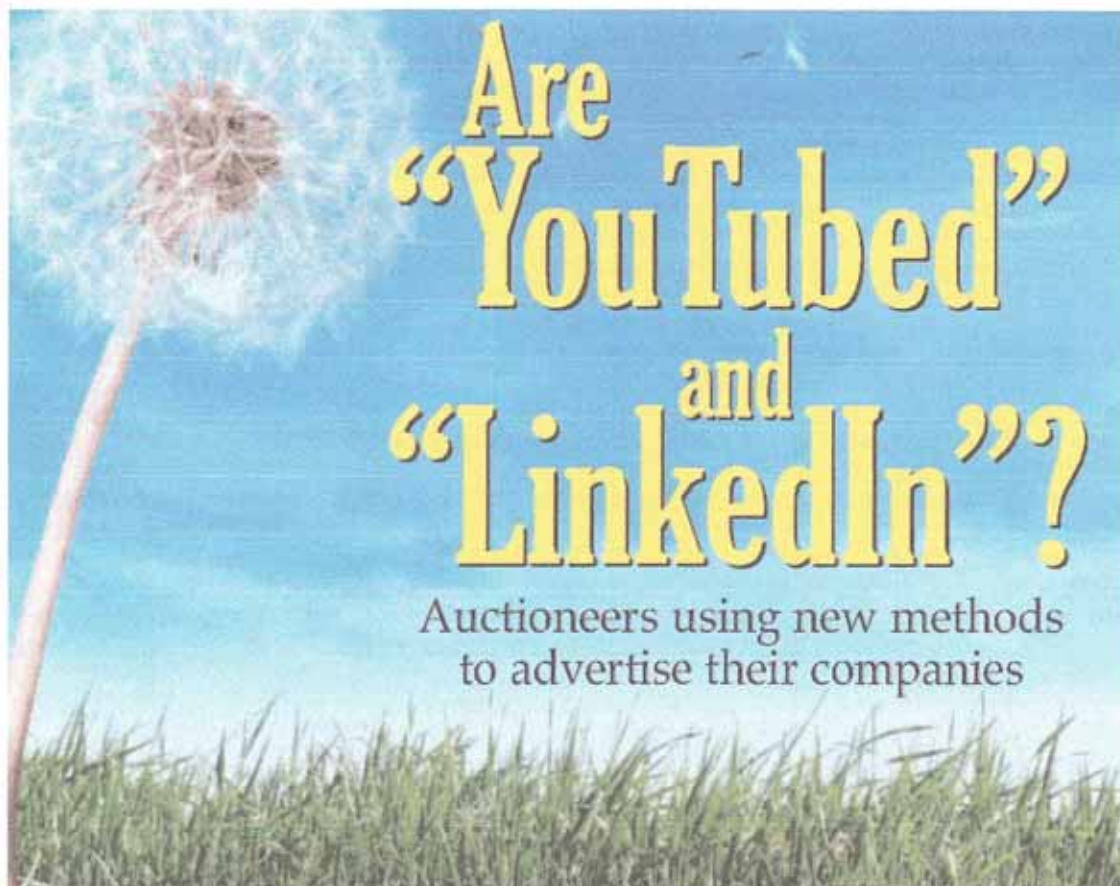


cover story



By Ed Ritchie

Auctioneers are finding new marketing opportunities on the latest phenomenon to hit the Internet: YouTube and MySpace. YouTube.com is an online video community that allows people to easily upload and share videos. MySpace.com is a social networking website offering an interactive, user-submitted network of friends, personal profiles, blogs, groups, photos, music, etc.

These websites give users a forum or, in many cases, a stage, to present videos and images, along with information about themselves. Millions of viewers visit and browse such sites daily, and they are generally grouped under the "social network" buzz word. Not surprisingly, Auctioneers are taking notice, and taking advantage of this new tool by integrating it

into their websites and marketing activities.

Luxury home Auctioneer Nicholas Varnos has posted videos of his auctions to both YouTube and MySpace. Varnos is a partner in Exclusively Auctions, Lake Tahoe, NV. With more than 20 years in various auction and real estate arenas, Varnos has seen many changes, but he finds that social networking websites have put a whole new spin on marketing. "I get calls spontaneously from people out of the blue and I don't know how they find us on YouTube, but they do," says Varnos.

What these people find are videos of auctions that show Varnos and his team at their best, selling million dollar estates in a matter of minutes, followed with interviews of buyers, sellers, and auction attendees that just came to see if the event

was truly an absolute auction where a million dollar estate might sell for a lesser price. These videos are also available at www.exclusivelyauctions.com, and examples include a seven minute clip of a Florida waterfront \$15 million auction, and a two minute \$2.3 million auction of a home in Mesa, AZ.

