidents 0 | CR
No Sale

3-3 2009 NISSAN SENTRA
SEDAN CVT
ZAM45VMA8E00879
White/Tan
You purchased for

On The Block

3-4 2005 HONDA ODYSSEY
5FNRL387X5B0
139,310 mi | 6
Red/Tan
Adj MMR \$2,300
AutoCheck

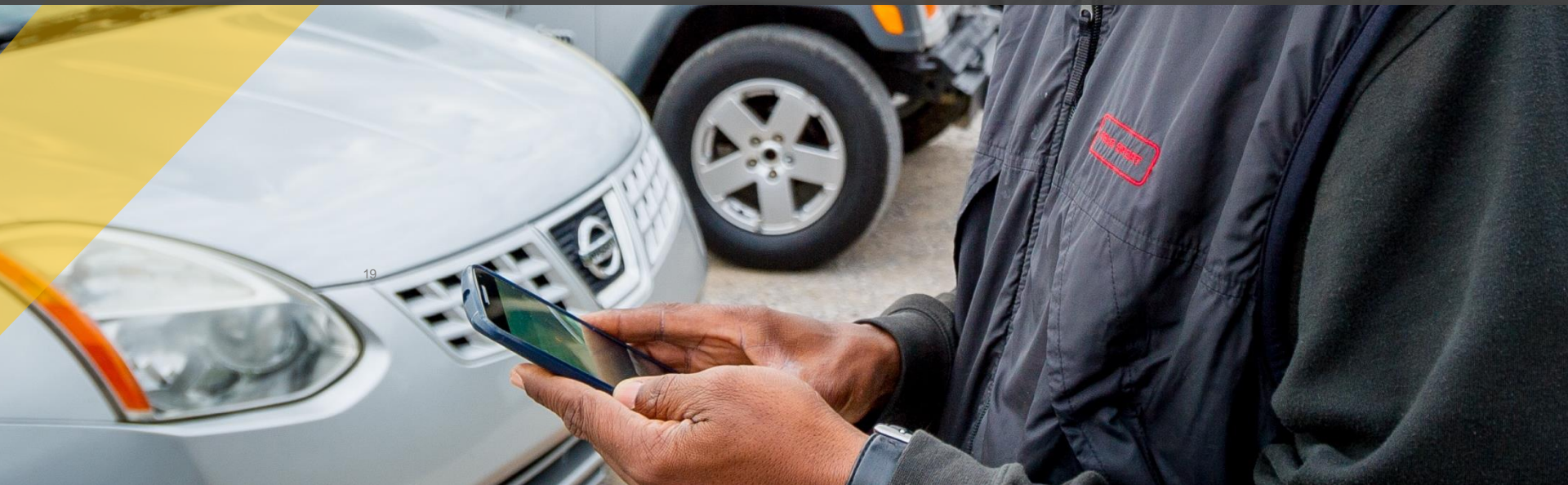




Seller
SUCCESS
STORIES



CHANGES ON THE HORIZON





WHAT'S NEXT FOR WHOLESALE?

Wholesale will remain heavily digital for the foreseeable future.

We're going all-in on imaging.

New technologies will make it easier to locate and preview inventory.

Lot access and in-lane bidding are contingent on safety first.

Thank you!



Zach Hallowell
VP, Manheim Digital



COX AUTOMOTIVE™