Varnos believes that Auctioneers have to follow the buzz if they want to maintain their customers, and attract younger buyers and sellers. "The Internet is a fairly dynamic place and it changes a lot," Varnos explains. "A number of years ago I could put a classified ad on CompuServe and I could sell things like crazy. Then it faded away and along came eBay. I used to be able to buy and sell things on eBay regularly. Then eBay became somewhat fallow, and I tried Craigslist, and though it has some drawbacks it still works. This

shows me that people follow fads on the Internet so you have to be aware of where you should be selling. YouTube and MySpace are the newest hot spots."

Some of the calls Varnos gets from YouTube referrals aren't necessarily because the customer has a need, but many times they're interested in the real-estate market and don't know what to do and where to go. Maybe they will be future customers, or in the case of a buyer located in Milan, Italy, they could bring millions of dollars worth of business to Exclusively Auctions. Considering the fact that creating a profile and posting videos is free for YouTube and MySpace members, Varnos considers the results worth the efforts, and he adds that it's worth spending money on the video production costs to have higher quality and impact. However, there are ways to keep the budget low.

POST VIDEO AND PROFILES ON WEBSITES

Deb Weidenhamer, president of Auction Systems Auctioneers and Appraisers, Phoenix, AZ, suggests buying a Flip video camera (www.theflip.com), a device that retails for about \$100, and makes video simple to shoot and download to computers, or upload to YouTube and other websites. "You can also send it to a customer and have them do a testimonial, or walk around an auction site and preview the merchandise with it," says Weidenhamer.

The Auction Systems website has video and other content promoting the company, and Weidenhamer has placed profiles for the company's auctions on social network sites including YouTube, MySpace, and Facebook.com, plus business network sites including LinkedIn.com, and AuctionNetwork.com. LinkedIn is an online network of more than 20 million professionals from around the world, representing 150 industries. Members create a profile that summarizes their professional accomplishments and helps to find and be found by former colleagues, clients, and partners. More connections are possible by inviting trusted contacts to join LinkedIn. "LinkedIn has some pretty aggressive data management so you can import your database and it will send your contacts a confirmation query and ask them to join," notes Weidenhamer. "It keeps your database current." (Tools for managing databases and large email lists are getting easier to use, see the sidebar to this cover story.)

The Auction Network provides live auction and interactive programming 24/7. It's basically an Internet-delivered "television" channel that includes both a full-time, real-time feed of set-schedule programming as well as additional content on demand. Consumer interfaces with auctions and auction companies promote auctions from around the world, and allow buying online, on location or via mobile devices. The interactive environment allows users to watch others bid live or join live auction bidding interactively.

Whether it's social or business networking, such websites are the wave of the future, especially if you want to attract a younger generation of customers, according to Jay Sugarman, owner of Sugarman Auctions, Miami, FL. Sugarman conducts three to eight personal property auctions per week and has posted videos of auctions to both YouTube and MySpace.

"Moving to YouTube is part and parcel of the times and you have to join in," says Sugarman. "I would say that based on the type of personal property and inventories we sell, all of these things would attract the up and comers and the yuppie crowd." Sugarman has hired a staff that is very Internet conscious, and his website generates between 7,000 to 10,000 hits per week.

Another benefit of YouTube is the ability to be proactive, rather than wait for people to contact you. Don Barrett, technical director of Roebuck Auctions, a real estate Auctioneer based in Memphis, TN, notes that members join groups and he can have people that are searching for auctions join Roebuck's group. When Roebuck puts up a new video he notifies his group members. YouTube also gives Barrett a database composed of people that are interested in auctions.

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A primer on email marketing

Many Auctioneers such as Schrader Auctions rely on email to communicate with their customers and grow their market. If you visit www.schraderauctions.com, one of the first things you'll notice is the email list invitation in the upper left corner of the home page. Click on the link and fill out some information and you have just become a member, or "opted in" to Schrader's email database.

A good way to learn about the power of emailing and databases can be found at most any email service provider. For example, a Google search of "email response" found a listing for www.getresponse.com, and the company's website makes it easy to learn about the technology. Subjects include: turn-key email marketing service, autoresponders, conversion tracking and email deliverability.

When you opt-in to Get Response's mailing list you'll immediately find a response from the company in your email. It's a great example of an autoresponder, which is much like a fax-on-demand system, but instead you fill out a form on a website or do something, like buying something online and get an instant reply. At that point, Get Response offers free lessons in getting the most from your email database.

For other email resources see:

www.constantcontact.com (mentioned in article)

www.verticalresponse.com. Email Marketing, Surveys and Postcards. Easy web-based marketing tool that helps you grow your business through email marketing newsletters, online surveys and direct mail postcards.

www.contactpro.com. Email marketing newsletter software solution. Create eye-catching HTML newsletters and flyers in minutes. Free account. 100 contacts, unlimited deliveries.

www.kcontact.com. Email marketing & surveying software that makes it easy to create, send, and track email newsletters, surveys, and autoresponders.

www.en.wikipedia.org/wiki/Email_marketing.

Wikipedia, the free encyclopedia article about email marketing, including advantages and disadvantages, along with a glossary of industry terms.

www.streamsend.com. Email marketing tool and bulk email marketing strategies.



Auctioneer Nicholas Vezar describes auctions on YouTube.

STANDING OUT FROM THE CROWD

Of course, a free service that can find people interested in auctions would satisfy most Auctioneers, but what about using social network websites to create a competitive advantage? For April Brown, founder of April Brown Auction Service, Seattle, WA, YouTube is the ideal forum for differentiating herself as an expert in fundraising auctions for non-profit organizations. Until recently she depended on word-of-mouth but growing competition motivated her to make a change. "Marketing is important because in my area there are probably 400 auctioneers and least 100 of them call themselves charity Auctioneers," says Brown. "So I had to do something to set myself apart."

A visit to www.aprilbrown.com and a mouse click on the link to YouTube at the bottom of the home page gives an example of the impact of a simple video, and watching Brown get a \$19,000 bid for the privilege of naming a rowboat demonstrates the saying about a picture being worth a thousand words. Brown notes that the camera work on her video varies in quality, yet it instantly establishes her credibility as an Auctioneer that works in the \$100,000 plus arena with high profile non-profits.

CREATIVE ANSWERS TO TV PRODUCTION COSTS

Other than paying somebody to push the record button on a video camera, efforts like Brown's YouTube videos can be done very economically. However Brown has become an avid believer in videos and has partnered with a production company to produce a television show airing on Reeltr.com and on community and public access stations typically served by cable. Such a project

could be expensive, but Brown has found a way to cover the costs by having both Internet and local sponsorships. "Although you usually can't do advertising on community television I will work clients into my show," Brown explains. "For example, one of my shows is about how businesses can contribute to nonprofits for greater visibility and brand. I have set up an interview with Tillicum Village, a great tourist place in Seattle, and they donated 1,500 scarves for their tourist attraction. I will interview them on my show, and though they can't advertise, I am charging them to be on it." In return, Tillicum can use the video on their website or send them out to their clients or distribute them to potential donors. Brown also helped Tillicum put together an automated response system for the Internet.

YOUR OWN RADIO STATION

Deb Weidenhamer likes www.auctionnetwork.com as a host for her videos. And thanks to the Internet, she has found a way to offer music as a personal touch for her customers. Weidenhamer has developed a radio station accessible from her company's website:

www.auctionandappraise.com. "We have adult contemporary music that runs when we aren't broadcasting our auctions," says Weidenhamer.

"There are also commercials about upcoming auctions and we run different talk shows such as Collector's Corner and real-estate topics. We find that a lot of people come to the website and log on to the radio station, though they migrate away from the website to visit other sites, for two hours we are sending them a commercial every fifteen minutes."

Because of the royalties paid for the music, plus the initial set up fees, Weidenhamer says the cost is about \$4,000 per month. However, she tracks the usage and on average has about 187 listeners in a given hour. Those listeners are apt to hear from Weidenhamer's company in many other ways that are even more personal.

The company subcontracts with a telemarketing firm to make phone calls alerting buyers to corporate auctions. As with many Auctioneers, emailings are used regularly. Weidenhamer typically uses providers such as Constant Contact (www.constantcontact.com) a company offering "Email marketing software that makes it easy to create professional HTML email campaigns with no tech skills." The company has a 60-Day free trial for their product. "Without using a national email company you're preventing a campaign from working well because there are too many spam filters out there," says Weidenhamer.

MAXIMIZING SEARCH ENGINE RANKINGS

Weidenhamer believes in the power of search engines such as Google, to drive business to her website, and she contracts with a

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search engine optimization service. "They are expensive but since we've cut back on other advertising we moved our budget to these kinds of Internet services." Weidenhamer likes the fact that search engine optimization can find appropriate websites to link with so her company can raise its ranking when searches are made for auctions.

"So many people in this industry still don't have a website other than a single page or 'about us' info page and that's great and they should make sure they are on the NAA site," says Weidenhamer. "But how you get noticed is through the quantity of sites you have linked to you. You might be the only auction in Boise, Idaho but if you go in to a search engine and put 'auction Boise' you might not come up for 45 pages because so many other companies have Boise, Idaho such as eBay. That's one of the ways you move up in the world is to link with other like-minded sites."

Weidenhamer mentioned cutting back on some of her other advertising, but other Auctioneers interviewed for this article have differing opinions on some of the more traditional media choices. Jay Sugarman's company sends out a maximum of 22,000 faxes for every sale as well as 8000 e-mails. "We do what we have to do to keep on drawing crowds," says Sugarman. That includes a strong presence in all local newspapers in South Florida, Miami, Fort Lauderdale and Palm Beach. Sugarman's website gets between 7,000 and 10,000 hits every week and he credits a multimedia approach for driving customers to www.jaysugarman.com. "We typically have between five to fifteen auctions listed on the web site," notes Sugarman. "So when people are looking for something specific in newspaper or Myspace, they will see everything else that's scheduled and it all feeds off of each other."

TRADITIONAL SOURCES STILL HAVE VALUABLE USES

Sugarman's approach to newspapers differs from that of Terry Moore, advertising manager for James G. Murphy Co Inc, based in Edmonds, WA. "Here in Seattle the *Seattle Times* and *Seattle Post-Intelligencer* have websites and we use sections of the online space for some of our consignment auctions," says Moore. "The circulation of newspapers seems to be decreasing steadily so online is another avenue to go for us." Moore still finds trade publications to be a valuable resource and he now takes advantage of their online advertising with banner ads, while maintaining a presence in the publication's printed version on a case by case basis.

Radio offers another good venue for consignment and Moore typically runs a radio blitz three days before an auction on four to five different stations. "We have had some success with cable advertising but primarily will use it to promote the high public appeal items such as collector cars or those seized by law enforcement," Moore adds. "The last time we used television was about a year ago but we haven't had anything that I've felt worthy of it."

Depending on the market, billboards can have high impact. Weston Sigler, graphics department manager at Schrader Real Estate and Auction Company, Inc., Columbia, IN, reports that signs and billboards along the road are the biggest drawing factors followed by newspaper and word-of-mouth. "We deal in a specific market that's mostly agricultural land and some timberland and some recreational properties, but were not into the high end homes," says Sigler. "So 90 percent of our buyers come at from a 30 or 40 mile radius of the property being sold."

Traditional media such as radio, TV, newspapers and trade publications are all taxing on a marketing budget, however, creative Auctioneers are still finding ways to do get the word out without spending a lot of money.

Aside from the social networking sites, one free Internet opportunity is to advertise on www.craigslist.org.

CRAIGSLIST.ORG

Weidenhamer uses Craigslist for specific products and to find employees. She likes it for promoting products scheduled for auction, but advises Auctioneers to avoid using the word "auction" because Craigslist was intended to offer specific products at a fixed price. If Weidenhamer is doing a car auction she puts a listing for each car and sales information, but no description of the sale as an auction.

Another low budget method of marketing is to speak before groups, or at conferences and trade shows. Weidenhamer speaks an average of three times per month. Attending such events is an ongoing policy for Schrader Real Estate and Auction Company. "We went to Las Vegas two years ago to meet with a large group of accountants that held farm accounts," recalls Sigler. "We educated them on multi-track auctions and how auctions can fit into a portfolio for somebody that wants to sell land. That has yielded numerous auction accounts."

Speaking before groups is part of a larger public relations plan for the Schrader Company. Other activities include press releases before and after auction, and a quarterly overview of the land market. "Rex Schrader will write an overview of how land prices are doing and we send them to the agricultural papers," explains Sigler. "We draw on historical data to inform the papers about us being the 'go to' people when it comes to land prices and how it's affecting the economy now and in the past."

Thanks to the quarterly reports, local editors call to get land market updates. "They ask about real-estate prices and it helps us foster those relationships so we can get more coverage and quoted more in certain publications," says Sigler. "Of course most of that is free exposure for us and that's the great thing about public relations. It may take extra time to create materials but when they get published it's a big boost."

PERSONAL INVITATIONS

Roebuck Auctions, has developed some effective and low-cost marketing methods for building relationships with clients. "We do phone calls but it's not like telemarketing," says George Bryant, vice-president of marketing. "We know about key buyers in certain markets and we will personally call them to invite them to an auction. That involves keeping good data and records and we try to do a better job on keeping records of the people who attend our auctions and what kind it was so they will be invited to similar ones." Another way that Roebuck gets personal with customers is to hold seminars on how to buy at auction.

All told, these examples of creative marketing show that getting personal with customers is more than possible with a range of low-cost methods: from joining social networking websites to simple phone calls. Many Auctioneers are shifting away from some areas of the media, such as newspaper, but the new marketing venues continue to appear, and all of the Auctioneers interviewed here agreed that it's a challenge to keep up with new technology and marketing opportunities. Nonetheless, as Nicholas Varzos discovered with his client from Milan, Italy, keeping up can get your company noticed by a customer from somewhere totally unexpected. So the reward potential is waiting. Isn't it time to employ some of these methods and make a visit to YouTube and MySpace to see how Auctioneers are tapping this new medium?

Feature business writer Ed Buhle lives in Buffalo, NY.